ASPEN GROUP

Sustained Resilience

Annual Report 2022

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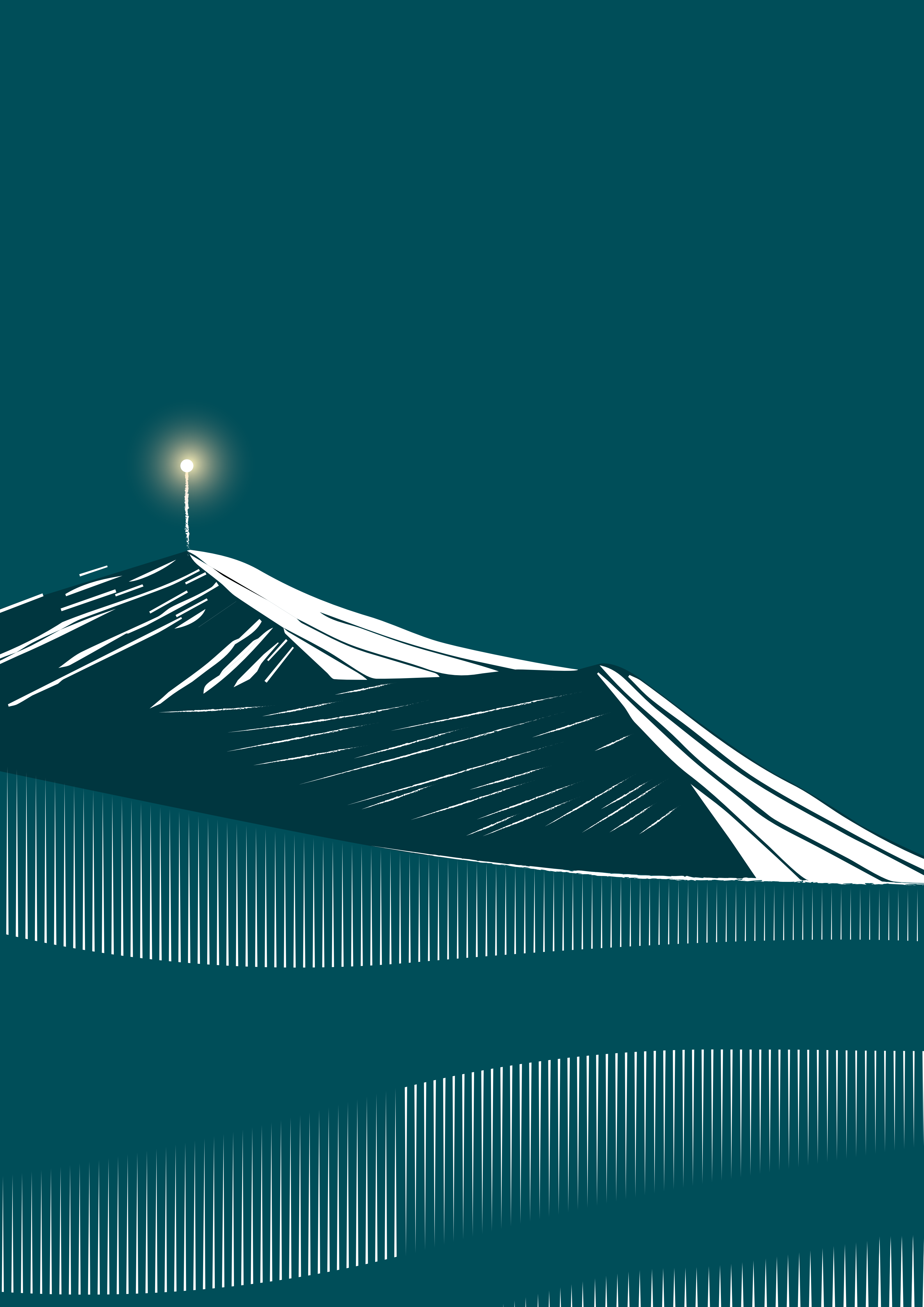


CHAPTER 1

Vision & Mission

VISION

Grow global. Stay agile.

MISSION

Accelerate our scalable journey towards globalisation with excellent corporate governance, sustainable environmental stewardship, empowered social inclusion and disruptive digital transformation.

Core Values

These values define our culture, guide the way we treat each other, and how we run our business.

In Aspen, we live by these core values, which enable us to focus on creating innovative products, making ethical decisions, building relationships, and taking accountability for our actions.

BE A CATALYST FOR POSITIVE CHANGE

Our benchmark is to deliver products that elevate the standard of living. Before we embark on any work, we challenge ourselves with the question, "Will our actions spark positive change by making life better for people?". Every plan is thought through in detail and measured against this benchmark before proceeding. To be a catalyst for positive change is the mantra that shapes our attitude towards work and the way we relate to one another.

BUILD ON RELATIONSHIPS

We are committed to fostering open communication and acting with integrity in all our relationships. With every service we provide, every business partner and vendor we do business with, every Aspenian and with people we have yet to meet, we strive to ensure every interaction builds into being a loyal, long-term relationship that is mutually beneficial.

COLLABORATE TO INNOVATE

Our business model is to deliver best-in-value solutions and services through new opportunities, smart ideas and strategic collaborations. To achieve our business model we innovate to breathe new life into what we have to work with and we encourage Aspenians to be innovative thinkers who challenge and redefine the status quo. This mentality, together with our business model, is the blueprint upon which we build our organisation and nurture our people.

BE COMMUNITY-CONSCIOUS

As a Group with diversified business interests and an expanding presence, everything we do has an impact on the communities we serve, locally and globally. We are in a unique position where we can think and act holistically, and our Corporate Conscience Programme gives Aspenians the opportunity to reach out to the less fortunate and those who are in need of a helping hand. We organise activities that are relevant and intentional through charitable campaigns, educational activities, contributions as well as environmental and socio-cultural programmes.

Message from the President & Group Chief Executive Officer

Dear Valued Shareholders, Customers, Partners and Co-workers,

This past year centred around resilience for us collectively as a Group. I have had the privilege to see 'resilience' in action in our people who remained focused on their roles and motivated to achieve the objectives of the Group. We had continued navigating the challenges that have arisen due to the continued impact of the COVID-19 pandemic which disrupted the global supply chain and business activities, along with rising global inflation, as well as subdued economic and volatile market conditions.

In the midst of all these, we have been hard at work mapping out short to long-term business strategies and business continuity plans to not only weather the storms but to accelerate our growth and seize opportunities to get our business back into 'advance mode'.

As I reflect on this financial year which has been the most challenging for the Group thus far, our well-intentioned and much-anticipated business strategies were affected by global factors and sentiments that were far beyond our control. The healthcare sector that we expected to contribute positively to the Group took a severe hit when the demand for gloves experienced an off-the-cliff plunge worldwide. We were caught off-guard by an onslaught of issues ranging from lower average selling price ("ASP") and significant increase in operating costs. Collectively, its impact on the Group's operating cashflow was severe to say the least.

This was a global phenomenon that none could have anticipated, and we went to great lengths to strategise and manoeuvre around the challenges in an effort to turn the situation around. After exhausting all possible means we have made the difficult but crucial decision to dispose of the healthcare sector's assets. We are hopeful, and expect these decisions to significantly improve the operating liquidity position of the Group.

On a parallel track, the Group's property sector has experienced a revival with an overwhelming surge in sales post Movement Control Orders ("MCO"), and since we entered the endemic. While this is encouraging on one hand, the industry is still experiencing severe supply chain issues and an acute shortage of labour. This impacts the Group's ability to carry out construction activities according to stringent plans and schedules. The resulting delays have had a significant effect on our operating cashflow.

We are approaching the coming year with caution and bracing ourselves, as we expect it to bring its fair share of challenges including the possibility of heightened inflationary risk and a potential global recession.

The Group will focus on better managing the cashflow, reducing operating costs, improving efficiencies and reducing its short and medium-term debts. We believe these will serve us well in mitigating risks in the event of a global recession and put the Group in a better position moving forward.

One of the Group's fulfilment this past year is in seeing our efforts pay off in the flourishing of Aspen Vision City ("AVC"), our flagship development in Batu Kawan, Penang. As envisioned, AVC has become an engine of growth for the Northern region, especially this past year since we entered the endemic. We have seen an upsurge in social and retail activities in our commercial precinct, Vervea. This has led us to secure a multitude of global and local tenants who see the potential of establishing their presence in AVC.

With the scaling down of our healthcare sector, we are realigning our focus once again on our core business which is the property sector. To drive growth we are fortifying our efforts to source for, and acquire new land banks and establish joint ventures, with a focus on the Northern region of Malaysia.

Another key area we have been focussing on is anticipating customer preferences and lifestyle trends. By identifying and taking cognisance of the shifts in customer behaviour and mindsets, we have become more agile and flexible. It is clear to me that the younger generation is not only invested in improving the quality of their personal lives but is also conscious of their impact on the environment.

This gives me the impetus to continue building on our environmental, social and governance ("ESG") agenda as I believe future opportunities are focussed around this. The Group has been progressive in this area, as we are working on transitioning our projects to be ESG compliant in ways that matter. All our future projects right from the conceptualisation will be ESG conscious and compliant to progressively adapt to changing market dynamics and minimise environmental impact.

It is fair to say that the financial year tested us like never before. Despite all that, what we have achieved in the past year, by diligently and collectively working through a complex and rapidly changing environment to maintain productivity and continue to deliver on our goals, is extraordinary. We are innovating in the way we think, act and perform in our respective areas and moving purposefully forward to create value and build a better future for our customers and communities.

The world is becoming more complex and competitive at a faster turnaround time. While we expect a rebound in economic activity eventually, this is likely to take time. Rather than being deterred by all these, we at Aspen Group are determined to view all challenges through a positive lens.

In our sustained resilience over the past year, we have learned to harness our efforts and focus our strategies on where we can win. Initiatives are underway which we believe will unlock value, position the Group to grow and provide increased opportunities for our team. We are confident that once we come through these challenges, we will be on the right path to improve returns over the long term and deliver our best to all our stakeholders.

Business Review of FY2022

The Group recorded a revenue of RM379.6 million and a gross profit of RM29.2 million for eighteen months period ended 30 June 2022. This represents an increase of 34% and a decrease of 65% respectively as compared to the twelve months ended 31 December 2020. The lower gross profit was mainly due to the sales mix from the property development segment and the margin compression resulting from a severe drop in ASP from the healthcare segment.

The Group's revenue was primarily contributed by the property development segment amounting to RM340.1 million, which is from progressive construction and from the Group's ongoing projects namely Vivo Executive Apartment and Viluxe Phase 1, and new sales from completed projects, namely Vertu Resort and Beacon Executive Suites. The property development segment's revenue increased significantly due to an improvement in the take-up rate as economic sectors started opening up due to better control of the Covid-19 pandemic.

On the other hand, the healthcare segment faced margin compression from the impact of an acute drop in demand and ASP normalisation. This was made even more challenging by a surge in production costs due to global supply chain challenges and inflation. Hence, the healthcare segment only contributed revenue of RM27.0 million, representing 7% of the Group's revenue.

The Group's results for 18 months ended 30 June 2022 recorded a loss after tax of RM213.1 million compared to profits after tax for 12 months ended 31 December 2020 of RM75.8 million. This was mainly due to the losses suffered by the healthcare segment, impairment loss of machinery on glove manufacturing amounting to RM72.2 million and impairment loss on factory building amounting to RM26.2 million. Both these impairment losses were incurred as a result of scaling down the operation of the healthcare segment.

This was further compounded by the losses resulting from the disposal of an associate company amounting to RM16.9 million. However, the Group recorded a gain from the disposal of another associate company, amounting to RM6.2 million which was recorded in other income.

Business Plans

The take-up rate of the Group's development projects had significantly improved as the economic activity continued to normalise with the easing of the Covid-19 containment measures in Malaysia. To capitalise on the growing demand, the Group will focus on its flagship development Aspen Vision City ("AVC") at Batu Kawan. The Group intends to launch three new projects with an estimated total GDV of RM725 million, namely Versa, VIIO and Viluxe Phase 2 and Phase 3, catering to a wide spectrum of the community. The Group will also continue to adopt a strategic and prudent approach to focus on developing affordably priced products. The Group expects to obtain the Certificate of Completion and Compliance ("CCC") for its ongoing premium landed residence, Viluxe Phase 1 in 2023, and deliver vacant possession to purchasers.

Amidst the challenging climate and all the headwinds that the Group faced in the healthcare sector, the Group had significantly scaled down its glove manufacturing operation. AGSB will adopt an asset-light business model which will confer greater flexibility, reduce operational costs and risk, and focus on value creation.

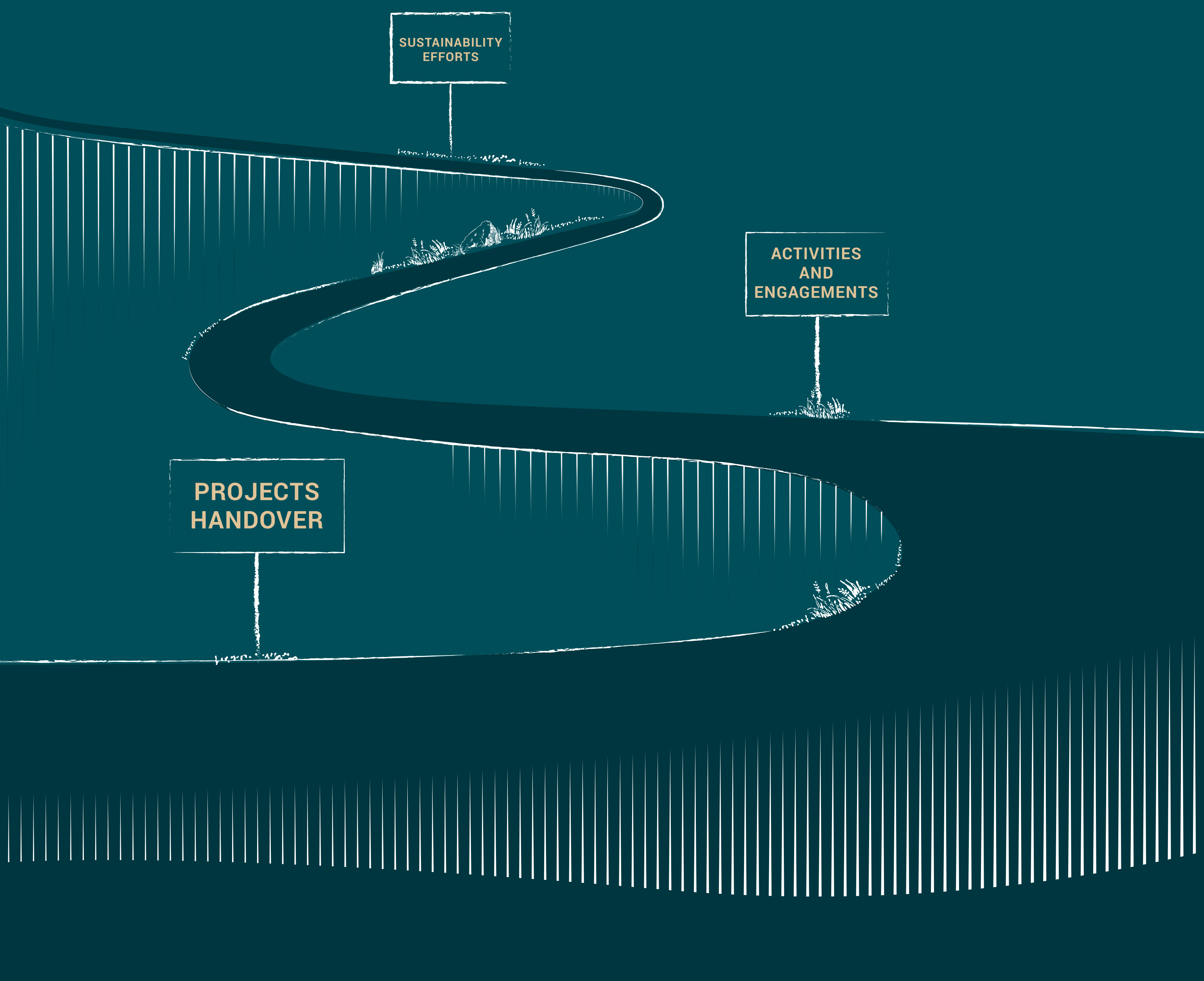
As for the food & beverage sector, the easing of Covid-19 containment measures and re-opening of the Singapore border has tremendously improved the sales of Kanada-Ya outlets. Marketing activities are fully activated to tap into the resurrection of the after-pandemic Singapore economy. Singapore has eased most of its Covid-19 local and travel restrictions since early 2022, and this has tremendously supported and improved the city's economic recovery. Currently, Kanada-Ya has opened 5 outlets in strategic locations at Payar Lebar Quarter, Marina Square, Paragon Orchard, Century Square and JEM, Singapore.

With the divestment of the Group's non-core assets and the realisation of unbilled sales from the property development segment, the Group's financial position will be improved and better structured moving forward. The Group remains cautious and expects the business 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 coming year whilst consolidating its market position and strengthening its competitive edge to seize opportunities that may emerge when the situation improves.

A Note of Thanks

While this year has brought us unprecedented challenges, it has also proven the resilience of our business, the strength of our culture and the commitment of our team to remain resolute, step up and continue to deliver. I would like to extend my gratitude to the Board for their expertise and guidance, everyone in AG for their passion and energy, and our customers, financiers, shareholders and business associates for your unwavering support and ongoing trust.

Dato' M. Murly
President & Group Chief Executive Officer


SUSTAINABILITY EFFORTS
ACTIVITIES AND ENGAGEMENTS
PROJECTS HANDOVER

CHAPTER 2

Financial Highlights

	FY2017	FY2018	FY2019	FY2020	FY2022 (18 months)
Revenue (RM'000)	453,073	569,973	287,936	282,832	379,550
Gross Profit (RM'000)	176,820	122,436	98,137	83,402	29,241
GP Margin (%)	39.03	21.48	34.08	29.49	7.70
(Loss)/Profit attributable to equity holders (RM'000)	82,140	55,249	18,678	72,731	(180,145)
Total assets (RM'000)	757,331	955,958	1,362,416	1,569,690	1,509,389
Total liabilities (RM'000)	460,372	526,872	891,132	941,631	1,067,025
Shareholders' fund (RM'000)	281,250	405,394	415,573	566,283	386,257
Cash position (RM'000)	139,988	154,232	60,540	83,788	26,687
Return on equity (%)	29.21	13.63	4.49	12.84	(46.64)
Earnings per share (RM cents)	10.70	5.97	1.94	7.30	(16.63)
Net asset per share (RM cents)	32.45	42.07	42.97	56.83	35.66

A Resilient Portfolio

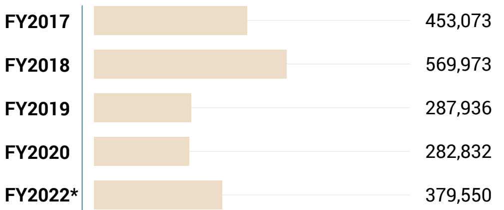
REVENUE

RM 379.6m

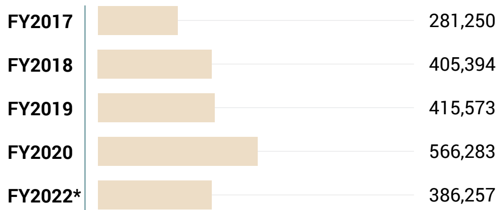
NET ASSET PER SHARE

RM 35.66

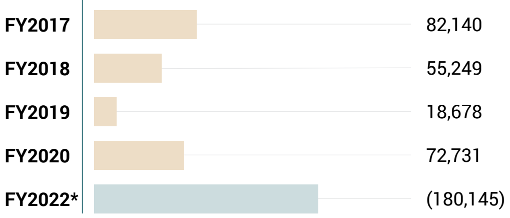
Revenue *(RM'000)*



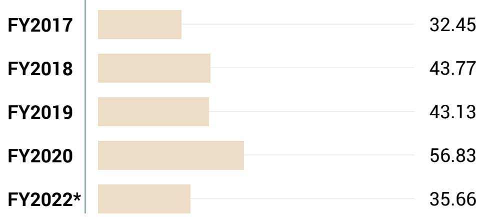
Shareholders' Fund *(RM'000)*



Net Profit Attributable to Shareholders *(RM'000)*



Net Asset per Share *(RM cents)*



* 18 months ended 30 June 2022

Corporate Milestones

APRIL 2021

COMPLETION OF VERTU RESORT

Despite the challenges of the COVID-19 outbreak, Aspen Group remained strong and determined to achieve the completion of its first residential development in Aspen Vision City, Vertu Resort. This resort-inspired high-rise boasts 200,000 sq. ft. of facilities floors and other on-demand services within the premises. Vertu Resort was completed and keys were handed over to the grateful and excited homeowners in stages to adhere to the SOP that was imposed by the local authorities during the MCO period.

MAY 2021

COMPLETION OF BEACON EXECUTIVE SUITES

Following completion of Vertu Resort in April 2021, another spectacular achievement for Aspen Group was the completion and handover of the much anticipated Beacon Executive Suites within the same year. Beacon Executive Suites is a sophisticated SoHo residence that is designed with practicality in mind to fulfil modern lifestyle needs. The residence is conveniently located in the heart of Georgetown, Penang.

AUGUST 2021

LAUNCH OF NATIONWIDE VAX-TO-WIN CAMPAIGN

Aspen Group launched the Vax-to-Win Nationwide Campaign to bring a bright spark of hope to the people who were just emerging from lockdowns into a period of uncertainties. It was also to encourage COVID-19 vaccinations among Malaysians in line with the Government's call. Fully-vaccinated Malaysians were given a chance to win Aspen Group's properties as well as 28 IKEA gift cards by participating in the campaign.

2021 & 2022

KANADA-YA OPENS NEW OUTLETS IN SINGAPORE

Due to the overwhelming response, the Company's subsidiary, Kanada-Ya Restaurants Pte. Ltd, opened a new outlet at Century Square, Tampines, Singapore in September 2021 and another new outlet at JEM, Singapore in September 2022 to cater the award-winning ramen to its ever-growing number of customers.

Our Partnerships

JOINT VENTURE PARTNER

Ikano Retail
An IKEA retailer

An IKEA franchisee that owns, operates and develops IKEA Stores and Shopping Centres

With the IKEA concept as our unique anchor, Ikano Retail creates convenient one-stop shopping where communities can come together to connect and co-create memorable experiences.

Ikano Retail caters to the everyday needs of the many – as an IKEA franchise providing home furnishing and business solutions, and with their IKEA-anchored Ikano Centres that have become retail destinations for communities. Ikano Retail is the only IKEA franchisee in the world owned by the Kamprad family that founded IKEA.

Online and across their destinations in Singapore, Malaysia, Thailand, Mexico and the Philippines, Ikano Retail helps families, home-business owners and business partners bring their dream homes and offices to life through their products, services and retail spaces.

Aspen Vision City is a mega-scaled mixed development jointly developed by Aspen Group and Ikano Retail. This is among the first mixed-use development in Southeast Asia. Aspen Vision City comprises of mixed residential and commercial properties, including Klippa Shopping Centre and the very first IKEA store in the Northern Region of Malaysia.

In the Aspen Vision City Masterplan, IKEA owns 20% equity in the mixed development.

Ikano Retail Facts & Figures FY2022

Ikano Retail Turnover
SGD 1.16 Billion

IKEA Website Visits
100 million

IKEA Stores
13 stores
5 meeting places
(IPC, MyTOWN, Toppen, Megabangna, Klippa)

IKEA Co-Workers
4,988


IKEA
IKEA
Kelengkapan rumah
KINI
DIBUKA
HELO!
SELAMAT DATANG
WELCOME

Collaboration Partners

Marriott International, Inc.

Global Hospitality Brand

Marriot International, Inc. (NASDAQ: MAR) is based in Bethesda, Maryland, USA, and encompasses a portfolio of more than 8,000 properties under 30 leading brands spanning 139 countries and territories. Marriott operates and franchises hotels and licenses vacation resorts all around the world. The company offers Marriott Bonvoy®, a highly-awarded travel program.

The hotel management agreement between Aspen Vision City Sdn. Bhd. and Marriot International, Inc. will see an expansion of the Aloft Hotel brand in the mainland province of Penang, Malaysia. Aloft Penang Batu Kawan will welcome business and leisure travellers as well as local staycationers and shoppers to a region known as the “Silicon Valley of the East” for its high-tech manufacturing hubs and extensive industrial, retail and leisure parks.

Together, Aspen Group and Marriot International, Inc. will anchor the tourism and hospitality sector and boost the vibrancy of Batu Kawan by providing an extensive support network for business activities.

Columbia Asia

Advanced Healthcare Provider

Columbia Asia is a multinational chain of hospitals, and one of the largest and fastest-growing healthcare companies in Southeast Asia. Columbia Asia started its operations in 1996, with the first hospital acquired a year later in Sarawak, East Malaysia. It has 19 medical facilities across Southeast Asia; 13 in Malaysia, 3 in Vietnam, and 3 in Indonesia.

In September 2019, a joint-venture partnership between Malaysian conglomerate, Hong Leong Group, and alternative asset firm, TPG had acquired most of Columbia Asia assets in Southeast Asia from the International Columbia USA LLC. This includes facilities in Malaysia, Vietnam, and Indonesia.

Targeting the fast-growing middle-income group, Columbia Asia offers comprehensive medical services by setting up hospitals in residential hubs. Columbia Asia is in the midst of expansion and upon completion of this phase, the company will have 14 facilities in Malaysia (including Aspen Vision City, Batu Kawan), 3 facilities in Vietnam, and 4 facilities in Indonesia. In addition to the pipeline projects, expansion of the existing facilities is also in planning to cater to the growing healthcare demand in the community.

Columbia Asia medical facilities provide comprehensive medical services such as General Surgery, Pediatrics, Obstetrics & Gynecology, Orthopedics, Internal Medicine, ENT, Cardiology, Oncology, Urology and many more. These are supported by ancillary services that include among others, an Intensive Care Unit, Neonatal Care Unit, Physiotherapy, Laboratory, Pharmacy, CATHLab and Imaging.

At Columbia Asia, comprehensive medical programmes demand ethics, excellence and strict clinical governance. All of its operations follow international quality assurance guidelines that meet the highest standard of patient care possible.

CHAPTER 3

Board of Directors

Cheah Teik Seng

Chairman and Independent Non-Executive Director

Mr. Cheah Teik Seng is recognised in the banking and finance community for his many years in senior management positions in top international investment banks which include Chase Manhattan Bank, BNP Paribas, UBS, Goldman Sachs and Merrill Lynch. Following his illustrious banking career, Mr. Cheah spent more than a decade managing investment funds focusing on private equities in China. He also held extensive independent directorships in various public listed companies in Malaysia, Australia and the Philippines. Activities in these listed entities range from banking and finance, to oil and gas energy, leisure and real estate.

With a long career track record covering businesses in multiple regions such as Malaysia, Singapore, Hong Kong and London, Mr. Cheah brings to the Board an unmatched degree of global perspective as well as a great depth of banking and financial expertise.

Dato' M. Murly

President and Group Chief Executive Officer

Dato' M. Murly as the co-founder and Group CEO helms the organisation with a steady hand while keeping his sight focussed on the future, thus, proving he is a man of action as well as a visionary.

His enviable reputation as one of the youngest Executive Directors and COOs to be recorded in the history of Malaysia's public listed companies continues to inspire aspiring entrepreneurs today.

Deeply passionate about whatever he sets out to achieve, Dato' Murly is renowned for his astute business acumen, ingenuity in disrupting the norm and keen foresight for the innovative. These inherent characteristics have served him well in propelling the Group forward with unwavering determination.

Dato' Murly's extensive industry knowledge, from managing design and construction executions, and a holistic sense of community building from his town and urban master planning days continues to influence the conceptualisation of projects by the Group. With insightful strategies, Dato' Murly has been able to leverage his combined skills and experiences to step up and lead the way.

Dato' Murly's ascent in the business world is fuelled by his desire to seek meaningful change in people's lives, and how the community can be shaped for the better with transformational ideals. This desire continues to spark as Dato' Murly steers the Group into new directions of evolution and diversification.

Dato' Seri Nazir Ariff Bin Mushir Ariff

Executive Deputy Chairman

Dato' Seri Nazir Ariff is the co-founder and the Executive Deputy Chairman of the Group.

Dato' Seri Nazir Ariff commands over 40 years of business experience and more than a decade on the forefront of the property sector. He is, therefore, not only a much revered expert in the Malaysian commerce and commodities sectors, but also a respected veteran in the property development industry. He has had a remarkable and multifaceted career, taking on key leadership roles in trade and playing an important part in developing areas of public interest.

From acting as an independent director in public listed companies, to trading in the tin smelting market, managing financial assets to managing football clubs, championing animal rights to fostering youth scholarship programmes; Dato' Seri Nazir Ariff has more than a few feathers in his cap and his all-rounder abilities have proven to be invaluable in establishing the roots of Aspen Group.

Leveraging on his wide-ranging experience, business acumen and mentoring spirit, Aspen Group is well-positioned to effectively navigate the ever-changing corporate environment and accomplish greater success.

Ir. Anilarasu Amaranazan

Group Managing Director

Ir. Anilarasu Amaranazan had enlisted as Operations Director of Aspen Group in June 2015, before becoming the Chief Operating Officer in November 2016. He is presently the Group Managing Director since 2019. Ir. Anilarasu takes earnest charge of the development and execution of viable business strategies, oversees the Group's financial performance, operations, marketing activities, investments and business ventures as well as implementing such policies and procedures as part of the overall quality management system for the Group.

Prior to this, he was the Head of the Technical Department in EcoWorld Berhad from July 2014 to June 2015, where he was responsible for the overall project management, project planning, implementation, design and construction review. He was also a Project Manager and Head of the Technical Department in S P Setia Berhad (Penang) from June 2006 to July 2014. He started his career as a Site Engineer with TNH Construction Sdn. Bhd. in May 2005.

Ir. Anilarasu obtained his Bachelor of Engineering (Civil) in August 2005 and a Masters of Science (Construction Management) in March 2011, both from Universiti Teknologi Malaysia. He is a member of the Institute of Engineering Malaysia since May 2009 and is an accredited professional member of the Board of Engineers Malaysia since September 2012.

Dr. Lim Su Kiat

Non-Independent Non-Executive Director

Dr. Lim Su Kiat's career history highlights senior positions in investment management and capital transactions across various real estate funds and asset management firms in Asia and Australia namely Allco Finance, Frasers Centrepoint Group, Rockworth Capital Partners and Firmus Capital.

Dr. Lim has extensive experience in the areas of direct investments, real estate capital markets and REITs in real estate markets of Asia including Japan. He holds and has held directorships in Property Funds and Asset Management Firms.

His multi-jurisdictional experience in the real estate investment and asset management industry brings to the Board an in-depth perspective of the real estate markets in the region.

Dato' Alan Teo Kwong Chia

Independent Non-Executive Director

Dato' Alan Teo Kwong Chia has served in top and executive roles in various prestigious organisations including AIA Berhad, Great Eastern Life and Genting Group. A specialist in the areas of Human Resources, Operations, Organisational Design and Business Process Management, Dato' Alan has worked in various management consulting capacities with renowned clients such as Exxon Mobil, Maxis, Ansel, Beiersdorf, Dairy Farm, HSBC and many more.

Dato' Alan's consulting experience and operational expertise brings a fresh perspective to the Board's makeup, and allows Aspen Group to thrive in more areas of operations both internally and externally.

Dato' Choong Khuat Seng

Independent Non-Executive Director

Dato' Choong Khuat Seng who is esteemed for being a multi-disciplined economist and business rights activist, has extensive experience in multiple sectors, including property construction, building materials, real estate services and property investment. In the last 30 years, Dato' Choong has held numerous positions of influence through which he has contributed to businesses and served the people. This includes his service as Municipal Councillor for Penang Island Municipal Council, President of the Penang Master Builders & Building Materials Dealers Association and also as the Vice President of the Penang Chinese Chamber of Commerce. His multifaceted approach and extensive network are expected to play a significant role in Aspen Group's focus in achieving its business goals and diversification initiatives. Dato' Choong holds a Bachelor of Economics (Hons) and an MBA, and was awarded the prestigious Darjah Setia Pangkuan Negeri (DSPN) in 2011.

Management Team

Lim Soo Aun

Chief Financial Officer

Mr. Lim Soo Aun joined the Group as Financial Controller in September 2018, and is now the Chief Financial Officer. He is responsible for the Group's financial and risk management operations as well as its financial results.

Mr. Lim possesses more than 30 years of professional experience in accounting, finance, corporate finance, mergers and acquisition, and operational management. He was also involved in numerous corporate exercises in Bursa Malaysia and Dubai International Financial Exchange (DIFX). Prior to joining the Group, he was the General Manager of Leader Steel Holdings Berhad, where he was responsible for its daily operational management, profitability, accounting, finance and corporate finance of the group. He started his career in 1989 in audit division with J.B. Lau & Associate (nka Grant Thornton) and was later attached with Consulnet Management Services Sdn. Bhd. as Director and Senior Consultant providing professional business advisory services to a wide spectrum of clientele including public listed companies and multinationals.

Mr. Lim graduated from the Institute of Chartered Secretaries and Administrators United Kingdom (ICSA) and is an Associate Member of Malaysia Institute of Chartered Secretaries and Administrator (ACIS), Chartered Secretary (CS) and Chartered Governance Professional (CGP).

Zainun Binti Abdul Rahman

Executive Director

Puan Zainun joined the Group as Executive Director in January 2015. She oversees the Group's legal & corporate affairs, corporate communications, strategic collaborations, business development and governmental and stakeholders liaison.

Prior to joining the Group, Puan Zainun held the position of Senior Manager in Penang Development Corporation (PDC), where she formulated and executed legal principles and business practices for various complex state level project developments.

Puan Zainun holds a Bachelor of Law from the University of Malaya and a Diploma in Management from the Malaysian Institute of Management. She has also received several distinguished awards from the Penang State Government, namely Pingat Jasa Kebaktian (PJK), Pingat Kelakuan Terpuji (PKT) and Bintang Cemerlang Negeri (BCN).

Cheah See Peng, Celine

Chief Operating Officer

Ms. Cheah See Peng joined the Group as Design Director in October 2014, and was subsequently promoted to the Project Division's Chief Operating Officer in February 2019. She is responsible for the project division's performance including timely delivery of projects and top-notch quality of developments. Ms. Cheah is also tasked to ensure the cost control for the overall project division is aligned with the Group's long-term business goals and strategies.

Ms. Cheah has a proven track record coupled with extensive experience in design and technical skills, especially in property development and project management. Prior to joining Aspen Group, Ms. Cheah was a Design Manager at G&A Consultancy Sdn. Bhd. She was responsible for overseeing and coordinating all projects, including the development and execution of project construction drawings and detailing based on the approved conceptual design. Ms. Cheah also liaised with technical consultants to ensure that all design developments were closely monitored to fulfill regulatory requirements and adhered to the highest standards of quality.

Nadiah Wong Abdullah

Divisional Director – Corporate

Puan Nadiah Wong Abdullah joined Aspen Group in July 2021 as the Divisional Director of Corporate. She oversees the Group's Legal and Corporate Affairs and Corporate Communications sub-divisions. She has over 25 years' experience in legal practice where she had provided legal advice and solutions to corporations in various areas ranging from acquisition of and investment in companies, businesses and properties, joint ventures, financing and security documentations and legal risk management.

Prior to joining the group, Puan Nadiah began her career as a Legal Assistant in Messrs. Azalina, Chan & Chia before joining Messrs. Murad & Foo in 1998, where she became a Partner in 2000 and subsequently, a Senior Partner from 2002 to 2021.

Puan Nadiah holds a Bachelor of Laws (Hons) from the University of London and a Certificate in Legal Practice from the Legal Profession Qualifying Board, Malaysia. She was admitted to the High Court of Malaya as an Advocate and Solicitor in 1994.

Yew Chai Hock, Ken

Managing Director – Food And Beverage Sector

Mr. Yew Chai Hock joined the Group in April 2019 when the Group announced that its subsidiary, Kanada-Ya SG Pte. Ltd. entered into a Master Franchise Agreement with Kanada-Ya UK Ltd. to acquire the rights as the master franchisee for the Kanada-Ya brand in Southeast Asia namely Singapore, Malaysia and Thailand.

Mr. Yew has extended expertise in setting up and operating restaurants and bars. He is a restaurateur, who possesses nearly a decade long track record in the food and beverage industry with wide exposure and experience in managing food and beverage outlets.

An insightful and result-driven entrepreneur, Mr. Yew is now tasked to develop and execute impactful sales and marketing strategies for Kanada-Ya Singapore.

Dr. Prabakaran Manokharan

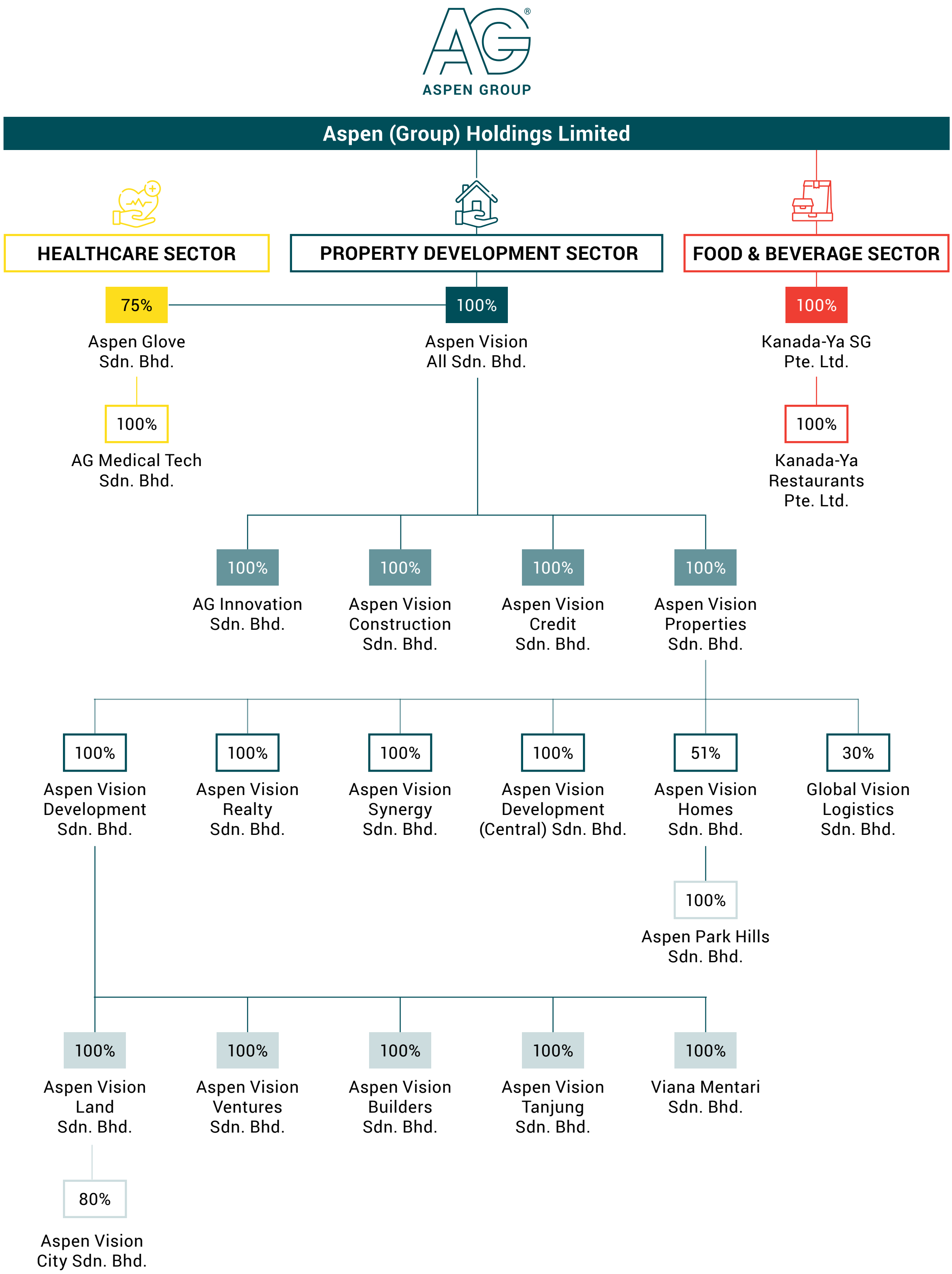
Chief Operating Officer – Healthcare Sector

Dr. Prabakaran is the Chief Operating Officer of the Group's Healthcare Sector since September 2021. In his role, Dr. Praba is responsible to oversee the manufacturing operations, compliance with safety regulations, standard operating procedures and the day-to-day operational matters of Aspen Glove Sdn. Bhd.

Prior to joining the Group, Dr. Praba was a House Officer at Bali's Government Hospital (Indonesia) from July 2017 to May 2019 and was a Laboratory Technician at Pantai Hospital Penang from December 2012 to May 2013.

Dr. Prabakaran holds a Bachelor of Science (Honours) in Biotechnology from the International University College of Technology Twintech and a Medical Degree from Udayana University, Indonesia.

Corporate Structure



Corporate Information

Board Of Directors

Mr Cheah Teik Seng
(Chairman and Independent Non-Executive Director)

Dato' Murly Manokharan
(President and Group Chief Executive Officer)

Dato' Seri Nazir Ariff Bin Mushir Ariff
(Executive Deputy Chairman)

Ir Anilarasu Amaranazan
(Group Managing Director)

Dr Lim Su Kiat
(Non-Independent Non-Executive Director)

Dato' Alan Teo Kwong Chia
(Independent Non-Executive Director)

Dato' Choong Khuat Seng
(Independent Non-Executive Director)

Audit Committee

Mr Cheah Teik Seng *(Chairman)*
Dato' Alan Teo Kwong Chia
Dr Lim Su Kiat

Nominating Committee

Dato' Alan Teo Kwong Chia *(Chairman)*
Dato' Murly Manokharan
Mr Cheah Teik Seng
Dato' Choong Khuat Seng

Remuneration Committee

Mr Cheah Teik Seng *(Chairman)*
Dato' Alan Teo Kwong Chia
Dr Lim Su Kiat

Joint Company Secretaries

Ms Pan Mi Keay, ACIS
Ms Wong Sien Ting, ACIS

Registered Office

80 Robinson Road
#02-00 Singapore 068898
Tel : +65 6236 3333 Fax : +65 6236 4399
Email : investorrelations@aspen.com.my
Website : aspen.sg

Principal Place Of Business

Aspen House
300 Jalan Macalister
10450 George Town
Penang, Malaysia
Tel : +604 227 5000 Fax : +604 227 5005

Share Registrar

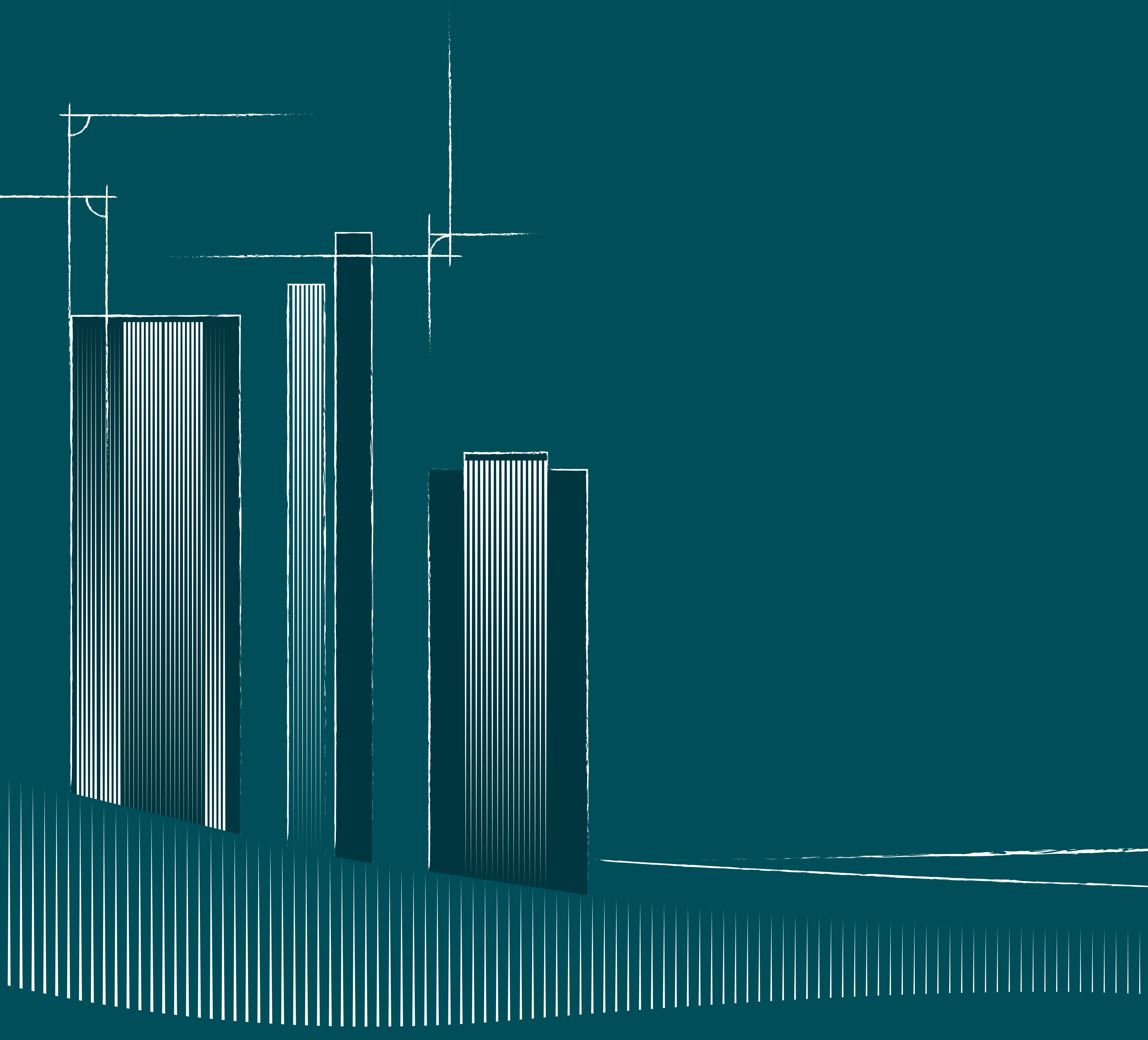
Tricor Barbinder Share Registration Services
(a division of Tricor Singapore Pte. Ltd.)
80 Robinson Road
#11-02 Singapore 068898

Auditors

Mazars LLP
Public Accountants and Chartered Accountants
135 Cecil Street
#10-01 Philippine Airlines Building
Singapore 069536
Partner-in-Charge : Mr Chin Chee Choon
Date of Appointment : 21 December 2021

Principal Bankers

Malayan Banking Berhad
Hong Leong Bank Berhad
MBSB Bank Berhad
Bank Islam Malaysia Berhad
Al Rajhi Banking & Investment Corporation (Malaysia) Bhd
OCBC Bank (M) Berhad
CIMB Bank Berhad



CHAPTER 4

Property Development Sector

Food & Beverage Sector

Development Projects

Aspen Vision City

Flagship Development

Aspen Group boldly ventured into Batu Kawan, when it was almost written off as a hinterland, quiet backwater and plantation country. With a resolute affirmation, Aspen Group answered Penang Development Corporation's clarion call to developers to transform Bandar Cassia, Batu Kawan into Penang's third satellite city.

Recognising the catalytic potential of this opportunity and driven by the challenge to completely redefine this area of the country, Aspen Group invested in 247 acres of freehold land ahead of initiating a joint venture partnership with Ikano Retail to develop Batu Kawan into an iconic hub of the Northern Region of Malaysia.

Armed with a far-sighted vision and revolutionary masterplan, Aspen Group stepped up to spearhead the creation of an intelligently integrated, self-sustaining and future metropolis, that is today known throughout the nation as Aspen Vision City ("AVC").

This flagship development with a gross development value of RM13 billion is masterfully conceptualised to captivate the attention of investors both locally and internationally as a smart city in Malaysia. Aspen Vision City will feature a state-of-the-art Klippa Shopping Centre and the first IKEA lifestyle furniture store in the Northern Region.

As an integrated development with first class infrastructure and amenities, Aspen Vision City comprises an eclectic mix of residential and commercial components ranging from luxurious designer homes to the region's future Central Business District; an Aloft Hotel, office towers, serviced residences, transportation hub; and features a green oasis in the form of a 25-acre Central Park at its heart.

The first and second phases of Aspen Vision City's development were successfully launched and completed with the completion of Vervea Commercial Precinct, the first phase of Central Park, the opening of the first IKEA store in the Northern Region of Malaysia on 14 March 2019 and the handover of Vertu Resort, the first residential development in AVC in April 2021.

To develop Aspen Vision City as one of the most advanced cities in Malaysia and a model state for smart living, Aspen Group formed powerful partnerships with global industry leaders to provide their best services and solutions that would meet the multi-faceted needs of end users.

Aspen Vision City will boast levels of smart city infrastructure to transform what was once considered a desolate piece of land, into a world-class smart metropolis, one that will remarkably redefine the way developers build a sustainable and innovative future and redefine living for all.

Highlights

- Freehold
- A RM13 billion master development jointly developed by Aspen Group and Ikano Retail
- Full-fledged smart city masterplan
- Transforming retail, shopping and entertainment experiences
- World-class healthcare and medical facilities
- Masterfully planned to be a bustling hub
- An eco-city metropolis

Sustainability Remains One of Our Key Focus

We have been intensifying our efforts to incorporate ESG initiatives into every aspect of our operations progressively. This continues to shape our decisions, business strategies, goals and commitments for all the projects that we build.

We strive to achieve the Green Building Index for all our projects. We will continue enhancing and evolving to minimise environmental impact on the communities. To achieve this, we are eager to embrace new technologies, innovative practices and a mindshift in the way we operate.

Some of the ESG-compliant actions we are adopting include:

- Giving purchasers the advantage of acquiring move-in ready homes, that frees them from extensive renovation works. Through this, we minimise carbon footprint and minimise construction waste.
- We invested substantially in Centralise Pneumatic Waste Management System in AVC.
- We meticulously strive to choose construction materials and components that minimise energy consumption and carbon footprint.
- From the conception stage of every project, we envision how residents can live sustainably, practising the 3R (Reuse, Reduce, Recycle) lifestyle by default.
- All our construction works are stringently monitored to ensure ESG compliance especially in the management of waste and environmental impact.

Master Plan of Aspen Vision City

1 Aspen Vision City Sales Gallery
2 Vervea Trade & Exhibition Centre (VTEC)
3 Vervea Commercial Precinct
4 BP Healthcare Centre
5 Drive-Thru F&B Outlet and Petrol Station
6 Columbia Asia Hospital - Batu Kawan
7 Vertu Resort
8 Viluxe
9 25-acre Central Park
10 McDonald's, KFC, Tealive, A&W, Kenny Rogers Roasters and Coffee Bean Drive-Thru
11 Drive-Thru F&B Outlet and Petrol Station
12 IKEA Batu Kawan
13 Klippa Shopping Centre
14 Batu Kawan Industrial Park
15 Second Penang Bridge Toll Plaza
16 Vivo Executive Apartment
17 Versa (Upcoming Project)
18 Viio (Upcoming Project)

IKEA Batu Kawan & Klippa Shopping Centre

Highlights

- A RM1.6 billion investment
- First IKEA store in the Northern Region
- World's largest home furnishing retailer
- Integrating with Klippa Shopping Centre and F&B drive-thru
- Serving a population of more than 6 million in the Northern Region

Total Floor Area
158,081 sqm

IKEA Batu Kawan opened its first IKEA store with an investment of RM650 million in Aspen Vision City and the Northern Region of Malaysia with a built-up area of over 40,000 sqm. The store is wholly owned and operated by Ikano Retail and is the anchor of Klippa Shopping Centre, a 92,903 sqm shopping paradise featuring an exciting mix of retail, food and beverage, entertainment and many more.

IKEA offers modern and affordable home furnishings to the region, in addition to job opportunities and economic spinoffs for the surrounding communities and businesses. Its location in the heart of Batu Kawan enables it to serve a population of over 6 million in the Northern Region of Malaysia, ensuring a uniquely vibrant, ever bustling commercial landscape in Aspen Vision City.

In 2019, the 80,00 sq. ft. Meeting Place was leased to popular brands such as Harvey Norman, Sports Direct, Project Rock, and more. Klippa Shopping Centre marks a new retail age in Penang by combining the pulling power of IKEA with a wide range of F&B selections, interactive family spaces, green zones, a leisure and entertainment hub and an innovative retail starter.

Ikano Retail has launched a new drive-thru concept adjacent to IKEA Batu Kawan. McDonald's Malaysia, KFC and Tealive are now fully operational. A&W, Coffee Bean & Tea Leaf and Kenny Rogers Roasters are in the pipeline to join the F&B line-up.

Columbia Asia Hospital – Batu Kawan

Highlights

- Leading healthcare establishment with 29 hospitals across Southeast Asia
- Equipped with 213 beds
- Fully equipped with state of-the-art medical facilities
- Targeted completion in 2025

Total Floor Area

39,306 sqm

As part of its vision to build a self-sustaining smart city, Aspen Vision City has made Columbia Asia Hospital (CAH) an integral part of its Masterplan. CAH is a renowned multinational hospital chain with medical facilities located all across Southeast Asia.

Spanning 3 acres, CAH will have the distinction of being the only full-fledged service hospital in Penang and the second in the Northern Region with 213 beds. The construction of the hospital has commenced and the targeted completion is in 2025.

Central Park

Highlights

- Spanning across 25 acres of green oasis to create a conducive community
- Central blue lagoon with a 52m high water jet
- Variety of thematic gardens and creative landscaping
- Comprehensive community amenities

Featuring a record-breaking 52-metre high water fountain, Central Park has made a worthy entry into the Malaysia Book of Records.

Central Park, offering a wide range of amenities and community centric facilities, draws visitors to indulge in an abundance of activities from community events, wholesome family activities to exciting recreational pursuits.

Divided into four unique zones, each with its own captivating repertoire of recreational offerings, the park was officially launched in 2018.

Besides leisurely activities, the park is popular for events including wedding proposals and pre-wedding photoshoots. The park is also among the selected venues in Penang to display the container art installation in conjunction with the State's inaugural Penang International Container Art Festival (PICAF) 2020.

Vervea

Ready for Business Opportunities | CCC Obtained

VERVEA

Vervea is the largest gated and guarded commercial precinct in the Northern Region of Malaysia and is filled with exponential business and commercial opportunities.

Comprising 434 units of 3 and 4-storey shop offices along with a host of business-enhancing amenities, Vervea boasts the Longest and Largest Ethylene Tetrafluoroethylene (ETFE) roof canopy in the country covering the 300-metre High Street that is recognised by the Malaysia Book of Records.

Easily accessible from the Second Penang Bridge, North-South Expressway and other major roads, Vervea enjoys high traffic flow from Penang Island as well as the Northern Region. Business establishments benefit tremendously from being neighbours with IKEA Batu Kawan, an incomparable commercial advantage that elevates the potential of Vervea tremendously.

Vervea Trade & Exhibition Centre (VTEC) is situated 12 storeys above a multi-storey car park and features versatile exhibition areas that can be expanded and divided into separate spaces, with an equally huge pre-function area. It houses VIP and organiser rooms as well as kitchen and food preparation nooks.

Upsurge in Retail Activities & Tenant Growth

As Apen Vision City continues to be a booming engine of growth for the Northern region, Vervea Commercial Precinct is experiencing a surge in its retail activities. Vervea Commercial Precinct is distinctly gaining popularity as a one-stop destination for shopping, food and services catering to a diverse cross-section of customers. A multitude of local and global tenants have established their presence at Vervea.

Highlights

- Freehold
- 300-metre ETFE roof canopy
- Every unit is equipped with its own individual elevator
- A world-class trade and exhibition centre with an area of approximately 3,530 sqm
- CCC obtained in January 2019

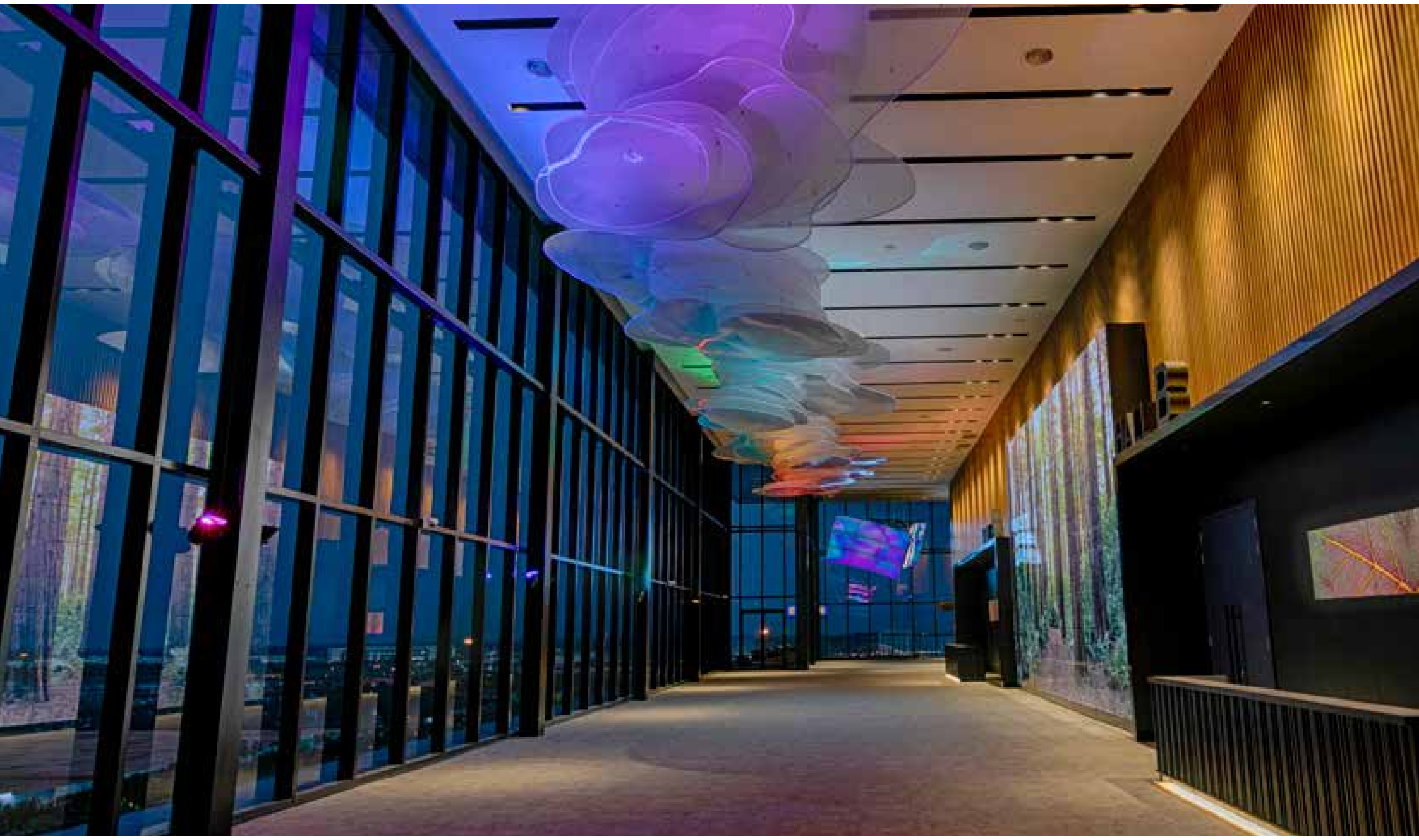
GDV	Total Floor Area
RM810.6mil	165,534 sqm

Total Units

Shop Offices	434
Modern Business Hotel	1

Vervea Trade & Exhibition Centre

The new and trendy event venue | CCC Obtained



VTEC™

Spanning a total area of 38,000 sq. ft., Vervea Trade & Exhibition Centre (VTEC) is designed and purposefully built to bring event experience to a whole new level. Standing tall and elevated on the 12th floor, guests attending events are able to enjoy a stunning 360° panoramic view of Aspen Vision City and Batu Kawan, overlooking vibrant developments and Second Penang Bridge with an extraordinary sunset view.

Its ceiling height and column-free hall space caters for different events and is conducive for a relaxed atmosphere.

It is the ideal event venue for show-goers and organiser to mark their presence and elevate their brand. VTEC provides top-notch facilities complemented by a wide range of amenities to support various functions and events such as corporate events, seminars, product launching or even wedding receptions.

Highlights

- 38,000 sq. ft. pillarless hall
- Car platform hoist
- Equipped with exquisite reception counter
- Up to 1,000 sitting capacity

Total Floor Area
43,445 sqm

Vertu Resort

CCC Obtained

PAM AWARDS 2022 · PERTUBUHAN AKITEK MALAYSIA · PAM

Silver Award Winner
Multiple Residential
(High-Rise)
Vertu Resort by
Aspen Group

KOHLER presents
PropertyGuru ASIA PROPERTY AWARDS MALAYSIA

WINNER

BEST CONDO/ APARTMENT DEVELOPMENT (PENANG)

Vertu Resort
by Aspen Group

2019

VERTU RESORT

Vertu Resort is Aspen Vision City's first residential development and the first resort-inspired high-rise in mainland Penang. It is a sustainable development, with vast eco-inspired features that meet the Silver rating for the Green Building Index (GBI) Certification.

This fine condominium offers the option of move-in condition with fully equipped electrical and kitchen appliances as well as home furnishings. Vertu Resort has abundant facilities and amenities to suit individual lifestyles such as a 152m length swimming pool, cocktail & event deck, social kitchen, virtual games room and spa & wellness centre.

Vertu Resort has alleviated the living standard of its residents by introducing a never-before experienced cosmopolitan lifestyle.

Highlights

- Freehold
- Versatile layouts catered for different needs
- Optional move-in condition with furniture, electrical and kitchen appliances
- 18,580 sqm of facilities spaces
- CCC obtained and handover in April 2021

GDV
RM660.5 mil

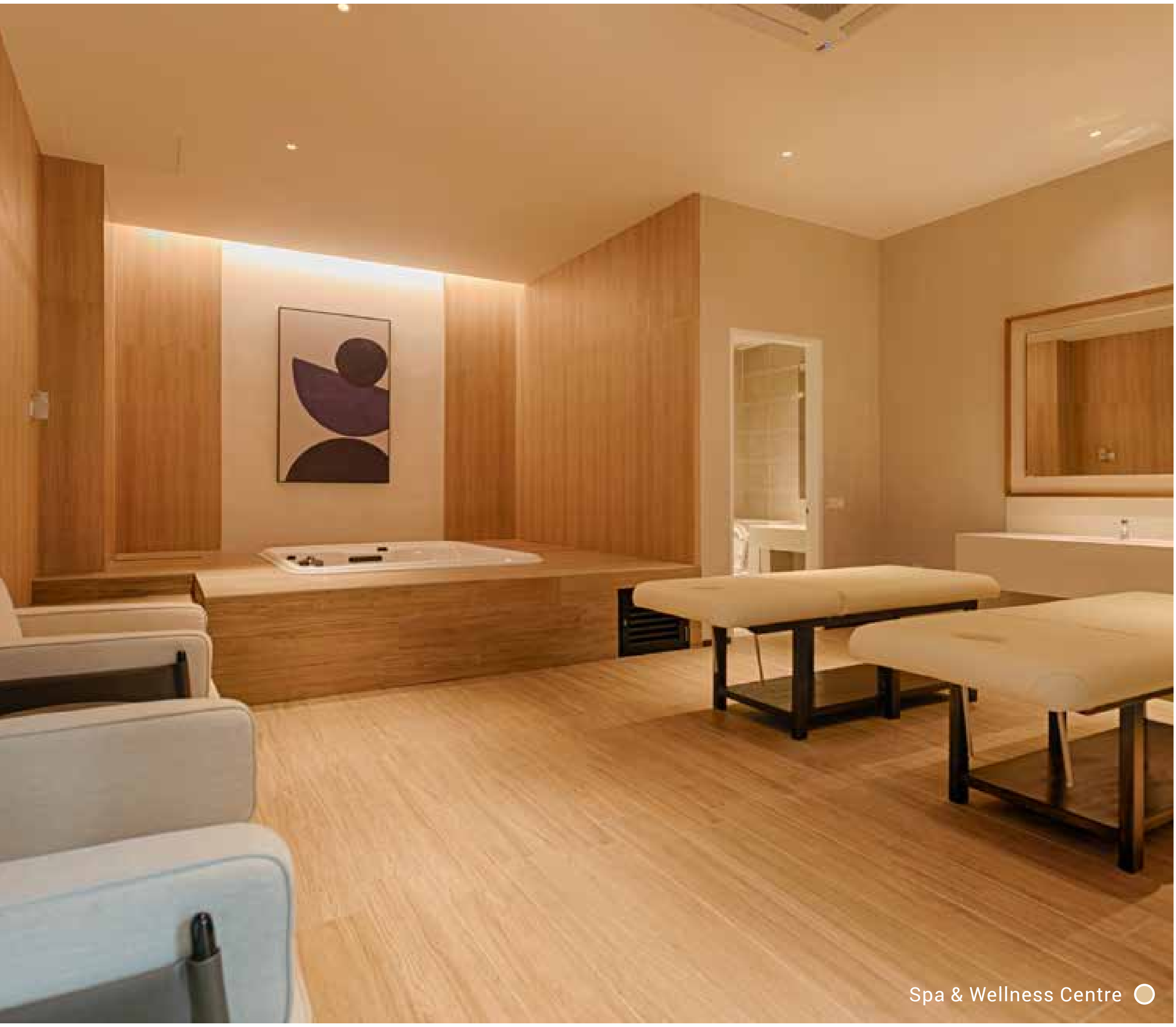
Total Floor Area
131,330 sqm

Total Units

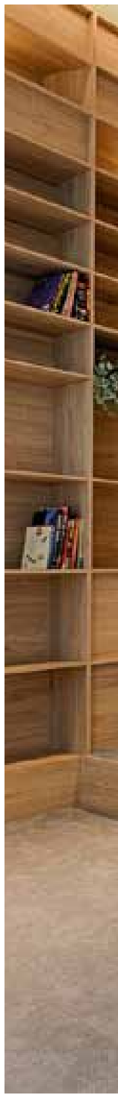
Residential	1,246

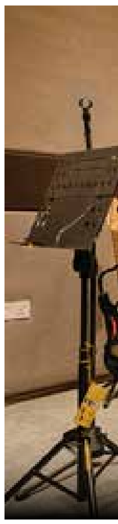
Enhanced, Fortified and Integrated with Innovative On-Demand Services

As Vertu Resort neared completion the Group took the courageous step to integrate innovative enhancements that clearly brought a whole new world of conveniences to its residents today, as they reap the benefits of better living. These services include Spa & Wellness Centre, Smart Parcel Locker, Semi-Automated Car Wash, Guest Suite and Music Room, amongst others.

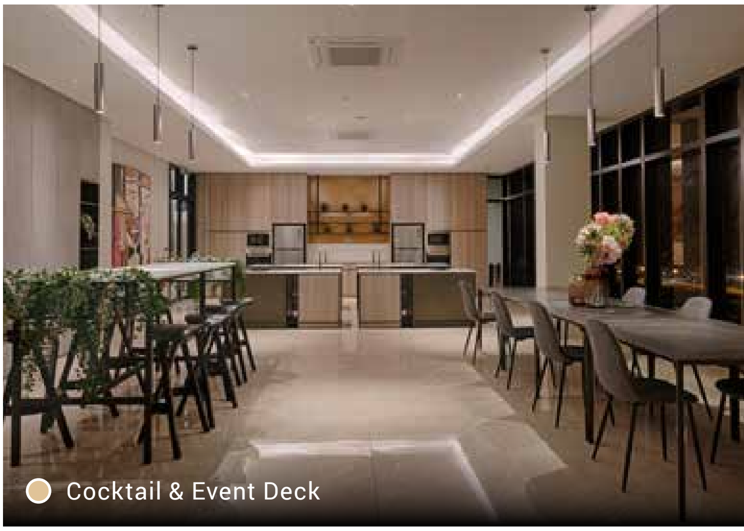


Spa & Wellness Centre



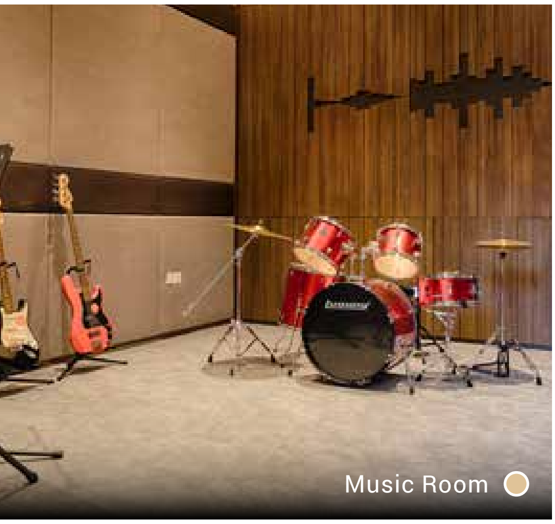


Library & Reading Lounge



Cocktail & Event Deck

Karaoke Room



Music Room

Social Kitchen

Viluxe

Ongoing Development (Phase 1)

VILUXE®

Viluxe, the freehold premium landed residence in Aspen Vision City, is conceptualised for the privileged few who appreciate the finer things in life.

Strategically located next to the 25-acre Central Park, Viluxe is conveniently connected to IKEA Batu Kawan, Klippa Shopping Centre, Vervea, Vertu Resort, Columbia Asia Hospital – Batu Kawan, Aloft Hotel and much more.

Viluxe is an embodiment of affluence and is set to be a prestigious hallmark for landed residential developments on mainland Penang.

Highlights

- Freehold premium landed homes in Batu Kawan
- The most prominent address on mainland Penang
- Gated and guarded landed community
- Fronting and with exclusive access to the 25-acre Central Park
- Expected completion in Q3 2023 (Phase 1)

GDV	Total Floor Area
RM373.5 mil	86,270 sqm

Total Units

Residential	356

Vivo Executive Apartment

Ongoing Development

VIVO

executive apartment

Vivo Executive Apartment offers the best of flexibility and function with stylish comfort. Affordably priced, it is conceptualised to appeal to young executives and families. Vivo Executive Apartment can be easily transformed into a workspace that supports even the biggest ambitions thus turning goals into a reality.

It is built with a communal co-working space and a social kitchen for residents to collaborate and create networks. Its strategic location within the intelligent and self-sustaining metropolis of Aspen Vision City in Batu Kawan, Penang gives it the unique advantage of being adjacent to Klippa Shopping Centre.

Highlights

- Freehold
- Integrating with Klippa Shopping Centre
- Designed with communal co-working space and social kitchen
- Expected completion in Q2 2024

GDV	Total Floor Area
RM558.3 mil	110,149 sqm

Total Units

Residential	1,530
Retail	14

Tri Pinnacle

Ready to Move-In | CCC Obtained

TRI PINNACLE
A VISION OF ASPEN

TRI PINNACLE is the Northern Region's first private-initiated affordable condominium with state-of-the-art rooftop facilities that are often reserved for luxurious properties. Widely recognised as the catalyst initiative that inspired a host of similar affordable developments from other private developers across Penang.

Conceptualised to meet the expanding needs of today's modern families, TRI PINNACLE offers an ideal balance of space, lifestyle and convenience. From the practical living spaces to the lifestyle facilities and its prime location, TRI PINNACLE has successfully set a new benchmark for affordable housing projects.

Making TRI PINNACLE even more outstanding is its full-fledged condominium facilities, which include a sky infinity swimming pool and a gymnasium at the rooftop.

Highlights

- Freehold
- First private-initiated affordable housing project in Penang
- Affordably priced condominium with full-fledged condominium facilities
- Highly sought-after location in Tanjung Tokong
- CCC obtained and handover in December 2018

GDV
RM427.2 mil

Total Floor Area
91,524 sqm

Total Units

Residential	1,317
Retail	4

Beacon Executive Suites

CCC Obtained

Strategically located within one of the most well-connected enclaves in Penang, Beacon Executive Suites promises residents the best of both worlds, connectivity and conduciveness amidst a tranquil setting.

Gracing the skyline of George Town at 30 storeys high, Beacon Executive Suites features a unique and distinctive sky podium at its highest floor, which commands a panoramic 360° view and houses a full range of lifestyle facilities that includes a swimming pool, indoor gymnasium and many more.

Beacon Executive Suites offers optional ready to move-in condition suites with exquisite finishing, impeccable decor and quality furnishing all around. It is poised to set new standards in living as all units will be fitted with cutting-edge smart features like smart services platform and on-the-go mobile applications for urbanites that are constantly on the move.

With futuristic smart lifestyle at its residents' fingertips, Beacon Executive Suites is set to change and redefine the landscape of smart living in Penang.

Highlights

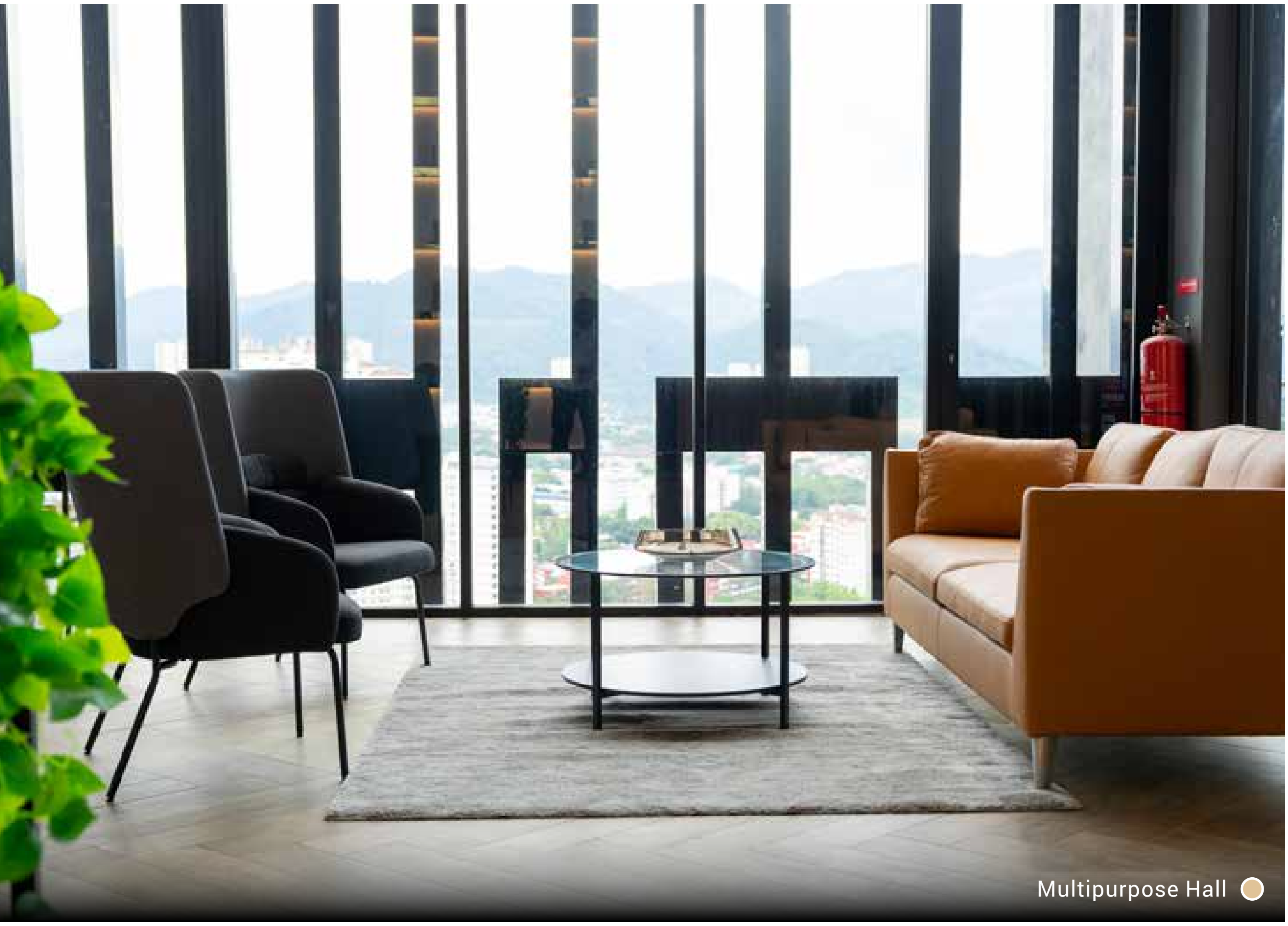
- Freehold
- Optional ready to move-in condition
- Sophisticated rooftop sky pool and sky gym
- CCC obtained and handover in May 2021

GDV
RM153.5 mil

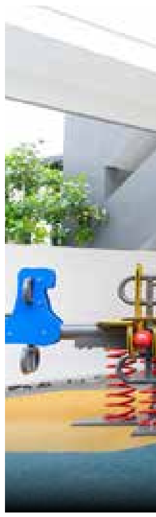
Total Floor Area
24,048 sqm

Total Units

Residential	227
Retail	4



Multipurpose Hall



Innovative On-Demand Technologies

At Beacon Executive Suites, we provide innovative urban homes designed to complement and enhance its resident's lifestyle in line with the modern digital era. Residents can access to a wide range of cutting-edge lifestyle, security and smart services.

Library

Sky Garden

Sky Gym

Children Playground

Outdoor Playground

Upcoming Projects in the Pipeline

As the economy continues to recover from the Covid-19 Pandemic, the property sector is poised for a positive outlook in 2023. High demand areas such as Batu Kawan are expected to develop significantly. We can expect to see a surge of activities in Batu Kawan as the population continues to grow.

With potential growth in view, Aspen Group has been working on several residential and commercial pipeline projects in Aspen Vision City and the Central Region.

VERSA – RESIDENTIAL
Aspen Vision City, Batu Kawan

A haven of home that lives up to and meets the expectations of everyone. Versa offers you the versatility of living life according to your unique lifestyle needs. You really can have it all at Versa without having to pay a hefty price tag.

VIIO – COMMERCIAL
Aspen Vision City, Batu Kawan

VIIO is a commercial hub nestled next to IKEA Batu Kawan, Klippa Shopping Centre and F&B Drive-Thru. VIIO consists of 40 units and is a freehold development with prominent frontage and high visibility with all units fronting the main road.

VILUXE PHASE 2 & 3 – LANDED HOMES
Aspen Vision City, Batu Kawan

Viluxe, the one and only premium landed residence in AVC is a conceptualisation of luxurious grandeur. From its iconic facade to its fine fittings, Viluxe is a home that will appeal to those who cherish the finer things that life has to offer.

ALOFT HOTEL
Aspen Vision City, Batu Kawan

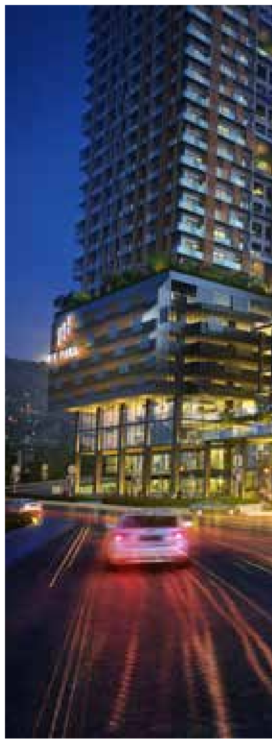
Aloft Hotel will be the first international business hotel in Batu Kawan that is equipped with top-notch amenities. Beyond the modern tranquility, Aloft is located within close proximity to IKEA Batu Kawan and Klippa Shopping Centre.

HH PARK – RESIDENTIAL
Tanjung Bungah, Penang

Strategically located within the much sought-after Tanjung Bungah enclave surrounded by established residences and affluent communities, HH Park is a freehold development and is only 15 minutes away from George Town.

KAJANG PROJECT – RESIDENTIAL
Kajang, Selangor

An upcoming service apartment and SOHO development located in Kajang, Selangor which is about half an hour's drive from Kuala Lumpur's central business district.




Viluxe


Aloft Hotel


HH Park


Versa

Kanada-Ya

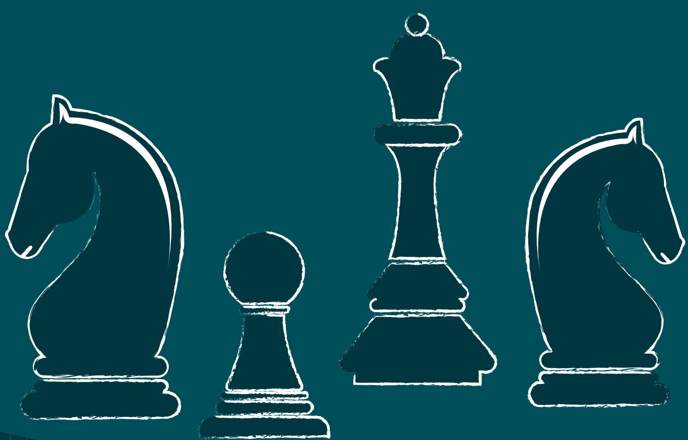
Food and Beverage Sector

Aspen Group ventured into the food and beverage sector in 2019 by securing the master franchise rights from Kanada-Ya UK Ltd., for exclusive territorial rights in Singapore, Malaysia and Thailand.

Kanada-Ya SG Pte. Ltd. now has the rights to establish and operate KANADA-YA outlets and develop franchises in these countries. Kanada-Ya UK Ltd. is the owner of authentic Japanese ramen dining outlets under the 'KANADA-YA' brand outside of Japan. It has been voted the number one ramen in London and has garnered numerous accolades.

Highlights

- Five outlets - Paya Lebar Quarter (PLQ), Marina Square, Paragon, Century Square and JEM
- Kanada-Ya was established in 2009 in the small town of Yukuhashi, Fukuoka, Japan
- 17 outlets worldwide - 2 in Japan, 3 in London, 6 in Hong Kong, 1 in Barcelona, and 5 in Singapore



CHAPTER 5

Community Engagement Events

Co-Workers Engagement Activities

Community Engagement Events

SERVING THE ELDERLY COMMUNITY

17 February 2021

Co-workers of Kanada-Ya SG Pte. Ltd participated in the Lions Club International community service project. They came together to serve 60 bento lunches to the elderly at Bedok, Singapore.

CONTRIBUTION TO NEEDY FAMILIES

21 July 2021

Aspen Glove responded to the call of the Lunas police force to help families that were severely affected by the Covid-19 pandemic and the various movement control orders. The Group contributed 100 care packages containing essential food items worth up to RM10,000. The packages were delivered to the Lunas Police Station in Kedah, as they were in charge of distributing the packs to identified families in the Kulim district.

CHARITY COLLABORATION WITH THE HOPE BRANCH

25 July 2021

Aspen Group took the opportunity to join hands with a non-governmental organisation (NGO) led by famous Malaysian actor and comedian Harith Iskandar. The Hope Branch is an initiative founded to help families affected in one way or another by the Covid-19 pandemic and the various movement control orders. Altogether, 1,000 food hampers containing various essential food items were distributed at Aspen House.

DONATION TO PENANG GENERAL HOSPITAL

11 August 2021

In an effort to help the Penang General Hospital that was overwhelmed with the rising admissions of Covid-19 patients, Aspen Group immediately came forward to donate 120 cartons of mineral water. It is the little things, and basic necessities that go a long way, in helping to comfort the hospital's staff and patients.

PENANG GOVERNOR'S PIT-STOP AT ASPEN VISION CITY SALES GALLERY

25 September 2021

Aspen Group was graced by the presence of the Penang Governor, Tuan Yang Terutama Tun Dato' Seri Utama Ahmad Fuzi Bin Haji Abdul Razak who made a pit stop at Aspen Vision City Sales Gallery during his cycling feat in conjunction with the International Peace Day that aimed to promote world peace.

FOOD CONTRIBUTION TO PENANG CHESHIRE HOME

4 October 2021

Challenged with a wave of Covid-19 infections, the Cheshire Home was desperate for relief from their burdens. Aspen Group quickly responded to their plight and supplied breakfast for all the staff and residents in the Penang Cheshire Home for one week.

VIRTUAL HEALTH TALK

30 October 2021

In an effort to promote health and wellness in the community, Aspen Group collaborated with Pantai Hospital Penang and hosted a Zoom event to promote living a well-balanced lifestyle. A senior dietitian from the hospital conducted a sharing on nutrition, health and lifestyle topics.

DELEGATES VISIT ASPEN VISION CITY

2 December 2021

Aspen Group was privileged to host delegates from UEM Sunrise Berhad who paid a visit to Aspen Vision City. The delegates showed keen interest in learning more about the Group's flagship development in Batu Kawan, Aspen Vision City.

DONATION OF GLOVES

30 December 2021

Gloves are an essential item in a nursing home. They need to be used on a daily basis for the hygiene and comfort of both the caretakers and the residents. As Nursing Home Ehsan was in dire need of this essential item, Aspen Glove came forward to donate over 2,000 pieces of gloves to ease their burden.

FUNCTIONAL SCREENING AWARENESS PROGRAMME

9 March 2022

Functional screening helps to identify age-related decline in vision, hearing and oral health. The Kanada-Ya SG Pte. Ltd family participated in an outreach volunteer activity that aims to encourage senior citizens to go for this vital health assesment to ensure their wellbeing and comfort.

RAMADAN FOOD DONATION TO FAMILIES IN NEED

25 April 2022

The holy month of Ramadan is all about sharing and caring. Aspen Group joined hands with Batu Kawan Member of Parliament, YB Kasthuriraani Patto and Bukit Tambun assemblyman, YB Goh Choon Aik to reach out and distribute essential goods to families in need during the fasting month.

VAX-TO-WIN CAMPAIGN

9 May 2022

Aspen Group launched a first-of-its-kind initiative to encourage vaccinations among Malaysians. The Vax-to-Win Campaign drew overwhelming participation from all over the country. Participants were given a chance to win homes by Aspen Group as well as IKEA gift cards that were worth millions of ringgit. Apart from being fully vaccinated, there were no other conditions for participation. It was our way of rewarding Malaysians for heeding the government's call to vaccinate.

Co-Workers Engagement Activities

WORLD MENTAL HEALTH DAY

11 October 2021

Aspenians were each given a token of appreciation to commemorate World Mental Health Day. The curated essential oils were a subtle reminder to give mental health the importance it deserves.

BREAST CANCER AWARENESS DAY

16 October 2021

In support of Pinktober, Aspenians put on face masks specially designed for Breast Cancer Awareness month. It featured a message to show that Aspen Group is aware and cares.

CNY GET-TOGETHER ANNUAL DINNER

21 January 2022

Aspenians gathered for a Chinese New Year get-together at Aspen Vision City Sales Gallery for a night full of chatters and laughters.

CHAPTER 6

Corporate Governance Report

The board of directors (the "**Board**") and the management of Aspen (Group) Holdings Limited (the "Company" and together with its subsidiaries, the "**Group**") are strongly committed to high standards of corporate governance which are essential to the stability and sustainability of the performance of the Group, promotion of corporate transparency, accountability and integrity of the Group, protection of the interests of the Company's shareholders ("**Shareholders**") and maximisation of long-term shareholder value. The Group officially commenced trading on the Singapore Exchange Securities Trading Limited ("**SGX-ST**") Mainboard on 28 January 2021 following its successful transfer from SGX Catalist to the Mainboard. The Company changed its financial year end from 31 December to 30 June (the "**Change of FYE**"). Henceforth, the financial year end of the Company will be on 30 June of each year. With the change of FYE, the current set of audited financial statements for the financial period ending 30 June 2022 will cover a period of 18 months from 1 January 2021 to 30 June 2022 ("**FY2022**").

The Group has substantively complied with the recommendations of the revised Code of Corporate Governance 2018 ("**Code**"), issued on 6 August 2018, through effective self-regulatory corporate practices to protect and enhance the interests of its Shareholders. This report describes the Company's corporate governance processes and activities in conjunction with the Listing Manual of SGX-ST ("**Listing Manual**") requirements that issuers describe its corporate governance practices that were in place during the FY2022 with specific reference made to the principles and provisions of the Code. The Company is also guided by the voluntary Practice Guidance which was issued to complement the Code and which sets out best practice standards for companies. Where there are deviations from the Code, appropriate explanations are provided.

PRINCIPLE 1: THE BOARD'S CONDUCT OF AFFAIRS

The company is headed by an effective Board which is collectively responsible and works with the Management for the long-term success of the company.

The primary function of the Board is to lead and control the Company by forming an effective working relationship with the management as the Board is collectively and ultimately responsible for the long-term success of the Company.

Besides carrying out its statutory responsibilities, the Board's other roles are to:

i. provide entrepreneurial leadership, set strategic aims and ensure that the necessary financial and human resources are in place for the Group to meet its objectives;
ii. establish a framework of prudent and effective controls which enables the identification, assessment and management of risks, including safeguarding of Shareholders' interests and the Group's assets;
iii. review management performance;
iv. identify the key stakeholder groups and recognise that their perceptions affect the Group's reputation;
v. set the Group's values and standards (including a code of conduct and ethical standards), set appropriate tone-from-the-top and desired organisational culture, ensure proper accountability within the Company and ensure that obligations to Shareholders and other stakeholders are understood and met;

vi. consider sustainability issues, for example, environmental and social factors, as part of its strategic formulation; and
vii. provide oversight of the proper conduct of the Group's business and assume responsibility for corporate governance.

The directors of the Company (the "**Directors**") are of the view that they have objectively discharged their duties and responsibilities at all times as fiduciaries in the interests of the Company. Directors facing conflict of interest have recused themselves from discussions and decisions involving the issues of conflict.

To assist the Board in the execution of its responsibilities, various committees, namely, the Audit Committee ("**AC**"), Nominating Committee ("**NC**") and Remuneration Committee ("**RC**") (collectively referred herein as "**Board Committees**") that are headed by Independent Directors, have been established and delegated with certain functions. The chairman of the respective committees will report to the Board on the outcome of the committee meetings and their recommendations on the specific agendas mandated to the committees by the Board. Further details of the scope and functions of the various committees are provided below in this corporate governance report ("**Report**").

The Board holds at least two scheduled meetings each year to review and deliberate on the key activities and business strategies of the Group, including significant acquisitions and disposals, annual budget, financial performance and to endorse the release of the half-yearly and annual financial results. Where necessary, additional meetings are held to address significant transactions or issues arising from the business operations of the Group.

The constitution of the Company (the "**Constitution**") provides for Directors to conduct meetings by teleconferencing, videoconferencing, audio-visual or other electronic means of communication. When a physical meeting is not possible, timely communication with members of the Board can be achieved through electronic means. The Board and Board Committees may also make decisions through circulating resolutions.

The attendance of the Directors at meetings of the Board and the Board Committees during FY2022 is tabulated below:

	Board	General Meeting	Audit Committee	Nominating Committee	Remuneration Committee
Total number of meetings held	5	4	7	3	3
Number of meetings attended by respective directors					
Executive Directors					
Dato' Murly Manokharan	5	4	6#	3#	3#
Dato' Seri Nazir Ariff Bin Mushir Ariff	5	4	4#	–	–
Ir. Anilarasu Amaranazan	5	4	6#	–	–
Non-Independent Non-Executive Director					
Dr. Lim Su Kiat	5	4	7	3#	3
Mr. Ching Chiat Kwong[(1)]	2	3	1#	–	–
Mr. Low See Ching (Liu Shijin)[(2)] (Alternate director to Mr. Ching Chiat Kwong)	4	–	–	–	–
Independent Directors					
Mr. Cheah Teik Seng	5	4	7	3	3
Dato' Alan Teo Kwong Chia	5	4	7	3	3
Dato' Choong Khuat Seng	5	4	3#	3	2#

Note:

\# *By invitation*

[(1)] *Mr. Ching Chiat Kwong has resigned as a director of the Company with effect from 25 August 2022.*

[(2)] *Mr. Low See Ching (Liu Shijin) ceased to be Alternate Director to Mr. Ching Chiat Kwong of the Company with effect from 25 August 2022.*

Material matters which specifically require the Board's decision or approval are clearly communicated to the management in writing. They include the following corporate matters:

i. Announcement of financial statements;
ii. Interested persons transactions;
iii. Declaration of interim dividends and proposal of final dividends;
iv. Convening of shareholders' meetings;
v. Change in business direction;
vi. Authorisation of merger and acquisition transactions; and
vii. Authorisation of major transactions.

The Company has documented the guidelines for matters that require the Board's decision or approval.

The Company will provide a newly-appointed Director guidance and orientation (including management's presentation) which will allow such person to understand the Group's business operations, strategic directions and policies, corporate functions and governance practices. If necessary, on-site visits to the Group's local and overseas places of operation will be arranged for a newly-appointed Director. Upon appointment, a Director will be provided a formal letter which sets out his/her duties and obligations. If a newly-appointed Director does not have any prior experience as a director of a listed company, the Company will arrange for such person to undertake training in the roles and responsibilities of a director of a listed company and to familiarise such person with the relevant rules and regulations governing a listed company.

While the Directors are generally responsible for their own individual training needs, the Company is responsible for arranging and funding the training of Directors. As such, continuous and on-going training programmes are made available to the Directors from time to time, such as courses on directors' duties and responsibilities as well as seminars and talks on relevant subject fields.

A new Director who has no prior experience as a director of an issuer listed on the SGX-ST must also undergo mandatory training in his/her roles and responsibilities as prescribed by the SGX-ST and in accordance with the Listing Manual.

The Directors are conscious of the importance of continuing education in areas such as legal and regulatory responsibilities and accounting issues, so as to update and refresh themselves on matters that may affect their performance as a Board, or as a member of a Board committee by attending training for Directors on such relevant new laws, regulations and changing commercial risks from time to time when appropriate.

With effect from 1 January 2022, all Directors are required to undergo training on sustainability matters. The Company will arrange for Directors to attend such training in due course and will accordingly provide a confirmation that its Directors have attended such training in its sustainability report for the financial year 2023.

Access to Information

The Directors are provided with complete, adequate and timely information in the form of Board papers and all other relevant materials prior to each Board and Board Committees meetings and at such other time as necessary on an ongoing basis to enable the Directors to make informed decisions and discharge their duties and responsibilities. Information provided to the Board includes background information relating to the matters to be brought before the Board. Relevant information on material events and transactions are circulated to the Directors as and when they arise. The Board also receives regular reports pertaining to the operational and financial performance of the Group with explanations for material variance between budget and actual performance. In respect of budgets, any material variance between the projections and actual results will be disclosed and explained.

The Board members have separate and independent access to the management, who will provide additional information as may be needed by the Board to make informed decisions in a timely manner.

The Board members also have separate and independent access to the Company Secretaries. The role of the Company Secretaries is clearly defined and includes responsibility for ensuring that board procedures are followed and that applicable rules and regulations are complied with. Under the Chairman's direction, the Company Secretaries should ensure good information flow within the Board and the Board Committees and between the management and non-executive Directors, advise the Board on all governance matters and facilitate orientation and assist with professional development as may be required. The Company Secretaries attend all meetings of the Board and Board Committees and minutes of the Board and Board Committees are circulated to the whole Board for review and information.

The Board is fully involved in and responsible for the appointment and removal of the Company Secretaries.

Where the Directors, either individually or as a group, in the furtherance of their duties, require professional advice, the management will assist them in obtaining independent professional advice, at the Company's expense.

PRINCIPLE 2: BOARD COMPOSITION AND GUIDANCE

The Board has an appropriate level of independence and diversity of thought and background in its composition to enable it to make decisions in the best interests of the company.

The Board of the Company comprises the following Directors: -

Name of Director	Position in the Board
Mr. Cheah Teik Seng	Chairman and Independent Non-Executive Director
Dato' Murly Manokharan	Executive Director, President and Group Chief Executive Officer
Dato' Seri Nazir Ariff Bin Mushir Ariff	Executive Director and Executive Deputy Chairman
Ir. Anilarasu Amaranazan	Executive Director and Group Managing Director
Dr. Lim Su Kiat	Non-Independent Non-Executive Director
Dato' Alan Teo Kwong Chia	Independent Non-Executive Director
Dato' Choong Khuat Seng	Independent Non-Executive Director

The Company believes that there should be a strong and independent element on the Board in order for it to exercise objective judgment on corporate and business affairs. Hence, the Board comprises seven Directors, out of whom three are Independent Directors, one is a Non-Independent and Non-Executive Director and three are Executive Directors, and the AC, RC and NC are constituted in compliance with the Code. The Board has a strong and independent element with three (3) independent Directors that make up more than one-third of the Board, in compliance with Rule 210(5)(c) of the Listing Manual. The Company also believes that the Independent Directors should be selected for their diverse expertise so that they can provide a balance of views.

As set out under the Code, an independent director is one who is independent in conduct, character and judgement, and has no relationship with the Company, its related corporations, its substantial shareholders or its officers that could interfere, or be reasonably perceived to interfere, with the exercise of the director's independent business judgement with a view to the best interests of the Company. The NC deliberates to determine the independence of a Director bearing in mind the salient factors set out under this provision in the Code as well as all other relevant circumstances and facts. To facilitate the NC in its review of the independent status of the Directors, each Independent Director will confirm his/her independence. The Executive Directors are considered non-independent. During FY2022, the NC reviewed and confirmed the independence of the Independent Directors in accordance with the Code. There were no Directors who are deemed independent by the Board, notwithstanding the existence of a relationship as stated in the Code that would otherwise deem him not to be independent.

There are no Independent Directors who have served on the Board beyond nine (9) years from the date of his/her first appointment.

The NC is of the view that the Board has the requisite blend of expertise, skills and attributes to oversee the Group's business. Collectively, they have competencies in areas that are relevant and valuable to the Group, such as accounting, corporate finance, business development, management, sales and strategic planning. In particular, the Executive Directors have many years of experience in the industry that the Group operates in. The NC considers that the Board's present size is adequate for effective debate, strategic decision-making and in exercising accountability to Shareholders and delegating authority to the management, taking into account the nature and scope of the Group's operations. As the Group's activities continue to grow, the NC will continuously review the composition of the Board so that it will have the necessary competency to be effective. The NC will further consider other aspects of diversity such as gender and age, and assist the Board to put in place a board diversity policy and progress for implementation of such policy, so as to avoid groupthink and foster constructive debate. The Board currently does not have a female director. While the NC is aware of the merits of gender diversity in the Board composition, the NC notes that it is only one of the many aspects of diversity. While due consideration would be given to female representation on the Board, the NC will continue to make its selection of candidates based on objective criteria which it believes in the best interest of the Company.

To be in line with the Listing Manual, the Group will formalise a Diversity Policy which is to be adopted and disclosed in the annual report of the Company for the financial year ending 30 June 2023.

The Non-Executive Directors (including the Independent Directors) provide constructive advice on the Group's strategic and business plans. They constructively challenge and help develop proposals on strategy for the Group. They also review the performance of the management in relation to agreed goals and objectives and monitor the reporting of performance of the Group. The Company has complied with Provision 2.3 of the Code as a majority of the Board members are non-executive directors.

To facilitate more effective checks on management, the Non-Executive Directors are encouraged to meet as and when necessary without the presence of the management. The Non-Executive Directors did not meet without the presence of the management during FY2022 as they are of the view that such meeting(s) were not necessary.

PRINCIPLE 3: CHAIRMAN AND CHIEF EXECUTIVE OFFICER

There is a clear division of responsibilities between the leadership of the Board and the Management, and no one individual has unfettered powers of decision-making.

The Company believes that a clear division of responsibilities between the Non-Executive Chairman and the Group Chief Executive Officer ("**Group CEO**") ensures an appropriate balance of power, increased accountability and greater capacity of the Board for independent decision-making. The positions of the Non-Executive Chairman and Group CEO are held by Mr. Cheah Teik Seng and Dato' Murly Manokharan respectively and they are not related to each other.

The Chairman's duties and responsibilities include:

i. leading the Board to ensure its effectiveness on all aspects of its role;
ii. setting the agenda and ensure that adequate time is available for discussion of all agenda items, in particular strategic issues;
iii. promoting a culture of openness and debate at the Board;
iv. ensuring that the Directors receive complete, adequate and timely information;
v. ensuring effective communication with Shareholders;
vi. encouraging constructive relations within the Board and between the Board and the management;
vii. facilitating the effective contribution of Non-Executive Directors;
viii. encouraging constructive relations between Executive Directors and Non-Executive Directors; and
ix. promoting high standards of corporate governance.

In the event the Chairman is conflicted, the Executive Deputy Chairman will provide leadership over the Board to oversee the Chairman's duties and responsibilities.

The Group CEO's duties and responsibilities include:

i. improving, developing, extending, maintaining, advising and promoting the Group's businesses to protect and further the reputation, interest and success of the Company and the Group;
ii. undertaking such duties and exercising such powers in relation to the Group and their businesses as the Board shall from time to time properly assign to or vest in him in his capacity as the Group CEO and all other matters incidental to the same; and
iii. overseeing, formulating and implementing corporate strategies and directions for the affairs of the Group.

PRINCIPLE 4: BOARD MEMBERSHIP

The Board has a formal and transparent process for the appointment and re-appointment of directors, taking into account the need for progressive renewal of the Board.

The appointment of new Directors to the Board is recommended by the NC which comprises four (4) Directors, namely, Dato' Alan Teo Kwong Chia (Chairman of the NC), Mr. Cheah Teik Seng, Dato' Murly Manokharan and Dato' Choong Khuat Seng. As Dato' Alan Teo Kwong Chia, Mr. Cheah Teik Seng and Dato' Choong Khuat Seng are Independent Directors, the NC comprises a majority of independent directors in compliance with Provision 4.2 of the Code.

The principal functions of the NC, regulated by written terms of reference and undertaken by the NC during FY2022, are as follows:

i. review board succession plans for Directors;
ii. develop a process for evaluation of the performance of the Board, the Board Committees and the Directors;
iii. review the training and professional development programmes for the Board;
iv. review, assess and make a recommendation to the Board on all Board selection, appointments and re-appointments, taking into consideration the composition and progressive renewal of the Board and each Director's competencies, contributions and performance;
v. review and determine annually the independence of Directors;
vi. decide the assessment process and implement a set of objective performance criteria to be applied from year to year for evaluation of the Board's performance; and
vii. evaluate the Board's effectiveness as a whole and each Director's contribution to its effectiveness in accordance with the assessment process and performance criteria adopted, including deciding whether a Director is able to and has been adequately carrying out his/her duties when he/she has multiple board representations.

The NC leads the process and makes recommendations to the Board for the selection and approval of the appointment of new Directors as follows:

i. evaluates the balance of skills, knowledge and experience of the Board and, in the light of such evaluation and in consultation with the management, prepares a description of the role and the essential and desirable competencies for a particular appointment;
ii. while existing Directors and the management may make suggestions, seeks external help where necessary to source for potential candidates;
iii. meets with short-listed candidates to assess their suitability and to ensure that the candidate(s) are aware of the expectations and the level of commitment required; and
iv. makes recommendations to the Board for approval.

The Board understands that appointment of alternate directors should generally be avoided. If an alternate director is appointed, the alternate director should be familiar with the Group's affairs and be appropriately qualified. Following the resignation of Mr. Ching Chiat Kwong as a director of the Company with effect from 25 August 2022, Mr. Low See Ching (Liu Shijin) ceased to be Alternate Director to Mr. Ching Chiat Kwong of the Company with effect from 25 August 2022. Currently, there is no alternate director on the Board.

Regulations 97 and 98 of the Constitution of the Company provide that one-third of the Directors (or, if their number is not a multiple of three, the number nearest to but not less than one-third) shall retire from office by rotation and are eligible for re-election at each annual general meeting ("**AGM**"). Rule 720(5) of the Listing Manual prescribes that all Directors are required to retire from office at least once every three (3) years. Newly appointed Directors shall hold office only until the next AGM and are eligible for re-election at the AGM pursuant to Regulation 103 of the Constitution of the Company. Shareholders approve the re-election of Board members at the AGM.

The NC assesses and recommends to the Board the retiring directors to be re-elected at the forthcoming AGM. When an existing director chooses to retire or is required to retire from office by rotation, the NC takes the factors such as attendance, preparedness, participation and candour into consideration when evaluating the past performance and contribution of a director when making its recommendations to the Board.

The NC has recommended and the Board has agreed for the following directors to retire and seek for re-election at the forthcoming AGM:

a. Ir Anilarasu Amaranazan (retiring under Regulation 97 of the Constitution of the Company);
b. Dr Lim Su Kiat (retiring under Regulation 97 of the Constitution of the Company); and
c. Dato' Choong Khuat Seng (retiring under Regulation 97 of the Constitution of the Company).

Ir Anilarasu Amaranazan will, upon re-election as Director, remain as the Group Managing Director.

Dr Lim Su Kiat will, upon re-election as Director, remain as a Non-Independent Non-Executive Director and a member of the AC and RC. He will be considered non-independent for the purpose of Rule 704(8) of the Listing Manual.

Dato' Choong Khuat Seng will, upon re-election as Director, remain as the Independent Non-Executive Director and a member of the NC. He will be considered independent for the purposes of Rule 704(8) of the Listing Manual.

The detailed information of these directors, including information as required under Appendix 7.4.1 of the Listing Manual can be found on pages 205 to 221.

Ir Anilarasu Amaranazan, Dr Lim Su Kiat and Dato' Choong Khuat Seng, had abstained from participating in the discussion and recommendation on their respective nominations.

The NC determines the independence of Directors annually, and as and when circumstances require, in accordance with the provisions set out in the Code and the declaration form completed by each Independent Director disclosing the required information.

The NC is of the opinion that the Board has been able to exercise objective judgment on corporate affairs independently and that the Board's decision making process is not dominated by any individual or small group of individuals.

The NC also determines whether a Director with multiple board representations is able to and has been adequately carrying out his/her duties as a Director of the Company. The NC takes into account the results of the assessment of the effectiveness of the individual Director and the respective Directors' actual conduct on the Board. The NC is satisfied that all the Directors have been able to and have adequately carried out their duties as Director notwithstanding their multiple board representations. Notwithstanding the multiple board representations by the Directors, the Directors are still able to spend adequate time on the Company's affairs, respond to the resolutions and have duly discharged their responsibilities.

The NC and the Board are of the view that there should not be any restriction to the number of board representations that each Director may take up as multiple board representations do not necessarily hinder the Directors from carrying out their duties. The NC and the Board are of the view that multiple board representations may be beneficial as these widen the experience of the Directors and broaden the perspective of the Directors and the Board.

Key information regarding the Directors is disclosed below and also under the sections on "Board of Directors" and "Disclosure of information on directors seeking re-election" pursuant to Rule 720(6) of the Listing Manual in this Annual Report on pages 24 and 205 respectively.

Name of Director & Positions	Date of first appointment	Date of last re-election	Academic & Professional Qualifications	Shareholding in Company & related corporations	Current Directorships or Chairmanships in other listed companies	Other principal commitments	Directorships and Chairmanships held over the preceding three (3) years in other listed companies
Dato' Murly Manokharan • President & Group CEO • Member of NC	22-12-2016	26-04-2021	Executive Diploma in Project Management, University of Technology Malaysia	• Deemed interest of 45.75% in the Company via 64.76% shareholding in Aspen Vision Group Sdn. Bhd.; and • Deemed interest of 0.95% in the Company via 100% shareholding in Intisari Utama Sdn. Bhd.	Nil.	Nil.	Nil.
Dato' Seri Nazir Ariff Bin Mushir Ariff • Executive Deputy Chairman	30-05-2017	25-06-2020	• Certificate of Membership, British Institute of Management • Management Development Pro-gramme, Ashridge Management College, UK • Management Development Programme, Asian Institute of Management, the Philippines • Association of Certified and Corporate Accountants'	Nil.	• Texchem Resources Berhad, Malaysia	Nil.	Nil.

Name of Director & Positions	Date of first appointment	Date of last re-election	Academic & Professional Qualifications	Shareholding in Company & related corporations	Current Directorships or Chairmanships in other listed companies	Other principal commitments	Directorships and Chairmanships held over the preceding three (3) years in other listed companies
Mr. Cheah Teik Seng • Independent Director & Chairman of the Board • Chairman of AC & RC • Member of NC	20-06-2017	25-06-2020	• Bachelor of Science (Honours), University of Manchester, UK • Fellow of the Institute of Chartered Accountants in England and Wales	4,480,252 ordinary shares in the Company	Nil.	Nil.	Nil.
Dato' Alan Teo Kwong Chia • Independent Director • Chairman of NC • Member of AC & RC	20-06-2017	26-04-2021	• ASEAN Senior Manager Development Program, Harvard Business School Alumni Club of Malaysia • Premier Business Manager Pro-gram, Harvard Club of Malaysia	205,516 ordinary shares in the Company	Nil.	Nil.	Nil.
Dr. Lim Su Kiat • Non-Executive Non-Independent Director • Member of AC & RC	22-12-2016	25-06-2020	• Bachelor of Business (Accounting), Monash University, Australia • Master of Business (Accounting), Monash University, Australia • Doctor of Philosophy, Monash University, Australia	33,152 ordinary shares in the Company	Nil.	Firmus Capital Pte. Ltd. (Chief Executive Officer)	Nil.

Name of Director & Positions	Date of first appointment	Date of last re-election	Academic & Professional Qualifications	Shareholding in Company & related corporations	Current Directorships or Chairmanships in other listed companies	Other principal commitments	Directorships and Chairmanships held over the preceding three (3) years in other listed companies
Dato' Choong Khuat Seng • Non-Executive Independent Director • Member of NC	28-06-2018	25-04-2019	• Bachelor of Arts in Economics, City of Birmingham Polytechnic • Master of Business Administration, The University of Aston in Birmingham	Nil.	Nil.	Nil.	Nil.
Ir. Anilarasu Amaranazan • Group Managing Director	01-02-2019	25-04-2019	• Bachelor of Engineering (Civil), University of Technology Malaysia • Masters of Science (Construction Management), University of Technology Malaysia • Member of the Institute of Engineering Malaysia • Professional Member of the Board of Engineers Malaysia	242,000 ordinary shares in the Company	Nil.	Nil.	Nil.

PRINCIPLE 5: BOARD PERFORMANCE

The Board undertakes a formal annual assessment of its effectiveness as a whole, and that of each of its Board Committees and individual directors.

The NC has implemented a formal Board evaluation process in assessing the effectiveness of the Board, the various Board Committees and the individual Directors. The objective of the annual evaluation is to identify areas for improvement and to implement appropriate action. The NC did not engage any external facilitator's services with respect to the evaluation process.

The Directors were requested to complete appraisal forms to assess the overall effectiveness of the Board, the various Board Committees and the individual Directors for FY2022. The results of the appraisal exercise were tabulated, analysed and considered by the NC which then made recommendations to the Board on areas for improvement, aimed at helping the Board to discharge its duties more effectively.

The appraisal process focused on, inter alia, the areas of evaluation on the Board such as Board composition and size, access to information, Board procedures, Board accountability and standards of conduct.

The appraisal process for the AC encompasses AC's composition and size, committee process, accountability, internal controls and risk management systems and audit process whereas the appraisal process for the NC and the RC evaluates the respective committee's composition and size and committee process.

Following the review in FY2022, the NC is of the view that the Board and the Board Committees have operated efficiently and each director is contributing to the overall effectiveness of the Board as a whole and that the relevant criteria for the review of the performance of the Board and the Board Committees will be maintained from year to year, subject to such necessary change(s) which is to be approved by the Board.

The Board has met its performance objectives for FY2022.

PRINCIPLE 6: PROCEDURES FOR DEVELOPING REMUNERATION POLICIES

The Board has a formal and transparent procedure for developing policies on director and executive remuneration, and for fixing the remuneration packages of individual directors and key management personnel. No director is involved in deciding his or her own remuneration.

The members of the RC comprise entirely of Non-Executive Directors, namely Mr. Cheah Teik Seng (Chairman of the RC), Dato' Alan Teo Kwong Chia and Dr. Lim Su Kiat. Mr. Cheah Teik Seng and Dato' Alan Teo Kwong Chia are Independent Directors. As such, the RC comprises a majority of independent directors in compliance with Provision 6.2 of the Code.

The principal functions of the RC, regulated by written terms of reference and undertaken by the RC during FY2022, include the following:

i. review and recommend to the Board a general framework of remuneration and specific remuneration package for the Board and key management personnel covering all aspects of remuneration, including but not limited to fees, salaries, allowances, bonuses, share-based incentives and benefits-in-kind;
ii. review and ensure that the remuneration policies and practices are sound in that they are able to attract, retain and motivate without being excessive;
iii. structure an appropriate portion of Executive Directors' and key management personnel's remuneration so as to link rewards to corporate and individual performance so as to align them with the interests of Shareholders and promote the long-term success of the Group; and
iv. review the Company's obligations arising in the event of termination of the Executive Directors and key management personnel's contracts of service to ensure that the termination clauses are fair and reasonable and not overly generous to avoid rewarding poor performance.

The RC reviews the framework for remuneration of the Board and the key management personnel and recommends to the Board for adoption. The RC also determines specific remuneration packages and terms of employment for each Executive Director and key management personnel.

The RC's recommendations are submitted for endorsement by the entire Board. All aspects of remuneration, including but not limited to Director's fees, salaries, allowances, bonuses, options, benefits-in-kind and termination terms for the Board and key management personnel are covered by the RC.

Each member of the RC will abstain from voting on any resolutions in respect of his/her remuneration package.

There were no remuneration consultants engaged in FY2022. The RC will, if necessary, seek expert advice inside and/or outside the Company on remuneration matters.

PRINCIPLE 7: LEVEL AND MIX OF REMUNERATION

The level and structure of remuneration of the Board and key management personnel are appropriate and proportionate to the sustained performance and value creation of the company, taking into account the strategic objectives of the company.

Executive Directors do not receive Directors' fees. The performance-related elements of remuneration are designed to align the interests of Executive Directors with those of Shareholders and link rewards to the Group's financial performance.

The Company had entered into separate service agreements with the Executive Directors, in which the terms of their employment are stipulated. Their initial term of employment is for a period of three (3) years from the date of admission of the Company to the Catalist board of the SGX-ST (being 28 July 2017), save for Ir. Anilarasu Amaranazan who was appointed on 1 February 2019 and thereafter, their employment is renewed annually subject to termination clauses in the service agreements. The service agreement may be terminated by giving not less than six (6) months' prior written notice. Under the service agreements, each of the Executive Directors is entitled to be paid an incentive bonus annually which is pegged to the financial performance achieved by the Group for that financial year.

The Non-Executive Directors (including the Independent Directors) are paid a base fee. An additional fee is also paid to Non-Executive Directors for serving on any of the Board Committees. Such fees are pro-rated if a Director serves for less than one (1) year. The Directors' fees are subject to approval by Shareholders at the AGM.

The Company has adopted the AV Employee Share Option Scheme (the "**ESOS**") on 19 June 2017 prior to its listing on the SGX-ST Mainboard. The ESOS shall be administered by a committee comprising members of NC and RC (the "**Administration Committee**"). The purpose of the ESOS is to provide an opportunity for employees of the Group to participate in the equity of the Company so as to motivate them towards greater dedication, loyalty and higher standards of performance, and to give recognition to past contributions and services. Under the rules of the ESOS, the options that are granted may have exercise prices that are, at the Administration Committee's discretion, set at the price ("**Market Price**") equal to the average of the last dealt prices for the Company's ordinary shares ("**Shares**") on the Catalist for the five consecutive trading days immediately preceding the relevant date of grant of the relevant option, or (provided that Shareholders' approval is obtained in a separate resolution) at a discount to the Market Price (subject to a maximum discount of 20% or such other percentage or amount as may be determined by the Administration Committee and as permitted by the SGX-ST). Options which are fixed at the Market Price may be exercisable at any time by the participant after the first anniversary of the date of grant of that option while options granted at a discount to the Market Price may only be exercised after the second anniversary from the date of grant of the option. Options granted under the Scheme will have a life span of ten (10) years. The options may be exercisable in whole or in part, on payment of the exercise price.

The Group obtained the Shareholders' approval during the Company's AGM held on 26 April 2021 to grant options in accordance with the rules of the ESOS with exercise prices set at a discount not exceeding 20% of the Market Price.

Since the commencement of the ESOS till the end of the FY2022:

i. no option has been granted to the controlling shareholders of the Company or their associates;
ii. no participants have received more than 5% of the total number of options available to be allotted and issued under the ESOS;
iii. no option has been granted to the directors and employees of the Group and/or its parent company and its subsidiaries; and
iv. no option has been granted at a discount.

Accordingly, disclosure as required pursuant to Rule 852(1) of the Listing Manual is not applicable.

In addition to the ESOS, the Company has adopted the AV Performance Share Plan (the "**PSP**") on 19 June 2017 prior to its listing on the SGX-ST Mainboard. The PSP was implemented to complement the ESOS and to increase the Company's flexibility and effectiveness in its continuing efforts to reward, retain and motivate employees to achieve increased performance. No shares were awarded to any employees, directors, controlling shareholders or their associates under the PSP during the financial year in review.

The Group obtained the Shareholders' approval during the extraordinary general meeting ("**EGM**") held on 21 January 2021 to amend the ESOS and PSP to take into account the requirements of the Mainboard Rules.

In setting remuneration packages, the Company keeps in mind the pay and employment conditions within the industry and in comparable companies. The level and structure of remuneration should be aligned with the Company's long-term interest and risk policies and appropriate to attract, retain and motivate the Directors and the key management personnel to respectively provide good stewardship of the Company and manage the Company effectively. If required, the Company will engage professional advice to provide guidance on remuneration matters.

The RC and Board are of the view that it is currently not necessary to use contractual provisions to allow the Company to reclaim incentive components of remuneration from the Executive Directors and key management personnel in exceptional circumstances of misstatement of financial statements, or misconduct resulting in a financial loss to the Company. The Executive Directors owe a fiduciary duty to the Company. The Company should be able to avail itself to remedies against the Executive Directors and key management personnel in the event of such exceptional circumstances or breach of fiduciary duty.

PRINCIPLE 8: DISCLOSURE ON REMUNERATION

The company is transparent on its remuneration policies, level and mix of remuneration, the procedure for setting remuneration, and the relationships between remuneration, performance and value creation.

Given the highly competitive condition of the industry that the Group operates in and the sensitivity of remuneration matters, the Board is of the view that it is not in the best interest of the Company to disclose the full remuneration of the Executive Directors and the key management personnel, breakdown of the remuneration of the key management personnel as well as the aggregate amount of remuneration paid or payable to the key management personnel.

A breakdown showing the level and mix of the remuneration of the Directors paid or payable in respect of FY2022 is as follows:

	Base/Fixed Salary and EPF[1] (%)	Performance-related income (%)	Directors' Fees 2022[2] (%)	Other Benefits (%)	Total (%)
S$2,250,001 up to S$2,500,000 p.a.					
Dato' Murly Manokharan	100.00	0.00	0.00	0.00	100.00
S$250,001 to S$500,000 p.a.					
Dato' Seri Nazir Ariff Bin Mushir Ariff	97.34	0.00	0.00	2.66	100.00
Ir. Anilarasu Amaranazan	98.18	0.00	0.00	1.82	100.00
S$0 up to S$250,000 p.a.					
Mr. Cheah Teik Seng	0.00	0.00	100.00	0.00	100.00
Dr. Lim Su Kiat	0.00	0.00	100.00	0.00	100.00
Dato' Alan Teo Kwong Chia	0.00	0.00	100.00	0.00	100.00
Mr. Ching Chiat Kwong[3]	0.00	0.00	100.00	0.00	100.00
Dato' Choong Khuat Seng	0.00	0.00	100.00	0.00	100.00

Note:

(1) *EPF denotes Employees Provident Fund.*

(2) *In respect of FY2022, the amount of Directors' Fees proposed to be payable to the Non-Executive Directors (including the Independent Directors) are subject to the approval of Shareholders at the forthcoming AGM.*

(3) *Mr. Ching Chiat Kwong has resigned as a director of the Company with effect from 25 August* 2022.

No Director has been granted the share-based award during FY2022.

Remuneration paid or payable to the Group's top six (6) key management personnel (who is not a Director or CEO) for FY2022 are as follows:-

Key Management Personnel	Remuneration Band
Mr. Lim Soo Aun	A[1]
Puan Zainun Binti Abdul Rahman	A
Ms. Cheah See Peng, Celine	A
Ms. Chong Meng Fong, Joanne[3]	A
Mr Yew Chai Hock, Ken	A
Mr. Iskandar Basha Bin Abdul Kadir[4]	B[2]

Note:

(1) Band A means S$0 up to S$250,000 per annum.

(2) Band B means S$250,001 up to S$500,000 per annum.

(3) Ms. Chong Meng Fong, Joanne had resigned on 31 July 2022.

(4) Mr. Iskandar Basha Bin Abdul Kadir had resigned on 30 June 2022.

The Executive Directors and key management personnel are not entitled to any benefits upon termination, retirement or post-employment.

Total remuneration paid to the key management personnel named above for FY2022 was approximately S$1.35 million.

The following immediate family member of the Executive Director, President and Group Chief Executive Officer and substantial shareholder of the Company, Dato' Murly Manokharan, whose remuneration exceeded S$100,000 in FY2022:-

Name	Family relationship	Designation	Total Remuneration in Compensation Bands
Dr. Prabakaran A/L Manokharan	Dr. Prabakaran is the brother of Dato' Murly Manokharan	Chief Operating Officer of Aspen Glove Sdn. Bhd.	S$100,001 – S$200,000 per annum.

Save as disclosed above, the Group does not have any employees who are substantial shareholders of the Company or are immediate family members of a Director, the CEO or a substantial shareholder of the Company and whose remuneration exceeds S$100,000 during FY2022.

PRINCIPLE 9: RISK MANAGEMENT AND INTERNAL CONTROLS

The Board is responsible for the governance of risk and ensures that Management maintains a sound system of risk management and internal controls, to safeguard the interests of the company and its shareholders.

Accountability

The Board has embraced openness and transparency in the conduct of the Company's affairs, whilst preserving the interests of the Group. The Board provides a balanced and understandable assessment of the Group's performance, position and prospects through announcements of the Group's half-yearly and full-year financial results, and announcements of the Group's major corporate developments from time to time. In line with the continuous disclosure obligations under the Listing Manual, the Board has and will continue to inform Shareholders promptly of all pertinent information. Such information is disclosed to Shareholders on a timely basis through SGXNet. All disclosures submitted to the SGX-ST on SGXNet are also made available on the Company's corporate website (aspen.sg).

The Board is accountable to the Shareholders and is mindful of its obligations to furnish timely information and to ensure full disclosure of material information to Shareholders in compliance with statutory requirements and the Listing Manual. The management provides the Board with the management accounts on a regular basis and as the Board may require from time to time. Such reports keep the Board informed of the Group's performance and contain explanation and information to enable the Board to make a balanced and informed assessment of the Group's performance, position and prospects.

Risk Management and Internal Controls

The Board is committed to maintaining a sound system of internal controls to safeguard Shareholders' investments and the Group's assets. The Board oversees the management in the design, implementation and monitoring of risk management and internal control systems and is responsible for determining the nature and the extent of the significant risks which the Company is willing to take in achieving its strategic objectives and value creation. The Company currently does not have a Board Risk Committee as the Board is of the view that the Board and AC, with the help of the management, is sufficient in addressing the risk management and internal controls of the Company.

The AC and the Board review on an annual basis the adequacy of the Group's internal controls, operational and compliance controls, and risk management policies and systems established by the management. The system of internal controls and risk management established by the Company are designed to manage, rather than eliminate the risk of failure in achieving the Group's strategic objectives. The management is involved in regular reviews of the risks that are significant to the fulfilment of the objectives of the business. However, it should be recognised that such systems are designed to provide reasonable assurance, but not an absolute guarantee against material misstatement or loss. During FY2022, the Company's appointed internal auditor, BDO Governance Advisory Sdn. Bhd. (BDO), has conducted an internal audit review based on an agreed scope of review. In respect of FY2022 under review, the Board has received a written assurance from the Group CEO and Chief Financial Officer ("**CFO**"):-

i. confirming that the Group's financial records have been properly maintained and the Group's consolidated financial statements for FY2022 give a true and fair view of the Group's operations and finances; and

ii. confirming that the Group's risk management and internal control systems in place were adequate and effective to address the financial, operational, compliance and information technology risks as well as sanctions-related risks, and risk management systems in the context of the current scope of the Group's business operations.

Based on (i) the internal controls established and maintained by the Group, (ii) work performed by the internal and external auditors, (iii) reviews performed by the management, the AC and the Board, and (iv) the aforementioned letter of assurance provided by the Group CEO and CFO, the Board with the concurrence of the AC, is of the opinion that the Group's internal controls, addressing financial, operational, compliance and information technology risks as well as sanctions-related risks, and risk management systems were adequate and effective for FY2022 to address the risks that the Group considers relevant and material to its operations.

The Board notes that no system of internal controls and risk management can provide absolute assurance in this regard, or absolute assurance against the occurrence of material errors, poor judgement in decision-making, human error, losses, fraud or other irregularities. However, the Board, together with the AC and the management, will review the adequacy and effectiveness of the internal control framework on an on-going basis and address any specific issues or risks whenever necessary.

International bodies and national governments have imposed sanctions on certain activities or transactions with targeted jurisdictions, entities and persons, with the primary aim of achieving foreign policy or national security goals. The Board confirmed there has been no material change in its risk of being subject to any sanctions law. The Board and AC will be responsible for (a) monitoring the issuer's risk of becoming subject to, or violating, any sanctions law; and (b) ensuring timely and accurate disclosures to SGX-ST and other relevant authorities.

Internal Audit

The internal audit function is currently outsourced to BDO, which reports directly to the AC. The AC approves the appointment, termination, evaluation and compensation of the internal auditors. The internal auditors have unfettered access to all the Company's documents, records, properties and personnel, including access to the AC and has appropriate standing within the Company.

In the opinion of the Board, BDO meets the standards set out by both nationally and internationally recognised professional bodies and is satisfied that the internal auditors are qualified and experienced personnel.

The internal audit plans are reviewed and approved by the AC, to ensure the adequacy of the scope of the audit with the arising audit outcome presented and reviewed by the management, the AC and the Board.

The AC has reviewed and is satisfied that the Company's internal audit function for FY2022 is independent, effective and adequately resourced.

The AC will annually review the scope and results of the internal audit and ensure that the internal audit function is adequately resourced.

PRINCIPLE 10: AUDIT COMMITTEE

The Board has an AC which discharges its duties objectively.

The AC comprises three Non-Executive Directors, namely Mr. Cheah Teik Seng (Chairman of the AC), Dato' Alan Teo Kwong Chia and Dr. Lim Su Kiat. The AC is comprised of a majority of independent directors, including the Chairman of the AC.

All members of the AC have extensive related management and financial experience. The Board considers them as having sufficient financial management knowledge and experience to discharge their responsibilities in the AC.

The AC has full access to, and co-operation from the management, and has full discretion to invite any Director, executive officer or other persons to attend its meetings. It may require any such Director, officer or other person in attendance to leave the proceedings (temporarily or otherwise) to facilitate open discussion.

The duties and responsibilities of the AC are contained in written terms of reference, which are mainly to assist the Board in discharging its statutory and other responsibilities relating to internal controls, financial and accounting matters, compliance, business and financial risk management.

The duties of the AC include the following:

i. recommending to the Board on the proposals to Shareholders on the appointment, re-appointment and removal of the external auditors, and approving the remuneration and terms of engagement of the external auditors;
ii. reviewing the adequacy, effectiveness, independence, scope, changes, results and cost-effectiveness of the external and internal audit plan and process, and the independence and objectivity of the auditors;
iii. reviewing the Group's half-yearly and annual financial statements and related notes and announcements relating thereto, accounting principles adopted, and the external auditors' report prior to recommending to the Board for approval;
iv. reviewing, evaluating and reporting to the Board at least annually, having regard to input from external and internal auditors, the adequacy and effectiveness of the system of internal controls, including financial, operational, compliance and information technology controls;
v. reviewing the nature, scope, extent and cost-effectiveness of any non-audit services provided by the external auditors and ensuring that these do not affect the independence and objectivity of the external auditors;
vi. reviewing any significant financial reporting issues and judgments and estimates made by the management, so as to ensure the integrity of the financial statements of the Group and any announcements relating to the Group's financial performance;
vii. reviewing the adequacy and effectiveness of the Group's internal audit function;
viii. reviewing the interested person transactions reported by the management to ensure that they were carried out on normal commercial terms, and are not prejudicial to the interests of Shareholders;
ix. reviewing the assurance from the Group CEO and CFO on the financial records and financial statements; and
x. reviewing the policy and arrangements for concerns about possible improprieties in financial reporting or other matters to be safely raised, independently investigated and appropriately followed up on.

The Group obtained the Shareholders approval during the EGM of the Company held on 21 December 2021 to appoint Messrs Mazars LLP as auditors of the Group in place of the former auditors, Messrs KPMG LLP.

In respect of FY2022, the AC has reviewed the independence of the external auditors, Messrs Mazars LLP and recommended that Messrs Mazars LLP be nominated for re-appointment as auditors at the forthcoming AGM. In recommending the re-appointment of the auditors, the AC considered and reviewed a number of key factors, including amongst other things, the adequacy of the resources and experience of the supervisory and professional staff as well as audit engagement partner to be assigned to the audit, and size and complexity of the Group and its businesses and operations. The Group has also complied with Rules 712 and 715 of the Listing Manual in relation to the appointment of its external auditors.

The total fees paid in respect of audit and non-audit fees to the external auditors, Messrs Mazars LLP for FY2022 are as stated below.

External Auditors Fees for FY2022	RM '000	% of total fees
Total audit fees	616	100
Total non-audit fees	–	–
Total fees paid	616	100

No non-audit services have been provided by the external auditors for FY2022.

The AC has the authority to investigate any matter brought to its attention within its terms of reference, with the authority to engage professional advice at the Company's expense.

Whistle-blowing Policy

The Group has in place a whistle-blowing policy which allows employees to raise concerns about possible improprieties in matters of financial reporting or other matters in confidence and ensures that there is an independent investigation of such matters and appropriate follow up action. Details of the whistle-blowing policy have been made available to all employees of the Group. The AC will review the whistle-blowing policy from time to time and will consider extending the whistle-blowing policy to persons other than employees in due course.

The Group's whistle-blowing policy (the "**Policy**") allows employees to raise concerns and offers reassurance that their identity is kept confidential and that they will be protected from reprisals, victimisation, detrimental or unfair treatment for whistle-blowing in good faith.

The Board, with the support of the AC, maintains oversight of any major issue arising from the Policy and/or other enquiries into the conduct of the whistle-blowing process. The Policy is aligned with the requirements pursuant to the amended Rule 1207 (18A) and (18B) of the Listing Manual (effective from 1 January 2022). Aligning with best practices, the Group has also published the whistle-blowing policy on the Company's website so that it is easily accessible to the public. There was one incident of whistle-blowing reported across the Group for FY2022 and the Group has since taken appropriate actions to address the issue.

Details of the activities of the AC are also provided under Principle 9 of this report. In addition to the activities undertaken to fulfil its responsibilities, the AC is kept abreast by the management, external and internal auditors on changes to accounting standards, stock exchange rules and other codes and regulations which could have an impact on the Group's business and financial statements as well as attending the relevant external training and seminars in respect thereof.

No former partner or director of the Company's existing auditing firm is a member of the AC. None of the members of the AC has any financial interest in the auditing firm.

PRINCIPLE 11: SHAREHOLDER RIGHTS AND CONDUCT OF GENERAL MEETINGS

The company treats all shareholders fairly and equitably in order to enable them to exercise shareholders' rights and have the opportunity to communicate their views on matters affecting the company. The company gives shareholders a balanced and understandable assessment of its performance, position and prospects.

Shareholder Rights

Shareholders are treated fairly and equitably to facilitate their ownership rights. In line with the continuous disclosure obligations of the Company, pursuant to the Listing Manual and the Companies Act, the Board's policy is that Shareholders should be informed in a comprehensive manner and on a timely basis of all material developments of the Group which would be likely to materially affect the price or value of the Company's Shares.

Shareholders have the opportunity to participate effectively in and vote at general meetings of Shareholders. They will be informed of the rules, including voting procedures that govern the general meetings.

The Company allows corporations which provide nominee or custodial services to appoint more than two proxies so that Shareholders who hold Shares through such corporations can attend and participate in general meetings as proxies.

Conduct of General Meetings

The Board supports the Code's principle to encourage Shareholders' participation at general meetings.

The Board encourages Shareholders to attend general meetings to ensure a greater level of Shareholders' participation and to meet with the Board and the key management personnel so as to stay informed of the Group's developments and to raise issues and ask the Directors or the management questions regarding the Group's business and operations. The Directors, including the Chairman of the AC, NC and RC, and the management as well as external auditors will be present at general meetings to address Shareholders' queries.

Currently, the Constitution of the Company allows a member of the Company to appoint up to two proxies to attend and vote at general meetings. Pursuant to Section 181 of the Companies Act, a member of the Company who is a relevant intermediary is entitled to appoint more than two proxies to attend and vote in his/her stead. "Relevant intermediary" has the meaning ascribed to it in Section 181 of the Companies Act.

The Company practices having separate resolutions at general meetings on each substantially separate issue. Where the resolutions are "bundled", the Company will explain the reasons and material implications in the notice of meeting. The Company also makes available minutes of general meetings, including relevant substantial comments or queries from shareholders relating to the agenda of the general meetings and responses from the Board or the Management, to Shareholders upon their requests. The Company does not publish minutes of general meetings on its corporate website as contemplated by the Code. There are potential adverse implications, including commercial and legal implications, for the Company if the minutes of general meetings are published to the public at large. The Company is of the view that its position is consistent with the intent of Principle 11 of the Code as shareholders have a right to attend general meetings either in person or by proxy, where they may exercise their right to speak and vote and have the opportunity to communicate their views on various matters affecting the Company. Further, shareholders, including those who did not attend the relevant general meeting, have a statutory right to be furnished copies of minutes of general meetings in accordance with Section 189 of the Companies Act. The Company is therefore of the view that, consistent with the intent of Principle 11 of the Code, as between themselves, shareholders are treated fairly and equitably by the Company.

The Company will conduct voting by poll and an announcement detailing the results, including the total number of votes cast for and against each resolution and the respective percentages will be announced via SGXNet after the conclusion of the general meeting.

As the authentication of shareholder identity and other related security and integrity issues still remain a concern, the Company has decided for the time being, not to implement absentia voting methods such as voting via mail, e-mail or fax.

The Company has adopted a dividend policy ("**Dividend Policy**"), which was announced via SGXNet on 7 September 2017. As disclosed in the Dividend Policy, the Company will declare annual dividends, including interim dividends, of not less than 20% of the Company's consolidated profit after tax and non-controlling interest, excluding non-recurring, one-off and exceptional items, in respect of any financial year commencing financial year ending 31 December 2018 to its shareholders, subject to inter alia, the Company's retained earnings, financial position, capital expenditure requirements, future expansion, investment plans, approval from lenders and other relevant factors. The management plans to conserve cash in this soft market conditions. As such, the Board has decided that no dividend will be declared or recommended for the financial period from 1 January 2021 to 30 June 2022. However, the Dividend Policy remains in place. The Board may declare the payment of dividends when market conditions improve and are more favourable.

PRINCIPLE 12: ENGAGEMENT WITH SHAREHOLDERS

The company communicates regularly with its shareholders and facilitates the participation of shareholders during general meetings and other dialogues to allow shareholders to communicate their views on various matters affecting the company.

Communication with Shareholders is managed by the Board and Management.

The Company does not have an investor relations policy as the Company is of the view that the communication channels provided via SGXNet and the Company's corporate website (aspen.sg) are sufficient to provide timely communication of material events to shareholders.

The Company does not make price-sensitive disclosure to a selected group. All announcements are released via the SGXNet and are also available on the Company's corporate website (aspen.sg). The Company's Annual Report, notice of AGM, proxy form and questions form will be accessible through the SGXNet and publication on our corporate website.

PRINCIPLE 13: ENGAGEMENT WITH STAKEHOLDERS

The Board adopts an inclusive approach by considering and balancing the needs and interests of material stakeholders, as part of its overall responsibility to ensure that the best interests of the company are served.

The Group has identified stakeholders as those who are impacted by the Group's business and operations as well as those who have a material impact on the Group's business and operations as provided in the Group's 2019 Sustainability Report, the Company has regularly engaged its stakeholders through various channels to ensure that the business interests of the Group are aligned with those stakeholders, to understand and address the concerns so as to improve services and products standards, as well as to sustain business operations for long-term growth. The Company takes a pragmatic approach in managing stakeholders' expectations to support its long-term strategy. Pertinent information and news are regularly conveyed to the stakeholders through SGXNet and social media page such as Facebook.

Additionally, the Company maintains a corporate website at https://aspen.com.my to communicate and engage with stakeholders through the contact information of the Company which can be found on the website.

SUSTAINABILITY REPORTING

The Sustainability Report will outline the Company's efforts, pursuits and initiatives towards achieving the Group's sustainability goals through operational and business practices. It covers the material Environment, Social and Governance ("**ESG**") factors relevant to the Group. Our framework of sustainability reporting is in line with the Listing Manual and is guided by the Global Reporting Initiative (GRI) Standards – Core option, the international standard for sustainability reporting ("GRI Standards").

By applying the relevant GRI Standards, we identify and prioritise sustainability topics for reporting. The materiality assessment is conducted through a series of engagement sessions with internal stakeholders and studying existing feedback of external stakeholders. The material topics determined last year were deemed to be relevant and current by the Board and our corporate sustainability committee.

The Company is in the midst of finalising its Sustainability Report for FY2022. It will be made available to the shareholders on the SGXNet and the Company's website by 30 November 2022. For the next financial year onwards, the Company will publish the Sustainability Report together with the annual report as required by the amended Listing Manual.

DEALINGS IN SECURITIES

The Group has implemented appropriate internal guidelines on dealings in the Company's securities in compliance with the best practices as set out in Rule 1207(19) of the Listing Manual. All Directors and staff of the Group are not allowed to trade in the Company's securities during the periods commencing one month before the announcement of the Company's half-yearly and full year financial results respectively. To facilitate compliance, reminders are issued to all directors and staff prior to the applicable trading black-outs. Our directors and staff, who are expected to observe insider trading laws at all times, are also discouraged from dealing in the Company's securities on short-term considerations.

INTERESTED PERSON TRANSACTIONS

The Group has procedures governing all Interested Persons Transactions ("**IPT**") to ensure that they are properly documented and reported in a timely manner to the AC and that they are carried out on normal commercial terms and are not prejudicial to the interests of the Company and its minority shareholders.

There were no material contracts of the Group involving the interests of any director or controlling shareholder entered into since the end of the financial period from 1 January 2021 to 30 June 2022.

The AC will continue to review and monitor any IPTs that may arise and ensure that the Company seeks appropriate approvals, makes appropriate announcements or disclosures on these IPT in accordance with Chapter 9 of the Listing Manual.

The Company did not obtain any general mandate from Shareholders for IPTs pursuant to Chapter 9 of the Listing Manual.

USE OF PROCEEDS

Private Placement Proceeds
On 18 November 2020, the 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. The proceeds of the placement have been fully utilised as announced by the Company on 13 August 2021.

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 ("**Convertible Loan**") from Haitong International Financial Products (Singapore) Pte. Ltd. ("**Lender**") as announced on 20 May 2018 and 19 October 2018.

The proceeds from the Convertible Loan were utilised in accordance with the intended use.

The Company has fully repaid in cash the Convertible Loan as announced in the Company's SGXNET announcement dated 19 January 2022.

MATERIAL CONTRACTS

Save for those disclosed under the section "Interested Person Transactions" and the service agreement between the Executive Directors and the Company, there were no material contracts entered into by the Company and its subsidiaries involving the interests of its CEO, Directors or controlling shareholders which are either still subsisting at the end of FY2022 or if not then subsisting, entered into by the Company during the period under review.

Financial Reports

Directors' statement

We are pleased to submit this statement to the members of the Company together with the audited financial statements for the period from 1 January 2021 to 30 June 2022.

In our opinion:

(a) the financial statements set out on pages 114 to 189 are drawn up so as to give a true and fair view of the consolidated financial position of the Group and the financial position of the Company as at 30 June 2022 and the consolidated financial performance, consolidated changes in equity and consolidated cash flows of the Group for the financial period from 1 January 2021 to 30 June 2022 in accordance with the provisions of the Singapore Companies Act 1967 and Singapore Financial Reporting Standards (International); and

(b) at the date of this statement, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they fall due.

The Board of Directors has, on the date of this statement, authorised these financial statements for issue.

Directors

The directors in office at the date of this statement are as follows:

Dato' Murly Manokharan	
Dato' Seri Nazir Ariff Bin Mushir Ariff	
Mr Cheah Teik Seng	
Dato' Alan Teo Kwong Chia	
Dr Lim Su Kiat	
Ir Anilarasu Amaranazan	
Mr Ching Chiat Kwong	(Cessation on 25 August 2022)
Mr Low See Ching (Liu Shijin)	(Alternate Director to Mr Ching Chiat Kwong) (Cessation on 25 August 2022)
Dato' Choong Khuat Seng	

Directors' interests

According to the register kept by the Company for the purposes of Section 164 of the Singapore Companies Act 1967 (the "Act"), particulars of interests of directors who held office at the end of the financial period (including those held by their spouses and infant children) in shares, debentures, warrants and share options in the Company and in related corporations (other than wholly-owned subsidiaries) are as follows:

Name of director and corporation in which interests are held	Holdings at beginning of the period	Holdings at end of the period
Dato' Murly A/L Manokharan		
Aspen Vision Group Sdn. Bhd.		
- ordinary shares		
- interest held	19,427	19,427
- redeemable preference shares		
- interest held	224,947	224,947
Aspen (Group) Holdings Limited		
- ordinary shares		
- deemed interest	505,877,952	505,877,952
Dato' Seri Nazir Ariff Bin Mushir Ariff		
Aspen Vision Group Sdn. Bhd.		
- ordinary shares		
- interest held	5,473	5,473
- redeemable preference shares		
- interest held	65,670	65,670
Mr Cheah Teik Seng		
Aspen (Group) Holdings Limited		
- ordinary shares		
- interest held	4,480,252	4,480,252
Dato' Alan Teo Kwong Chia		
Aspen (Group) Holdings Limited		
- ordinary shares		
- interest held	205,516	205,516
Dr Lim Su Kiat		
Aspen Vision Group Sdn. Bhd.		
- ordinary shares		
- interest held	2,100	2,100
- redeemable preference shares		
- interest held	51,273	51,273
Aspen (Group) Holdings Limited		
- ordinary shares		
- interest held	33,152	33,152
Ir Anilarasu Amaranazan		
Aspen (Group) Holdings Limited		
- ordinary shares		
- interest held	242,000	242,000
Mr Ching Chiat Kwong		
Aspen (Group) Holdings Limited		
- ordinary shares		
- deemed interest	101,340,620	101,340,620

Name of director and corporation in which interests are held	Holdings at beginning of the period	Holdings at end of the period
Mr Low See Ching (Liu Shijin)		
Aspen (Group) Holdings Limited		
- ordinary shares		
- deemed interest	101,340,620	101,340,620

Except as disclosed in this statement, no director who held office at the end of the financial period had interests in shares, debentures, warrants or share options of the Company, or of related corporations, either at the beginning of the financial period or at the end of the financial period.

Except as disclosed under the 'Share options' section of this statement, neither at the end of, nor at any time during the financial period, was the Company a party to any arrangement whose objects are, or one of whose objects is, to enable the directors of the Company to acquire benefits by means of the acquisition of shares in or debentures of the Company or any other body corporate.

Share Options and Share Plans

The AV Employee Share Option Scheme (the "Scheme") and AV Performance Share Plan ("PSP") of the Company was approved and adopted by its members at an Extraordinary General Meeting held on 19 June 2017. The Scheme is administered by the Company's Nominating committee and the Remuneration Committee, comprising 5 directors as follows:

Nominating Committee	1. Dato' Alan Teo Kwong Chia (Chairman) 2. Dato' Murly Manokharan 3. Mr. Cheah Teik Seng 4. Dato' Choong Khuat Seng
Remuneration Committee	1. Mr. Cheah Teik Seng (Chairman) 2. Dato' Alan Teo Kwong Chia 3. Dr. Lim Su Kiat

During 2019, the Company granted 84,800 ordinary shares under PSP to its employees. At the end of the financial period, no options have been granted.

Audit Committee

The members of the Audit Committee ("AC") during the year and at the date of this statement are:

Mr. Cheah Teik Seng	(Independent Non-Executive Director and Chairman)
Dato' Alan Teo Kwong Chia	(Independent Non-Executive Director)
Dr. Lim Su Kiat	(Non-Independent Non-Executive Director)

The AC performs the functions specified in Section 201B of the Act, the SGX Listing Manual and the Code of Corporate Governance.

The Audit Committee has held 6 meetings since the last directors' statement. In performing its functions, the Audit Committee met with the Company's external and internal auditors to discuss the scope of their work, the results of their examination and evaluation of the Company's internal accounting control system.

The Audit Committee also reviewed the following:

- assistance provided by the Company's officers to the internal and external auditors;
- quarterly financial information and annual financial statements of the Group and the Company prior to their submission to the directors of the Company for adoption; and
- interested person transactions (as defined in Chapter 9 of the SGX Listing Manual).

The Audit Committee has full access to management and is given the resources required for it to discharge its functions. It has full authority and the discretion to invite any director or executive officer to attend its meetings. The Audit Committee also recommends the appointment of the external auditors and reviews the level of audit and non-audit fees.

The Audit Committee is satisfied with the independence and objectivity of the external auditors and has recommended to the Board of Directors that the auditors, Mazars LLP, be nominated for re-appointment as auditors at the forthcoming Annual General Meeting of the Company.

In appointing our auditors for the Company, subsidiaries and significant associated companies, we have complied with Rules 712 and 715 of the SGX Listing Manual.

Auditors

The auditors, Mazars LLP, have expressed their willingness to accept re-appointment.

On behalf of the Board of Directors

Dato' Seri Nazir Ariff Bin Mushir Ariff
Director

Dato' Murly A/L Manokharan
Director

15 October 2022

Independent auditors' report

Members of the Company
Aspen (Group) Holdings Limited

Report on the audit of the financial statements

Opinion

We have audited the financial statements of Aspen (Group) Holdings Limited (the "Company") and its subsidiaries (the "Group") which comprise the statements of financial position of the Group and of the Company as at 30 June 2022, and the statements of profit or loss and other comprehensive income, changes in equity and cash flows of the Group, and the statement of changes in equity of the Company for the financial period from 1 January 2021 to 30 June 2022, and notes to the financial statements, including a summary of significant accounting policies as set out on page 114 to 189.

In our opinion, the accompanying financial statements of the Group and the statement of financial position and the statement of changes in equity of the Company are properly drawn up in accordance with the provisions of the Companies Act 1967 (the "Act") and Singapore Financial Reporting Standards (International) ("SFRS(I)s") so as to give a true and fair view of the financial position of the Group and of the Company as at 30 June 2022 and of the financial performance, changes in equity and cash flows of the Group and changes in equity of the Company for the financial 1 January 2021 to 30 June 2022.

Basis for Opinion

We conducted our audit in accordance with Singapore Standards on Auditing ("SSAs"). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements *section of our report. We are independent of the Group in accordance with the Accounting and Corporate Regulatory Authority ("ACRA")* Code of Professional Conduct and Ethics for Public Accountants and Accounting Entities *(the "ACRA code") together with the ethical requirements that are relevant to our audit of the financial statements in Singapore, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ACRA code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.*

Overview

Audit Approach

We designed a risk-based audit approach in identifying and assessing the risks of material misstatement at both the financial statement and assertion levels.

Materiality

As in all our audits, we exercised our professional judgement in determining our materiality, which was also affected by our perception of the financial information needs of the users of the financial statements, being the magnitude of misstatement in the financial statements that makes it probable for a reasonably knowledgeable person to change or be influenced in his economic decision.

Report on the Audit of Financial Statements (Continued)

Scope of audit

For the audit of the current year's financial statements, we identified 11 significant components which required either full scope audit or specific audit of their financial information, either because of their size or/and their risk characteristics.

These significant components were audited by other Mazars offices as component auditors under our instructions. We determined the component materiality and our level of involvement in their audit necessary for us, in our professional judgement, to obtain sufficient appropriate audit evidence as a basis for our opinion on the Group's financial statements as a whole.

Areas of focus

We focused our resources and effort on areas which were assessed to have higher risks of material misstatement, including areas which involve significant judgements and estimates to be made by directors.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current financial year. These matters include the aforementioned salient areas of focus in our audit and do not represent all the risks identified by our audit. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

<table>
<tr><th>Key audit matter 1</th><th>Audit response</th></tr>
<tr><td colspan="2">Revenue from property development (Refer to Note 3.16 and Note 21 to the financial statements)</td></tr>
<tr><td>The Group is in the business of developing and selling residential units. As disclosed in Note 21 to the financial statements, revenue from sales of development properties over time amounted to RM190.76 million which represented approximately 50% of the Group's revenue for the financial period ended 30 June 2022.

As disclosed in Notes 3.16 and 21 to the financial statements, the Group mainly recognises revenue over time based on the construction and other costs incurred to date as a proportion of the estimated total construction and other costs to be incurred. Management considers that this input method is an appropriate measure of the progress towards complete satisfaction of these performance obligations.

The determination of the estimated total construction and other costs to be incurred require significant management judgement and estimates, which may have an impact on the amounts of revenue and profits recognised during the year.</td><td>Our audit procedures included, and were not limited to the following:
- Reviewed the terms of the sales contracts and appropriateness of the Group's accounting policy on revenue recognition under SFRS(I) 15;
- Understood and evaluated the Group's design and implementation of its system of internal controls relating to revenue recognition, with focus on key controls;
- Assessed the criteria used by management to determine whether percentage of the completion (overtime) or completion (point in time) method to be used in revenue recognition is appropriate;
- Reviewed the contract costs to ensure that they meet the fulfilment cost criteria;
- Assessed the progress of the construction work by reference to the work performed based on the ratio of construction costs incurred to date to the estimated total construction costs;
- Performed analytical procedures, such as analysing the gross profit margins reported by project;
- Performed cut-off procedures; and
- Reviewed the completeness and appropriateness of corresponding disclosures in the financial statements once made available.</td></tr>
</table>

Report on the Audit of Financial Statements (Continued)

Key Audit Matters (Continued)

Key audit matter 2	**Audit response**
Allowance for foreseeable losses for projects under development and net realisable value test for unsold units (Refer to Note 3.7 and Note 8 to the financial statements)	
The Group has significant development properties held for sale in Penang, Malaysia. Development properties for sale are stated at the lower of their cost and net realisable values. The determination of the estimated net realisable value of these development properties is critically dependent upon the Group's expectation of future selling prices of unsold properties. There is, therefore a risk that the property development costs may exceed the net realisable values, resulting in unforeseen losses.	Our audit procedures included, and were not limited to the following: - Reviewed management's assessment of the carrying value of development properties in light of market conditions at year end, by considering the reasonableness of the estimated costs to completion and estimated selling price and assess the need and adequacy for allowance for impairment losses.

Key audit matter 3	**Audit response**
Impairment of property, plant and equipment (Refer to Note 3.3, note 4 and Note 6 to the financial statements)	
As at 30 June 2022, the carrying amount of the Group's property, plant and equipment were RM343.10 million, which represents 23.00% of the Group's total assets. Management has engaged independent external valuer to assist the Group in determining the recoverable amount of the leasehold land, building and plant and machinery. The determination of impairment of property, plant and equipment involves a high level of judgement, which may have significant impact on the financial statements. We hence consider this as a key audit matter.	Our audit procedures included, and were not limited to the following: - Reviewed and discussed with management whether there is any indication of impairment; - Assessed the adequacy of impairment provided by management on its property, plant and equipment; - Reviewed disclosures in the financial statements once made available for compliance with the requirements of SFRS(I) 1-36 Impairment of Assets.

Other Matter

The financial statements of the Group and Company for the year ended 31 December 2020 were audited by another firm of auditors who had expressed an unmodified opinion in their report dated 1 April 2021.

Other information

Management is responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and the independent auditors' report thereon, which we obtained prior to the date of this report.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

Report on the Audit of Financial Statements (Continued)

Other information (Continued)

In connection with our audit of the financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information that we obtained prior to the date of this report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Directors for the Financial Statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the provisions of the Act and SFRS(I)s, and for devising and maintaining a system of internal accounting controls sufficient to provide reasonable assurance that assets are safeguarded against loss from unauthorised use or disposition; and transactions are properly authorised and that they are recorded as necessary to permit the preparation of true and fair financial statements and to maintain accountability of assets.

In preparing the financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The directors' responsibilities include overseeing the Group's financial reporting process.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SSAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

Report on the Audit of Financial Statements (Continued)

Auditors' Responsibilities for the Audit of the Financial Statements (Continued)

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial statements of the current financial year and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

In our opinion, the accounting and other records required by the Act to be kept by the Company and by the subsidiary entities incorporated in Singapore of which we are the auditors have been properly kept in accordance with the provisions of the Act.

The engagement partner on the audit resulting in this independent auditors' report is Chin Chee Choon.

Mazars LLP
Public Accountants and
Chartered Accountants

Singapore
15 October 2022

Statements of Financial Position

As At 30 June 2022

	Note	Group		Company	
		2022 RM'000	2020 RM'000	2022 RM'000	2020 RM'000
ASSETS					
Non-current assets					
Property, plant and equipment	4	343,103	236,773	–	–
Intangible assets	5	1,786	1,807	–	–
Subsidiaries	6	–	–	223,632	217,970
Associates	7	96,357	147,156	–	–
Development properties	8	369,586	368,657	–	–
Trade and other receivables	12	7,926	20,833	–	–
Deferred tax assets	17	37,171	10,620	–	–
Total non-current assets		855,929	785,846	223,632	217,970
Current assets					
Development properties	8	425,141	514,519	–	–
Contract costs	9	29,028	11,966	–	–
Contract assets	10	60,013	97,148	–	–
Tax recoverables		5,590	6,125	–	–
Inventories	11	15,025	17,799	–	–
Trade and other receivables	12	86,856	49,722	167	91,472
Cash and cash equivalents	13	31,807	86,565	416	29,148
Total current assets		653,460	783,844	583	120,620
Total assets		1,509,389	1,569,690	224,215	338,590
LIABILITIES					
Current liabilities					
Loans and borrowings	14	182,477	160,692	4,732	28,091
Trade and other payables	15	472,986	304,511	2,562	2,792
Contract liabilities	10	31,872	2,434	–	–
Current tax liabilities		10,872	2,752	–	–
Total current liabilities		698,207	470,389	7,294	30,883

The accompanying notes form an integral part of these financial statements.

Statements of Financial Position (Continued)

As At 30 June 2022

	Note	Group 2022 RM'000	Group 2020 RM'000	Company 2022 RM'000	Company 2020 RM'000
Non-current liabilities					
Loans and borrowings	14	221,227	335,690	–	–
Trade and other payables	15	114,365	124,771	–	–
Non-current tax liabilities		22,736	–	–	–
Deferred tax liabilities	17	10,490	10,781	–	–
Total non-current liabilities		368,818	471,242	–	–
Total liabilities		1,067,025	941,631	7,294	30,883
EQUITY					
Share capital	18	316,786	316,786	316,786	316,786
Reserves	19	69,471	249,497	(99,865)	(9,079)
Equity attributable to owners of the Company		386,257	566,283	216,921	307,707
Non-controlling interests	20	56,107	61,776	–	–
Total equity		442,364	628,059	216,921	307,707
Total equity and liabilities		1,509,389	1,569,690	224,215	338,590

The accompanying notes form an integral part of these financial statements.

Consolidated Statement of Profit or Loss and Other Comprehensive Income

Financial Period From 1 January 2021 to 30 June 2022

	Note	Group 1.1.2021 to 30.6.2022 RM'000	Group 1.1.2020 to 31.12.2020 RM'000
Revenue	21	379,550	282,832
Cost of sales	22	(350,309)	(199,430)
Gross profit		29,241	83,402
Other income		12,432	3,355
Administrative expenses		(112,624)	(49,647)
Selling and distribution expenses		(16,307)	(6,164)
Other operating expenses		(100,112)	(3,891)
Results from operating activities		(187,370)	27,055
Finance income		1,000	1,825
Finance costs		(9,509)	(3,102)
Net finance costs	23	(8,509)	(1,277)
Share of results of equity-accounted investees, net of tax		(2,106)	61,510
(Loss)/Profit before tax	24	(197,985)	87,288
Tax expense	25	(15,097)	(11,492)
(Loss)/Profit for the year		(213,082)	75,796
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		119	(19)
Other comprehensive income, net of tax		119	(19)
Total comprehensive income for the year		(212,963)	75,777
(Loss)/Profit for the year attributable to:			
Owners of the Company		(180,145)	72,731
Non-controlling interests		(32,937)	3,065
		(213,082)	75,796
Total comprehensive income for the year attributable to:			
Owners of the Company		(180,026)	72,712
Non-controlling interests		(32,937)	3,065
		(212,963)	75,777
Basic earnings per share (sen)	26	(16.63)	7.30
Diluted earnings per share (sen)	26	(16.63)	7.30

The accompanying notes form an integral part of these financial statements.

Consolidated Statement of Changes In Equity

Financial Period From 1 January 2021 to 30 June 2022

	Note	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
Group									
At 1 January 2021		316,786	(30)	(21)	37,442	212,106	566,283	61,776	628,059
Total comprehensive income for the year									
Loss for the year		–	–	–	–	(180,145)	(180,145)	(32,937)	(213,082)
Other comprehensive income, net of tax		–	119	–	–	–	119	–	119
Total comprehensive income for the year		–	119	–	–	(180,145)	(180,026)	(32,937)	(212,963)
Changes in ownership interest in subsidiaries									
Acquisition of subsidiary with non-controlling interests		–	–	–	–	–	–	27,268	27,268
Total transactions with owners		–	–	–	–	–	–	27,268	27,268
At 30 June 2022		316,786	89	(21)	37,442	31,961	386,257	56,107	442,364

The accompanying notes form an integral part of these financial statements.

Consolidated Statement of Changes In Equity (Continued)

Financial Period From 1 January 2021 to 30 June 2022

	Note	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
Group									
At 1 January 2020		237,241	(11)	(21)	37,442	140,922	415,573	55,711	471,284
Total comprehensive income for the year									
Profit for the year		–	–	–	–	72,731	72,731	3,065	75,796
Other comprehensive income, net of tax		–	(19)	–	–	–	(19)	–	(19)
Total comprehensive income for the year		–	(19)	–	–	72,731	72,712	3,065	75,777
Transaction with owners, recognised directly in equity									
Issuance of shares through private placement	18	72,642	–	–	–	–	72,642	–	72,642
Issuance of scrip dividend	18	7,423	–	–	–	(1,547)	5,876	–	5,876
Transactions costs relating to scrip dividend and issuance of shares	18	(520)	–	–	–	–	(520)	–	(520)
		79,545	–	–	–	(1,547)	77,998	–	77,998
Changes in ownership interest in subsidiaries									
Acquisition of subsidiary with non-controlling interests		–	–	–	–	–	–	3,000	3,000
Total transactions with owners		79,545	–	–	–	(1,547)	77,998	3,000	80,998
At 31 December 2020		316,786	(30)	(21)	37,442	212,106	566,283	61,776	628,059

The accompanying notes form an integral part of these financial statements.

Consolidated Statement of Cash Flows

Financial Period From 1 January 2021 to 30 June 2022

	Note	Group 1.1.2021 to 30.6.2022 RM'000	Group 1.1.2020 to 31.12.2020 RM'000
Cash flows from operating activities			
(Loss)/Profit before tax		(197,985)	87,288
Adjustments for:			
Depreciation of property, plant and equipment		28,786	13,262
Amortisation of intangible assets		348	218
Finance costs		55,940	31,241
Finance income		(1,000)	(1,825)
Property, plant and equipment written off		938	33
Impairment loss on property, plant and equipment		98,417	3,237
(Gain)/Loss on disposal of property, plant and equipment		(151)	28
Impairment loss on inventories		6,641	–
Loss on disposal of associates		10,723	–
Share of results of equity-accounted investees		2,106	(61,510)
Unrealised loss on foreign exchange		152	4
		4,915	71,976
Changes in:			
- development properties		92,016	(46,732)
- contract costs		(17,066)	1,886
- contract assets		37,135	(60,687)
- trade and other receivables		(9,181)	58,768
- trade and other payables		146,824	(3,298)
- contract liabilities		29,438	(7,679)
Cash generated from operations		284,081	14,234
Tax paid		(22,990)	(7,961)
Net cash generated from operating activities		261,091	6,273
Cash flows from investing activities			
Acquisition of property, plant and equipment		(239,800)	(36,219)
Acquisition of intangible assets		(238)	(525)
Proceeds from sale of property, plant and equipment		173	3
Interest received		1,000	1,825
Proceeds from sale of associates		40,472	–
Acquisition of non-controlling interests in subsidiaries		(3,950)	–
Advances to associates		(2,310)	(2,580)
Net cash used in investing activities		(204,653)	(37,496)

The accompanying notes form an integral part of these financial statements.

Consolidated Statement of Cash Flows (Continued)

Financial Period From 1 January 2021 to 30 June 2022

	Note	Group 1.1.2021 to 30.6.2022 RM'000	1.1.2020 to 31.12.2020 RM'000
Cash flows from financing activities			
Proceeds from issuance of shares through private placement		–	72,642
Payment of transactions cost relating to scrip dividend and issuance of shares		–	(520)
Changes in fixed deposit pledged		(2,343)	4,346
Proceeds from loans and borrowings		180,773	54,908
Repayment of loans and borrowings		(251,747)	(59,244)
Payment of lease liabilities		(27,558)	(7,307)
Capital injection from non-controlling interest		5,700	3,000
Contribution from non-controlling interest upon additional capital injection of a subsidiary		25,518	3,556
Advances from non-controlling interests		5,185	13,160
Dividend paid		–	(2,591)
Interest paid		(48,529)	(27,508)
Net cash (used in)/generated from financing activities		(113,001)	54,442
Net (decrease)/increase in cash and cash equivalents		(56,563)	23,219
Effect of exchange rate changes on cash and cash equivalents		(538)	29
Cash and cash equivalents at 1 January		83,788	60,540
Cash and cash equivalents at 30 June/31 December	13	26,687	83,788

Significant non-cash transactions

Acquisition of property, plant and equipment

During the financial period ended 30 June 2022, the Group acquired property, plant and equipment with an aggregate cost of RM239,954,000 (2020: RM94,005,000), of which:

(a) RM5,728,000 (2020: RM57,115,000) relates to right-of-use assets; and
(b) Nil (2020: RM671,000) relates to provision for reinstatement costs.

The accompanying notes form an integral part of these financial statements.

Notes to the financial statements

These notes form an integral part of the financial statements.

The financial statements of the Group and the statement of financial position of the Company for the financial period from 1 January 2021 to 30 June 2022 were authorised for issue by the directors on 15 October 2022.

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 financial statements of the Group as at and for the financial period ended 30 June 2022 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.

The Company was listed on the Catalist of the Singapore Exchange Securities Trading Limited ("SGX-ST") 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 principal activities of the subsidiaries are set out in note 6 to the financial statements. The immediate and ultimate holding company is Aspen Vision Group Sdn. Bhd., a company incorporated in Malaysia.

During the current financial period, the Company changed its financial year end from 31 December to 30 June. Accordingly, these financial statements cover a period of 18 months from 1 January 2021 to 30 June 2022. The comparative period covers a period of 12 months from 1 January 2020 to 31 December 2020.

2 Basis of preparation

2.1 Statement of compliance

The financial statements have been prepared in accordance with Singapore Financial Reporting Standards (International) ("SFRS(I)").

2.2 Basis of measurement

The financial statements have been prepared on the historical cost basis except as otherwise described in the significant accounting policies below.

2.3 Functional and presentation currency

The individual financial statements of each Group entity are measured and presented in the currency of the primary economic environment in which the entity operates (its functional currency). The financial statements of the Group and the statement of financial position of the Company are presented in Malaysian ringgit ("RM") which is also the functional currency of the Company, and all values presented are rounded to the nearest thousand ("RM'000"), unless otherwise indicated.

2.4 Use of estimates and judgements

The preparation of the 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.

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 financial year are included in the following notes:

Note 3.1(i)	–	Acquisition of equity interest: business combination and fair value of assets acquired and liabilities assumed;
Note 4	–	Measurement of recoverable amount of property, plant and equipment;
Note 6	–	Measurement of recoverable amounts of subsidiaries;
Note 7	–	Measurement of recoverable amounts of associates;
Note 7	–	Fair value of investment properties held by associates;
Note 8	–	Assessment of risk of provision for foreseeable losses on property under development;
Note 8	–	Assessment of net realisable value of property under development and completed units;
Note 11	–	Inventories valuation method;
Note 21	–	Revenue recognition - Measurement of stage of property development; and
Note 29	–	Measurement of estimated credit losses of trade and other receivables.

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.

The Group has an established control framework with respect to the measurement of fair values. This includes a finance team that has overall responsibility for all significant fair value measurement, including Level 3 fair values, where applicable and reports directly to the Chief Financial Officer.

The finance team regularly reviews significant unobservable inputs and valuation adjustments. If third party information, such as property valuations or broker quotes or pricing services, is used to measure fair values, then the finance team assesses and documents the evidence obtained from third parties to support the conclusion that such valuations meet the requirements of SFRS(I), including the level in the fair value hierarchy in which such valuations should be classified. Significant valuation issues are reported to the Group's Audit Committee.

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.

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

- Note 7 – fair value of investment properties held by associates;
- Note 16 – share-based payment arrangements; and
- Note 29 – financial instruments.

2.5 Changes in significant accounting policy

(i) Accounting for investment property

On 1 January 2020, the Group changed its accounting policy with respect to the subsequent measurement of investment property from cost model to the fair value model, with changes in fair value recognised in profit or loss. The Group believes that fair value model provides more relevant information about the financial performance of these assets, assists users to better understand the risks associated with these assets and is more aligned with industry practice of stating such assets using the fair value model.

(ii) New standards and amendments

The Group has applied the following amendments to SFRS(I) for the first time for the annual period beginning on 1 January 2021:

- Amendments to SFRS(I) 16 Covid-19 – Related Rent Concessions; and
- 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 Group applied the amendments relating to definition of a business to business combinations whose acquisition dates are on or after 1 January 2021 in assessing whether it had acquired a business or a group of assets. The details of accounting policies are set out in note 3.1(i).

The application of these amendments to standards does not have a material effect on the financial statements.

2.6 Going concern

During the financial period ended 30 June 2022, the Group has incurred losses amounted to RM213.08 million, and its current liabilities exceeded its current assets by RM44.75 million. This condition may cast significant doubt on the Group's ability to continue as a going concern.

In assessing the appropriateness of the going concern assumptions of the Group, the Directors are of the view that the use of going concern assumption to prepare the consolidated financial statements is appropriate based on the following factors:

- Successful disposal of the subsidiary, Aspen Glove Sdn. Bhd.'s land and factory building for an aggregate cash consideration of RM200.0 million (Note 35);
- Continuing financial support from its director, Dato' Murly Manokharan to enable the Group and the Company to meet their liabilities as and when they fall due;
- Availability of adequate financing or attaining profitable operations in the foreseeable future.

Should the Group be unable to discharge their liabilities in the normal course of business which may lead to the Group being unable to continue in operational existence for the foreseeable future, adjustments may have to be made to reflect the situation that assets may need to be realised other than in the normal course of business and at amounts which could differ significantly from the amounts at which they are currently recorded in the statements of financial position. In addition, the Group may need to reclassify non-current assets and non-current liabilities to current assets and current liabilities respectively. No such adjustments have been reflected in these consolidated financial statements.

3 Significant accounting policies

The accounting policies set out below have been applied consistently to all periods presented in these financial statements.

3.1 Basis of consolidation

(i) Business combinations

The Group accounts for business combinations using the acquisition method when the acquired set of activities and assets meets the definition of a business and control is transferred to the Group (see note ii). In determining whether a particular set of activities and assets is a business, the Group assesses whether the set of assets and activities includes, at a minimum, an input and substantive process and whether the acquired set has the ability to produce outputs.

The Group has an option to apply a 'concentration test' that permits a simplified assessment of whether an acquired set of activities and assets is not a business. The optional concentration test is met if substantially all of the fair value of the gross assets acquired is concentrated in a single identifiable asset or group of similar identifiable assets.

The Group measures goodwill at the date of acquisition as:

- the fair value of the consideration transferred; plus
- the recognised amount of any non-controlling interests ("NCI") in the acquiree; plus
- if the business combination is achieved in stages, the fair value of the pre-existing equity interest in the acquiree,

over the net recognised amount (generally fair value) of the identifiable assets acquired and liabilities assumed. Any goodwill that arises is tested annually for impairment.

When the excess is negative, a bargain purchase gain is recognised immediately in profit or loss.

The consideration transferred does not include amounts related to the settlement of pre-existing relationships. Such amounts are generally recognised in profit or loss.

Any contingent consideration payable is recognised at fair value at the acquisition date and included in the consideration transferred. If the contingent consideration that meets the definition of a financial instrument is classified as equity, it is not remeasured and settlement is accounted for within equity. Otherwise, other contingent consideration is remeasured at fair value at each reporting date and subsequent changes to the fair value of the contingent consideration are recognised in profit or loss.

NCI that are present ownership interests and entitle their holders to a proportionate share of the acquiree's net assets in the event of liquidation are measured either at fair value or at the NCI's proportionate share of the recognised amounts of the acquiree's identifiable net assets, at the acquisition date. The measurement basis taken is elected on a transaction-by-transaction basis. All other NCI are measured at acquisition-date fair value, unless another measurement basis is required by SFRS(I)s.

Costs related to the acquisition, other than those associated with the issue of debt or equity securities, that the Group incurs in connection with a business combination are expensed as incurred.

Changes in the Group's interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions.

(ii) Subsidiaries

Subsidiaries are entities controlled by the Group. The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases.

The accounting policies of subsidiaries have been changed when necessary to align them with the policies adopted by the Group. Losses applicable to the NCI in a subsidiary are allocated to the NCI even if doing so causes the NCI to have a deficit balance.

The financial statements of the Group have been prepared to reflect the operations of the Company and the subsidiaries as a single economic enterprise and consist of those companies under common control since the date of incorporation.

(iii) Acquisitions from entities under common control

Business combinations arising from transfers of interests in entities that are under the control of the shareholder that controls the Group are accounted for as if the acquisition had occurred at the beginning of the earliest comparative year presented or, if later, at the date that common control was established; for this purpose comparatives are restated. The assets and liabilities acquired are recognised at the carrying amounts recognised previously in the consolidated financial statements of the Group's controlling shareholder. The components of equity of the acquired entities are added to the same components within Group equity and any gain/loss arising is recognised directly in equity.

(iv) Loss of control

When the Group loses control over a subsidiary, it derecognises the assets and liabilities of the subsidiary, and any related NCI and other components of equity. Any resulting gain or loss is recognised in profit or loss. Any interest retained in the former subsidiary is measured at fair value when control is lost.

(v) Investments in associates (equity-accounted investees)

Associates are those entities in which the Group has significant influence, but not control or joint control, over the financial and operating policies of these entities. Significant influence is presumed to exist when the Group holds 20% or more of the voting power of another entity.

Investments in associates are accounted for using the equity method. It is recognised initially at cost, which includes transaction costs. Subsequent to initial recognition, the financial statements include the Group's share of the profit or loss and other comprehensive income ("OCI") of equity-accounted investees, after adjustments to align the accounting policies with those of the Group, from the date that significant influence commences until the date that significant influence ceases.

When the Group's share of losses exceeds its interest in an equity-accounted investee, the carrying amount of the investment, together with any long-term interests that form part thereof, is reduced to zero, and the recognition of further losses is discontinued except to the extent that the Group has an obligation to fund the investee's operations or has made payments on behalf of the investee.

(vi) Transactions eliminated on consolidation

Intra-group balances and transactions, and any unrealised income and expenses arising from intra-group transactions, are eliminated in preparing the financial statements. Unrealised gains arising from transactions with equity-accounted investees are eliminated against the investment to the extent of the Group's interest in the investee. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

(vii) Subsidiaries and associates in the separate financial statements

Investments in subsidiaries and associates are stated in the Company's statement of financial position at cost less accumulated impairment losses.

3.2 Foreign currency

(i) Foreign currency transactions

Transactions in foreign currencies are translated to the respective functional currencies of the Group entities at exchange rate at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies at the reporting date are translated to the functional currency at the exchange rate at that date. The foreign currency gain or loss on monetary items is the difference between amortised cost in the functional currency at the beginning of the year, adjusted for effective interest and payments during the year, and the amortised cost in foreign currency translated at the exchange rate at the end of the year.

Non-monetary assets and liabilities denominated in foreign currencies that are measured at fair value are translated to the functional currency at the exchange rate at the date that their fair value was determined. Non-monetary items in a foreign currency that are measured in terms of historical cost are translated using the exchange rate at the date of the transaction. Foreign currency differences arising on translation are recognised in profit or loss.

(ii) Foreign operation

The assets and liabilities of foreign operations are translated to Malaysian ringgit at exchange rates at the reporting date. The income and expenses of foreign operations are translated to Malaysian ringgit at exchange rates at the dates of the transactions.

Foreign currency differences are recognised in other comprehensive income ('OCI').

When the settlement of a monetary item receivable from or payable to a foreign operation is neither planned nor likely to occur in the foreseeable future, foreign exchange gains and losses arising from such as monetary item that are considered to form part of a net investment in a foreign operation are recognised in OCI, and are presented in the translation reserve in equity.

3.3 Property, plant and equipment

(i) Recognition and measurement

Items of property, plant and equipment are measured at cost less accumulated depreciation and accumulated impairment losses.

Cost includes expenditure that is directly attributable to the acquisition of the asset. The cost of self-constructed assets includes:

- the cost material and direct labour:
- any other costs directly attributable to bring the assets to a working condition for their intended use;
- when the Group has an obligation to remove the assets or restore the site, an estimate of the costs of dismantling and removing the items and restoring the site on which they are located; and
- capitalised borrowing costs.

Purchased software that is integral to the functionality of the related equipment is capitalised as part of that equipment.

If significant parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

Any gain or loss on disposal of an item of property, plant and equipment is recognised in profit or loss.

(ii) Subsequent costs

The cost of replacing a component of an item of property, plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the component will flow to the Group, and its cost can be measured reliably. The carrying amount of the replaced component is derecognised. The costs of the day-to-day servicing of property, plant and equipment are recognised in profit or loss as incurred.

(iii) Depreciation

Depreciation is based on the cost of an asset less its residual value. Significant components of individual assets are assessed and if a component has a useful life that is different from the remainder of that asset, that component is depreciated separately.

Depreciation is recognised as an expense in profit or loss on a straight–line basis over the estimated useful lives of each component of an item of property, plant and equipment, unless it is included in the carrying amount of another asset.

Depreciation is recognised from the date that the property, plant and equipment are installed and are ready for use, or in respect of internally constructed assets, from the date that the asset is completed and ready for use. Freehold land and construction-in-progress is not depreciated.

The estimated useful lives for the current and comparative years are as follows:

Leasehold land	over the lease term of 7 to 60 years
Buildings	5 to 50 years
Building improvement	5 to 15 years
Plant and machinery	20 years
Sales gallery	9 years
Office and computer equipment, furniture and fittings	3 to 10 years
Tools and equipment, Lab equipment, electrical installation	3 to 10 years
Motor vehicles	3 to 5 years

Depreciation methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.

<u>Reclassification to development properties</u>

When the use of a property changes from owner-occupation to development with a view to sell, the property is transferred from property, plant and equipment to development properties (note 3.7).

3.4 Investment properties

Investment properties is properties held either to earn rental income or for capital appreciation or for both, but not for sale in the ordinary course of business, use in the production or supply of goods or services or for administrative purposes. Investment properties are measured at cost on initial recognition and subsequently at fair value with any change therein recognised in profit or loss.

Cost includes expenditure that is directly attributable to the acquisition of the investment properties. The cost of self-constructed investment properties includes the cost of materials and direct labour, any other costs directly attributable to bringing the investment properties to a working condition for their intended use and capitalised borrowing costs.

Any gain or loss on disposal of an investment properties (calculated as the difference between the net proceeds from disposal and the carrying amount of the item) is recognised in profit or loss. When an investment property that was previously classified as property, plant and equipment is sold, any related amount included in the revaluation reserve is transferred to retained earnings.

When the use of a property changes such that it is reclassified as property, plant and equipment, its fair value at the date of reclassification becomes its cost for subsequent accounting.

Property that is being constructed for future use as investment property is accounted for at fair value.

3.5 Land rights

The land rights that are acquired by the Group and have finite lives are measured at cost less accumulated amortisation and accumulated impairment losses.

Amortisation is calculated based on the cost of the asset, less its residual value. The land rights are amortised when the Group exercises their right to acquire the land parcels.

Amortisation of land rights is included in the carrying amount of development properties and recognised in 'cost of sales' on the same measure as contracts costs (note 3.8).

3.6 Intangible assets

(i) Franchise license

Franchise license that is acquired by the Group and has finite useful life is measured at cost less accumulated amortisation and accumulated impairment losses.

(ii) Subsequent expenditure

Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure is recognised in profit or loss as incurred.

(iii) Amortisation

Amortisation is calculated based on the cost of the asset, less its residual value.

Amortisation is recognised in profit or loss on a straight-line basis over the estimated useful lives of intangible assets, from the date that they are available for use. The estimated useful lives for the current year are as follows:

Franchise license	6 to 10 years

Amortisation methods, useful lives and residual values are reviewed at the end of each reporting period and adjusted if appropriate.

3.7 Development properties

Development properties are measured at the lower of cost and net realisable value. Cost includes acquisition costs, development expenditure and other costs directly attributable to the development activities.

Non-current land held for property development consist of land or such portions thereof on which no development activities have been carried out or where development activities are not expected to be completed within the normal operating cycle.

Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and estimated costs necessary to make the sale. The write-downs to net realisable value are presented as allowance for foreseeable losses.

3.8 Contract costs

Incremental costs of obtaining a contract for the sale of a development property are capitalised as contract costs only if (a) these costs relate directly to a contract or an anticipated contract which the Group can specifically identify; (b) these costs generate or enhance resources of the Group that will be used in satisfying (or in continuing to satisfy) performance obligations in the future; and (c) these costs are expected to be recovered. Otherwise, such costs are recognised as an expense immediately.

Capitalised contract costs are subsequently amortised on a systematic basis as the Group recognises the related revenue on the contract. An impairment loss is recognised in profit or loss to the extent that the carrying amount of capitalised contract costs exceeds the expected remaining consideration less any directly related costs not yet recognised as expenses.

3.9 Contract assets and liabilities

Contract assets primarily relate to the Group's rights to consideration for work completed but not billed at the reporting date on construction of development properties. Contract assets are transferred to trade receivables when the rights become unconditional. This usually occurs when the Group invoices the customer.

Contract liabilities primarily relate to:

- advance consideration received from customers; and
- progress billings issued in excess of the Group's rights to the consideration.

3.10 Leases

At inception of a contract, the Group assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

<u>As a lessee</u>

At commencement or on modification of a contract that contains a lease component, the Group allocates the consideration in the contract to each lease component on the basis of its relative stand-alone prices. However, for the leases of property the Group has elected not to separate non-lease components and account for the lease and non-lease components as a single lease component.

The Group recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the end of the lease term, unless the lease transfers ownership of the underlying asset to the Group by the end of the lease term or the cost of the right-of-use asset reflects that the Group will exercise a purchase option. In that case the right-of-use asset will be depreciated over the useful life of the underlying asset, which is determined on the same basis as those of property and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The right-of-use asset is subsequently stated at cost less accumulated depreciation and impairment losses.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Group's incremental borrowing rate. Generally, the Group uses its incremental borrowing rate as the discount rate.

The Group determines the lessees' incremental borrowing rate by obtaining interest rates from various external financing sources and makes certain adjustments to reflect the terms of the lease and type of the asset leased.

Lease payments included in the measurement of the lease liability comprise the following:

- fixed payments, including in-substance fixed payments;
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- amounts expected to be payable under a residual value guarantee; and
- the exercise price under a purchase option that the Group is reasonably certain to exercise, lease payments in an optional renewal period if the Group is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless the Group is reasonably certain not to terminate early.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Group's estimate of the amount expected to be payable under a residual value guarantee, if the Group changes its assessment of whether it will exercise a purchase, extension or termination option or if there is a revised in-substance fixed lease payment.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

The Group presents right-of-use assets that do not meet the definition of investment property in 'property, plant and equipment' and lease liabilities in 'loans and borrowings' in the statements of financial position.

Short-term leases and leases of low-value assets

The Group has elected not to recognise right-of-use assets and lease liabilities for leases of low-value assets and short-term leases. The Group recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

3.11 Inventories

Inventories mainly represent tradable quotas approved by the local council in Penang, Malaysia, arising from the Group's development of low-medium cost and affordable houses. The cost of the quotas on initial recognition is determined at fair value based on directors' estimation using the latest available market information. Subsequently, the quotas are stated at the lower of cost and net realisable value.

Likewise, other inventories are valued at the lower of cost and net realisable value. Costs incurred in bringing the inventories to their present location and condition are accounted for, as follows:
- Raw materials, consumables and hardware: purchase costs.
- Finished goods and work-in-progress: costs of direct materials and labour and a proportion of manufacturing overheads based on normal operating capacity, excluding borrowing costs.

Net realisable value is the estimated selling price in the ordinary course of business, less estimated cost to completion and selling expenses.

3.12 Financial instruments

(i) Recognition and initial measurement

Non-derivative financial assets and financial liabilities

Trade receivables are initially recognised when they are originated. All other financial assets and financial liabilities are initially recognised when the Group becomes a party to the contractual provisions of the instrument.

A financial asset (unless it is a trade receivable without a significant financing component) or financial liability is initially measured at fair value plus, for an item not at fair value through profit or loss ("FVTPL"), transaction costs that are directly attributable to its acquisition or issue. A trade receivable without a significant financing component is initially measured at the transaction price.

(ii) Classification and subsequent measurement

Non-derivative financial assets

On initial recognition, a financial asset is classified as measured at amortised cost.

Financial assets are not reclassified subsequent to their initial recognition unless the Group changes its business model for managing financial assets, in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

Financial assets at amortised cost

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:

- it is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets: Business model assessment

The Group makes an assessment of the objective of the business model in which a financial asset is held at a portfolio level because this best reflects the way the business is managed and information is provided to management. The information considered includes:

- the stated policies and objectives for the portfolio and the operation of those policies in practice. These include whether management's strategy focuses on earning contractual interest income, maintaining a particular interest rate profile, matching the duration of the financial assets to the duration of any related liabilities or expected cash outflows or realising cash flows through the sale of the assets;
- how the performance of the portfolio is evaluated and reported to the Group's management;
- the risks that affect the performance of the business model (and the financial assets held within that business model) and how those risks are managed;
- how managers of the business are compensated – e.g. whether compensation is based on the fair value of the assets managed or the contractual cash flows collected; and
- the frequency, volume and timing of sales of financial assets in prior periods, the reasons for such sales and expectations about future sales activity.

Transfers of financial assets to third parties in transactions that do not qualify for derecognition are not considered sales for this purpose, consistent with the Group's continuing recognition of the assets.

Non-derivative financial assets: Assessment whether contractual cash flows are solely payments of principal and interest

For the purposes of this assessment, 'principal' is defined as the fair value of the financial asset on initial recognition. 'Interest' is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs (e.g. liquidity risk and administrative costs), as well as a profit margin.

In assessing whether the contractual cash flows are solely payments of principal and interest, the Group considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition. In making this assessment, the Group considers:

- contingent events that would change the amount or timing of cash flows;
- terms that may adjust the contractual coupon rate, including variable-rate features;
- prepayment and extension features; and
- terms that limit the Group's claim to cash flows from specified assets (e.g. non-recourse features).

A prepayment feature is consistent with the solely payments of principal and interest criterion if the prepayment amount substantially represents unpaid amounts of principal and interest on the principal amount outstanding, which may include reasonable additional compensation for early termination of the contract. Additionally, for a financial asset acquired at a discount or premium to its contractual par amount, a feature that permits or requires prepayment at an amount that substantially represents the contractual par amount plus accrued (but unpaid) contractual interest (which may also include reasonable additional compensation for early termination) is treated as consistent with this criterion if the fair value of the prepayment feature is insignificant at initial recognition.

Non-derivative financial assets: Subsequent measurement and gains and losses

Financial assets at amortised cost

These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.

Non-derivative financial liabilities: Classification, subsequent measurement and gains and losses

Financial liabilities are classified as measured at amortised cost. These financial liabilities are initially measured at fair value less directly attributable transaction costs. They are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in profit or loss.

(iii) Derecognition

Financial assets

The Group derecognises a financial asset when:

- the contractual rights to the cash flows from the financial asset expire, or
- it transfers the rights to receive the contractual cash flows in a transaction in which either:
  - substantially all of the risks and rewards of ownership of the financial asset are transferred; or
  - the Group neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

Transferred assets are not derecognised when the Group enters into transactions whereby it transfers assets recognised in its statements of financial position, but retains either all or substantially all of the risks and rewards of the transferred assets.

Financial liabilities

The Group derecognises a financial liability when its contractual obligations are discharged or cancelled, or expire. The Group also derecognises a financial liability when its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognised at fair value.

On derecognition of a financial liability, the difference between the carrying amount extinguished and the consideration paid (including any non-cash assets transferred or liabilities assumed) is recognised in profit or loss.

(iv) Offsetting

Financial assets and financial liabilities are offset and the net amount presented in the statements of financial position when, and only when, the Group currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

(v) Cash and cash equivalents

Cash and cash equivalents comprise highly liquid short term investment fund, cash balances and short-term deposits with maturities of three months or less from the date of acquisition that are subject to an insignificant risk of changes in their fair value, and are used by the Group in the management of its short-term commitments. For the purpose of the consolidated statement of cash flows, pledged deposits are excluded in cash and cash equivalents.

(vi) Share capital

Ordinary shares

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of ordinary shares are recognised as a deduction from equity, net of any tax effects. Income tax relating to transaction costs of an equity transaction is accounted for in accordance with SFRS(I) 1-12.

Preference share capital

The Group's redeemable preference shares are classified as financial liabilities, because they bear non-discretionary dividends and are redeemable in cash by the holders. Non-discretionary dividends thereon are recognised as interest expense in profit or loss as accrued.

Repurchase, disposal and reissue of share capital (treasury shares)

When share capital recognised as equity is repurchased, the amount of the consideration paid, which includes directly attributable costs, is recognised as a deduction from equity. Repurchased shares are classified as treasury shares and are presented in the reserve for own share account. When treasury shares are sold or reissued subsequently, the amount received is recognised as an increase in equity, and the resulting surplus or deficit on the transaction is presented in non-distributable capital reserve.

(vii) Intra-group financial guarantees in separate financial statements

Financial guarantees are financial instruments issued by the Company that require the issuer to make specified payments to reimburse the holder for the loss it incurs because a specified debtor fails to meet payment when due in accordance with the original or modified terms of a debt instrument.

Financial guarantees issued are initially measured at fair value. Subsequently, they are measured at the higher of the loss allowance determined in accordance with SFRS(I) 9 and the amount initially recognised less, when appropriate, the cumulative amount of income recognised in accordance with the principles of SFRS(I) 15.

ECLs are a probability-weighted estimate of credit losses. ECLs are measured for financial guarantees issued as the expected payments to reimburse the holder less any amounts that the Company expects to recover.

3.13 Impairment

(i) Non-derivative financial assets and contract assets

The Group recognises loss allowances for expected credit losses ("ECLs") on:

- Financial assets measured at amortised cost;
- Contract assets (as defined in SFRS(I) 15); and
- Intra-group financial guarantee contracts (FGC).

Loss allowances of the Group are measured on either of the following bases:

- 12-month ECLs: these are ECLs that result from default events that are possible within the 12 months after the reporting date (or for a shorter period if the expected life of the instrument is less than 12 months); or
- Lifetime ECLs: these are ECLs that result from all possible default events over the expected life of a financial instrument or contract asset.

Simplified approach

The Group applies the simplified approach to provide for ECLs for all trade receivables and contract assets. The simplified approach requires the loss allowance to be measured at an amount equal to lifetime ECLs.

General approach

The Group applies the general approach to provide for ECLs on all other financial instruments and FGCs. Under the general approach, the loss allowance is measured at an amount equal to 12-month ECLs at initial recognition.

At each reporting date, the Group assesses whether the credit risk of a financial instrument has increased significantly since initial recognition. When credit risk has increased significantly since initial recognition, loss allowance is measured at an amount equal to lifetime ECLs.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the Group considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Group's historical experience and informed credit assessment and including forward-looking information.

If credit risk has not increased significantly since initial recognition or if the credit quality of the financial instruments improve such that there is no longer a significant increase in credit risk since initial recognition, loss allowance is measured at an amount equal to 12-month ECLs.

The Group assumes that the credit risk on a financial asset has increased significantly if it is more than 30 days past due.

The Group considers a financial asset to be in default when:

- the debtor is unlikely to pay its credit obligations to the Group in full, without recourse by the Group to actions such as realising security (if any is held); or
- the financial asset is more than 90 days past due.

The Group considers a contract asset to be in default when the customer is unlikely to pay its contractual obligations to the Group in full, without recourse by the Group to actions such as realising security (if any is held).

The Group considers a FGC to be in default when the debtor of the loan is unlikely to pay its contractual obligations to the creditor and the Group in full, without recourse by the Group to actions such as realising security (if any is held). The Group only applies a discount rate if and to the extent that, the risks are not taken into account by adjusting the expected cash shortfalls.

The maximum period considered when estimating ECLs is the maximum contractual period over which the group is exposed to credit risk.

Measurement of ECLs

ECLs are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the Group expects to receive). ECLs are discounted at the effective interest rate of the financial asset.

Credit-impaired financial assets

At each reporting date, the Group assesses whether financial assets carried at amortised cost are credit-impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Evidence that a financial asset is credit-impaired includes the following observable data:

- significant financial difficulty of the debtor;
- a breach of contract such as a default or being more than 90 days past due;
- the restructuring of a loan or advance by the Group on terms that the Group would not consider otherwise;
- it is probable that the debtor will enter bankruptcy or other financial reorganisation; or
- the disappearance of an active market for a security because of financial difficulties.

Presentation of ECLs in the statements of financial position

Loss allowances for financial assets measured at amortised cost and contract assets are deducted from the gross carrying amount of the assets.

Loss allowances for FGC are recognised as a financial liability to the extent that they exceed the initial carrying amount of the FGC less the cumulated income recognised.

Write-off

The gross carrying amount of a financial asset is written off (either partially or in full) to the extent that there is no realistic prospect of recovery. This is generally the case when the Group determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Group's procedures for recovery of amounts due.

(ii) Non-financial assets

The carrying amount of the Group's non-financial assets, other than inventories, development properties, contract assets, and deferred tax assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

The recoverable amount of an asset or cash-generating units ("CGU") is the greater of its value in use and its fair value less costs of disposal. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU. For the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or CGUs.

The Group's corporate assets do not generate separate cash inflows and are utilised by more than one CGU. Corporate assets are allocated to CGUs on a reasonable and consistent basis and tested for impairment as part of the testing of the CGU to which the corporate asset is allocated.

Impairment losses are recognised in profit or loss. Impairment losses recognised in respect of CGUs are allocated first to reduce the carrying amount of any goodwill allocated to the CGU (group of CGUs), and then to reduce the carrying amounts of the other assets in the CGU (group of CGUs) on a *pro rata* basis.

In respect of other assets, impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

(iii) Associate

An impairment loss in respect of an associate is measured by comparing the recoverable amount of the investment with its carrying amount in accordance with the requirements for non-financial assets. An impairment loss is recognised in profit or loss. An impairment loss is reversed if there has been a favourable change in the estimates used to determine the recoverable amount and only to the extent that the recoverable amount increases.

3.14 Employee benefits

(i) Defined contribution plans

A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution pension plans are recognised as an employee benefit expense in profit or loss in the periods during which related services are rendered by employees.

(ii) Short-term employee benefits

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided. A liability is recognised for the amount expected to be paid under short-term cash bonus or profit-sharing plans if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee, and the obligation can be estimated reliably.

(iii) Share-based payment transactions

The grant date fair value of equity-settled share-based payment awards granted to employee is recognised as an employee benefit expense, with a corresponding increase in equity, over the vesting period of the awards. The amount recognised as an expense is adjusted to reflect the number of awards for which the service and non-market performance conditions are expected to be met, such that the amount ultimately recognised as an expense is based on the number of awards that meet the service and non-market performance conditions at the vesting date. For share-based payment awards with non-vesting conditions, the grant date fair value of the share-based payment is measured to reflect such conditions and there is no true-up for differences between expected and actual outcomes.

The fair value of the amount payable to employees in respect of share appreciation rights, which are settled in cash, is recognised as an expense with a corresponding increase in liabilities, over the period that the employees become unconditionally entitled to payment. The liability is remeasured at each reporting date and at settlement date based on the fair value of the share appreciation rights. Any changes in the fair value of the liability are recognised as employee benefit expense in profit or loss.

3.15 Provisions

A provision is recognised if, as a result of a past event, the Group has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects the current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognised as finance cost.

(i) Contingent liabilities

Where it is not probable that an outflow of economic benefits will be required, or the amount cannot be established reliably, the obligation is disclosed as a contingent liability, unless the probability of outflow of economic benefits is remote. Possible obligations, whose existence will only be confirmed by the occurrence or non-occurrence of one or more future events, are also disclosed as contingent liabilities unless the probability of outflow of economic benefits is remote.

(ii) Onerous contracts

A provision for onerous contracts is recognised when the expected benefits to be derived by the Group from a contract are lower than the unavoidable cost of meeting its obligations under the contract. The provision is measured at the present value of the lower of the expected cost of terminating the contract and the expected net cost of continuing with the contract. Before a provision is established, the Group recognises any impairment loss on the assets associated with that contract.

(iii) Reinstatement costs

In accordance with tenancy agreements signed, a provision for reinstatement costs is recognised when the Group has obligation to restore the premises back to its original condition(s).

3.16 Revenue recognition

(i) Sale of development properties

The Group develops and sells residential projects to customers through fixed-price contracts. Revenue is recognised when the control over a development property has been transferred to the customer. At contract inception, the Group assesses whether the Group transfers control of the residential project over time or at a point in time by determining if (a) its performance does not create an asset with an alternative use to the Group; and (b) the Group has an enforceable right to payment for performance completed to date.

The residential projects have no alternative use for the Group due to contractual restriction, and the Group has enforceable rights to payment arising from the contractual terms. For these contracts, revenue is recognised over time by reference to the Group's progress towards completing the construction of the residential project. The measure of progress is determined based on the proportion of contract costs incurred to date to the estimated total contract costs. Costs incurred that are not related to the contract or that do not contribute towards satisfying a performance obligation are excluded from the measure of progress and instead are expensed as incurred.

In respect of contracts where the Group does not have an enforceable right to payment for performance completed to date, revenue is recognised only when the completed property is delivered to the customer and the customer has accepted it in accordance with the sales contract. Under certain payment schemes, the time when payments are made by the buyer and the transfer of control of the property to the buyer do not coincide and where the difference between the timing of receipt of the payments and the satisfaction of a performance obligation is 12 months or more, the Group adjusts the transaction price with its customer and recognises a financing component. In adjusting for the financing component, the Group uses a discount rate that would reflect that of a separate financing transaction between the Group and its customer at contract inception. A finance income or finance expense will be recognised depending on the arrangement.

The Group has elected to apply the practical expedient not to adjust the transaction price for the existence of significant financing component when the period between the transfer of control of goods or services to a customer and the payment date is 12 months or less.

Revenue is measured at the transaction price agreed under the contract entered into with customers. Estimates of revenues, costs or extent of progress towards completion are revised if circumstances change. Any resulting increases or decreases in estimated revenues or costs are reflected in the profit or loss in the period in which the circumstances that give rise to the revision become known by management.

The customer is invoiced based on a payment schedule which is typically triggered upon achievement of specified construction milestones. If the value of the goods transferred by the Group exceeds the payments, a contract asset is recognised. If the payments exceed the value of the goods transferred, a contract liability is recognised. The accounting policy for contract assets and contract liabilities is set out in note 3.9.

The Group grants customers the right to return for certain sales contract during a grace period. The Group recognises revenue to the extent it is highly probable that there will be no returns from customers. Refund liabilities is classified in trade and other payables and asset for recovery is classified in development properties.

(ii) Sale of food and beverages

Revenue from sale of food and beverage in the ordinary course of business is recognised when the Group satisfies a performance obligation (PO) by transferring control of a promised good or service to the customer. The amount of revenue recognised is the amount of the transaction price allocated to the satisfied PO.

The transaction price is allocated to each PO in the contract on the basis of the relative stand-alone selling price of the promised goods or services. A discount or variable consideration is allocated to one or more, but not all, of the performance obligations if it relates to those POs.

Transaction price is the amount of consideration in the contract to which the Group expects to be entitled in exchange for transferring the promised goods or services.

Revenue is recognised at a point in time following the timing of satisfaction of the PO.

(iii) Sales of rubber gloves

The Group is involved in manufacturing of rubber gloves, other rubber products n.e.c. and research and development on engineering and technology.

Revenue is recognised at point in time upon transfer of control of the goods to the customers. Revenue is not recognised to the extent where there are significant uncertainties regarding recovery of the consideration due, or the possible return of goods. The amount of revenue recognised is based on the estimated transaction price, which comprises the contractual price, net of the estimated volume rebates.

3.17 Government grants

The government grants are recognised initially as deferred income at fair value when there is reasonable assurance that they will be received and the Group will comply with the conditions associated with the grant.

(i) Quotas on low-medium cost and affordable housing

Grants that compensate the Group for expenses incurred are recognised in profit or loss as reduction to ‘cost of sales’ based on cost incurred in fulfilling the condition of the grants on a systematic basis in the same periods in which the expenses are recognised.

(ii) Job support scheme

Grants that compensate the Group for expenses incurred are recognised in profit or loss as other income based on cost incurred in fulfilling the condition of the grants on a systematic basis in the same periods in which the expenses are recognised.

3.18 Finance income and finance costs

The Group's finance income and finance costs include:

- interest income;
- interest expense;
- dividend income;
- dividend expense on redeemable preference shares issued classified as financial liabilities; and
- the foreign currency gain or loss on financial assets and financial liabilities.

Interest income or expense is recognised using the effective interest method. Dividend income is recognised in profit or loss on the date on which the Group's right to receive payment is established.

The 'effective interest rate' is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument to:

- the gross carrying amount of the financial asset; or
- the amortised cost of the financial liability.

In calculating interest income and expense, the effective interest rate is applied to the gross carrying amount of the asset (when the asset is not credit-impaired) or to the amortised cost of the liability. However, for financial assets that have become credit-impaired subsequent to initial recognition, interest income is calculated by applying the effective interest rate to the amortised cost of the financial asset. If the asset is no longer credit-impaired, then the calculation of interest income reverts to the gross basis.

Borrowing costs that are not directly attributable to the acquisition, construction or production of a qualifying asset are recognised in profit or loss using the effective interest method.

3.19 Earnings per share

The Group presents basic and diluted earnings per share data for its ordinary shares. Basic earnings per share is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the year, adjusted for own shares held. Diluted earnings per share is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding, adjusted for own shares held, and the effects of all dilutive potential ordinary shares, which comprise share options granted to employees.

3.20 Tax

Tax expense comprises current and deferred tax. Current tax and deferred tax are recognised in profit or loss except to the extent that it relates to a business combination, or items recognised directly in equity or in other comprehensive income.

The Group has determined that interest and penalties related to income taxes, including uncertain tax treatments, do not meet the definition of income taxes, and therefore accounted for them under SFRS(I) 1-37 *Provisions, Contingent Liabilities and Contingent Assets*.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years. The amount of current tax payable or receivable is the best estimate of the tax amount expected to be paid or received that reflects uncertainty related to income taxes, if any.

Current tax and liabilities are offset only if certain criteria are met.

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes.

Deferred tax is not recognised for:

- temporary differences on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss; and
- temporary differences related to investments in subsidiaries and associates to the extent that the Group is able to control the timing of the reversal of the temporary difference and it is probable that they will not reverse in the foreseeable future.

The measurement of deferred taxes reflects the tax consequences that would follow the manner in which the Group expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities. Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, based on the laws that have been enacted or substantively enacted at the reporting date.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

Deferred tax assets are recognised for unused tax losses, unused tax credits and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be used. Future taxable profits are determined based on the reversal of relevant taxable temporary differences. If the amount of taxable temporary differences is insufficient to recognise a deferred tax asset in full, then future taxable profits, adjusted for reversals of existing temporary differences, are considered, based on the business plans for individual subsidiaries in the Group. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised; such reductions are reversed when the probability of future taxable profits improves.

Unrecognised deferred tax assets are reassessed at each reporting date and recognised to the extent that it has become probable that future taxable profits will be available against which they can be used.

3.21 Segment reporting

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Group's other components. All operating segments' operating results are reviewed regularly by the Group's CEO (the chief operating decision maker) to make decisions about resources to be allocated to the segment and to assess its performance, and for which discrete financial information is available.

Segment capital expenditure is the total cost incurred during the year to acquire property, plant and equipment, and intangible assets.

New standards and interpretations not yet adopted

A number of new standards and interpretations and amendments to standards are effective for annual periods beginning after 1 January 2021 and earlier application is permitted; however, the Group has not early adopted the new or amended standards and interpretations in preparing these financial statements.

The following new SFRS(I)s and amendments to SFRS(I)s are not expected to have a significant impact on the Group's consolidated financial statements and the Company's statement of financial position:

- Amendments to SFRS(I) 16 Covid-19-Related Rent Concessions beyond 30 June 2021;
- Amendments to SFRS(I) 3 Reference to the Conceptual Framework;
- Amendments to SFRS(I) 1-37 Onerous Contracts – Cost of Fulfilling a Contract;
- Annual Improvements to SFRS(I)s 2018 – 2020;
- Amendments to SFRS(I) 1-1 Classification of Liabilities as Current or Non-current;
- Amendments to SFRS(I) 1-8 Definition of Accounting Estimates;
- Amendments to SFRS(I) 1-12 Deferred Tax Related to Assets and Liabilities Arising from a Single Transaction;
- Amendments to SFRS(I) 1-1 and SFRS(I) Practice Statements 2 Disclosure of Accounting Policies;
- Amendments to SFRS(I) 1-16 Property, Plant and Equipment – Proceeds before Intended Use; and
- Amendments to SFRS(I) 10 and SFRS(I) 1-28 Sale or Contribution of Assets between an Investor and its Associate or Joint Venture.

4 Property, plant and equipment

	Freehold land RM'000	Leasehold land RM'000	Buildings RM'000	Building Improve-ment RM'000	Sales gallery RM'000	Office and computer equipment, furniture and fittings RM'000	Tools and equipment RM'000	Motor vehicles RM'000	Plant and machinery RM'000	Construct-ion-in-progress RM'000	Total RM'000
Group											
Cost											
At 1 January 2020	–	732	113,038	14,867	6,914	23,436	3,048	9,030	–	14,805	185,870
Additions	–	47,438	10,348	2,984	–	774	361	3	–	32,097	94,005
Write-off	–	–	–	(33)	–	(19)	–	–	–	–	(52)
Disposals	–	–	–	–	–	(57)	–	–	–	–	(57)
Reclassification	28,962	–	(21,867)	277	–	850	13	–	–	(8,235)	–
Effect of movement in exchange rate	–	–	(39)	(10)	–	–	(1)	–	–	–	(50)
At 31 December 2020	28,962	48,170	101,480	18,085	6,914	24,984	3,421	9,033	–	38,667	279,716
At 1 January 2021	28,962	48,170	101,480	18,085	6,914	24,984	3,421	9,033	–	38,667	279,716
Additions	–	2,136	147,216	922	–	1,971	921	1,058	38,914	46,816	239,954
Write-off	–	–	(5,917)	(1,064)	–	–	(25)	(1,180)	–	(1,752)	(9,938)
Disposals	–	–	–	–	–	(12)	–	(1,253)	–	–	(1,265)
Reclassification	(2,669)	–	16,246	–	–	–	11	–	17,571	(31,159)	–
Effect of movement in exchange rate	–	–	554	39	–	(76)	11	–	–	–	528
At 30 June 2022	26,293	50,306	259,579	17,982	6,914	26,867	4,339	7,658	56,485	52,572	508,995

	Freehold land RM'000	Leasehold land RM'000	Buildings RM'000	Building Improve-ment RM'000	Sales gallery RM'000	Office and computer equipment, furniture and fittings RM'000	Tools and equipment RM'000	Motor vehicles RM'000	Plant and machinery RM'000	Construct-ion-in-progress RM'000	Total RM'000
Group											
Accumulated depreciation and impairment losses											
At 1 January 2020	–	250	3,458	3,709	5,638	6,800	1,182	5,458	–	–	26,495
Depreciation charge	–	339	4,575	1,666	255	4,383	512	1,532	–	–	13,262
Write-off	–	–	–	(7)	–	(12)	–	–	–	–	(19)
Disposals	–	–	–	–	–	(26)	–	–	–	–	(26)
Impairment losses	–	–	3,237	–	–	–	–	–	–	–	3,237
Effect of movement in exchange rate	–	–	(5)	(1)	–	–	–	–	–	–	(6)
At 31 December 2020	–	589	11,265	5,367	5,893	11,145	1,694	6,990	–	–	42,943
At 1 January 2021	–	589	11,265	5,367	5,893	11,145	1,694	6,990	–	–	42,943
Depreciation charge	–	1,354	12,327	3,300	382	6,094	744	1,832	2,753	–	28,786
Write-off	–	–	(1,726)	(289)	–	–	(6)	(1,180)	–	–	(3,201)
Disposals	–	–	–	–	–	(3)	–	(1,232)	–	–	(1,235)
Impairment losses	–	–	24,137	–	–	–	–	–	31,732	42,548	98,417
Effect of movement in exchange rate	–	–	106	18	–	53	5	–	–	–	182
At 30 June 2022	–	1,943	46,109	8,396	6,275	17,289	2,437	6,410	34,485	42,548	165,892
Carrying amounts											
At 1 January 2021	28,962	47,581	90,215	12,718	1,021	13,839	1,727	2,043	–	38,667	236,773
At 30 June 2022	26,293	48,363	213,470	9,586	639	9,578	1,902	1,248	22,000	10,024	343,103

Property, plant and equipment includes right-of-use assets of RM61,054,000 (2020: RM67,046,000) applicable to leasehold land, buildings and motor vehicles (see note 27).

Impairment losses

During the financial year ended 31 December 2020, due to the movement control order ("MCO") imposed in Malaysia and decline in revenue generated, the Group carried out a review of the recoverable amount of the Vervea Trade and Exhibition Center and carparks ("VTEC") and the review led to the recognition of an impairment loss of RM3,237,000 that has been recognised in profit or loss. The recoverable amount of the relevant assets has been determined on the basis of their fair value less costs of disposal based on a recent valuation carried out by the independent property valuer.

During the financial period ended 30 June 2022, due to scaling down of healthcare segment, the Group carried out a review of the recoverable amount of the leasehold land, factory building and plant and machinery including those under construction and the review led to the recognition of an impairment loss of RM 26,239,000 and RM72,178,000 respectively that has been recognised in profit or loss. The recoverable amount of the relevant assets has been determined on the basis of their fair value less costs of disposal based on a recent valuation carried out by the independent plant and machinery valuer.

The impairment loss on property, plant and equipment was included in "other operating expenses".

Security

At 30 June 2022, freehold/leasehold land, construction-in-progress and buildings of the Group with carrying amounts of RM59,085,000, nil, RM10,734,000 (2020: RM26,218,000, RM4,151,000, RM65,705,000) respectively, were pledged as security to secure bank loans (note 14).

5 Intangible assets

	Group Franchise license RM'000
Cost	
At 1 January 2020	1,509
Additions	525
Effect of movement in exchange rate	(3)
At 31 December 2020	2,031
At 1 January 2021	2,031
Additions	238
Effect of movement in exchange rate	92
At 30 June 2022	2,361
Accumulated Amortisation	
At 1 January 2020	7
Amortisation charge	218
Effect of movement in exchange rate	(1)
At 31 December 2020	224

	Group Franchise license RM'000
Accumulated Amortisation (Continued)	
At 1 January 2021	224
Amortisation charge	348
Effect of movement in exchange rate	3
At 30 June 2022	575
Carrying amounts	
At 1 January 2021	1,807
At 30 June 2022	1,786

Amortisation

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

6 Subsidiaries

	Company	
	2022 RM'000	2020 RM'000
Equity investments at cost	161,532	155,870
Redeemable preference shares	62,100	62,100
	223,632	217,970

In 2018, the Company subscribed 621,000 redeemable preference shares ("RPS") issued by Aspen Vision All Sdn. Bhd. at RM100 per share. The RPS shall be redeemed out of profit which would otherwise be available for dividend at an issue price of RM100. The RPS to be redeemed on such occasion shall be determined by the Board of Directors of subsidiary. The Company is entitled to a non-cumulative preferential dividend at a rate to be determined by Aspen Vision All Sdn. Bhd. on the paid-up capital and in priority to the holders of the ordinary shares.

The Company has investments in the following subsidiaries as at the year end:

Name of subsidiaries	Principal place of business/ Country of incorporation	Principal activities	Ownership interest	
			2022 %	2020 %
Aspen Vision All Sdn. Bhd. ("AV All") (1)	Malaysia	Investment holding	100	100
Kanada-Ya SG Pte. Ltd. ("Kanada-Ya SG") (2)	Singapore	Restaurants	100	100
Subsidiaries of AV All				
Aspen Vision Construction Sdn. Bhd. ("AV Construction") (1)	Malaysia	General construction	100	100

Name of subsidiaries	Principal place of business/ Country of incorporation	Principal activities	Ownership interest	
			2022 %	2020 %
AG Innovation Sdn. Bhd. ("AG Innovation") (1)	Malaysia	IT services	100	100
Aspen Vision Properties Sdn. Bhd. ("AV Properties") (1)	Malaysia	Investment holding	100	100
Aspen Vision Credit Sdn. Bhd. ("AV Credit") (1)	Malaysia	Investment holding	100	100
Aspen Glove Sdn. Bhd. ("AGSB") (1)	Malaysia	Investment holding and manufacturing of gloves	75	70
Subsidiaries of AV Properties				
Aspen Vision Development Sdn. Bhd. ("AV Development") (1)	Malaysia	Provision of management services and investment holding	100	100
Aspen Vision Development (Central) Sdn. Bhd. ("AVD Central") (1)	Malaysia	Investment holding and property development	100	100
Aspen Vision Synergy Sdn. Bhd. ("AV Synergy") (1)	Malaysia	Property development	100	100
Aspen Vision Realty Sdn. Bhd. ("AV Realty") (1)	Malaysia	Dormant	100	100
Aspen Vision Homes Sdn. Bhd. ("AV Homes") (1)	Malaysia	Investment holding	51	51
Subsidiaries of AV Development				
Aspen Vision Land Sdn. Bhd. ("AV Land") (1)	Malaysia	Investment holding	100	100
Aspen Vision Builders Sdn. Bhd. ("AV Builders") (1)	Malaysia	Property development	100	100
Aspen Vision Ventures Sdn. Bhd. ("AV Ventures") (1)	Malaysia	Property development	100	100
Aspen Vision Tanjung Sdn. Bhd. ("AV Tanjung") (1)	Malaysia	Property development	100	100
Viana Mentari Sdn. Bhd. ("VMSB") (1)	Malaysia	Investment Holding	100	100

Name of subsidiaries	Principal place of business/ Country of incorporation	Principal activities	Ownership interest	
			2022	2020
			%	%
Subsidiary of AV Homes				
Aspen Park Hills Sdn. Bhd. ("APH") (1)	Malaysia	Property development	51	38
Subsidiary of AV Land				
Aspen Vision City Sdn. Bhd. ("AV City") (1)	Malaysia	Property development	80	80
Subsidiary of AGSB				
AG Medical Tech Sdn. Bhd. ("AGMT") (1)	Malaysia	Dormant	75	–
Subsidiary of Kanada-Ya SG				
Kanada-Ya Restaurants Pte. Ltd. ("Kanada-Ya RES") (2)	Singapore	Restaurants	100	100

[1] Audited by an overseas fellow member firm of Mazars LLP
[2] Audited by Mazars LLP, Singapore

7 Associates

		Group
	2022	2020
	RM'000	RM'000
Interest in associates	73,872	93,321
Redeemable preference shares	22,485	53,835
	96,357	147,156

Redeemable preferences shares ("RPS") in associates are issued by Global Vision Logistics Sdn. Bhd. ("GVL") at RM22,485,000 (2020: RM22,485,000) redeemable for a period of 10 years and bears dividend of 3.5%.

During year 2020, redeemable preference shares ("RPS") in associates issued by Bandar Cassia Properties (SC) Sdn. Bhd. ("Bandar Cassia") at RM31,350,000 redeemable for a period of 5 years and bears dividend of 5.5% and by Delivereat Sdn. Bhd. ("Delivereat") at RM2,500,000 redeemable for a period of 5 years and bears dividend of 5%. These had been disposed during the current financial period.

During the financial year, the Company's wholly-owned subsidiary, Aspen Vision All Sdn. Bhd. ("AVA"), entered into a Share Purchase Agreement to dispose its entire 25% equity interests and the entire redeemable preference shares in Delivereat Sdn. Bhd. for an aggregate cash consideration of USD2,119,733 (approximately RM8,712,000) to Teleport Everywhere Ptd. Ltd..

During the financial year, the Company's indirect subsidiary, Aspen Vision Land Sdn. Bhd. ("AVL"), has on 29 November 2021 entered into a Sale and Purchase Agreement ("SPA") with Ikano Pte. Ltd for the sale of its entire shareholding of 30% of the issued and paid-up share capital, comprising of 5,100,000 ordinary shares and 40,947,000 cumulative redeemable preference shares in Bandar Cassia Properties (SC) Sdn. Bhd. to Ikano Pte. Ltd. for an aggregate cash consideration of RM47,000,000 including repayment of advances amounting to RM15,240,000.

Associates

The Group has 1 (2020: 2) material associates and no (2020: 1) associate which is individually immaterial as at 30 June 2022, which are equity accounted for. Details of the material associates are as follows:

	Principal place of business/Country of incorporation	**Principal activities**	**Ownership interest/ Voting rights held**	
			2022	**2020**
			%	**%**
Bandar Cassia*	Malaysia	Acquiring, developing and holding investment properties	–	30
GVL#	Malaysia	Investment holding	30	30

* Audited by Deloitte PLT, Malaysia.

\# Audited by PCCO PLT, Malaysia.

An associated company is considered significant as defined under the Singapore Exchange Limited's Listing Manual if the Group's share of its net tangible assets represent 20% or more of the Group's consolidated net tangible assets, or if the Group's share of its pre-tax profits accounts for 20% or more of the Group's consolidated pre-tax profits.

The following summarises the financial information of each of the Group's material associates based on the respective unaudited financial statements prepared in accordance with SFRS(I), modified for fair value adjustments on acquisition and differences in the Group's accounting policies:

	GVL
	RM'000
30 June 2022	
Revenue	–
Profit after tax^	(4,041)
OCI	–
Total comprehensive income	(4,041)
Non-current assets	504,021
Current assets	3,952
Non-current liabilities	(261,682)
Current liabilities	(51)
Net assets	246,240

	GVL RM'000
Attributable to the Group	73,872
Elimination of unrealised profit	–
Other adjustments#	–
Carrying amount of interest in associate at the end of the year	73,872
Group's interest in net assets of investee at beginning of the year	75,083
Group's share of:	
- Profit after tax	(1,211)
- OCI	–
- Total comprehensive income	(1,211)
Carrying amount of interest in investee at end of the year	73,872

	Bandar Cassia RM'000	GVL RM'000	Total RM'000
31 December 2020			
Revenue	–	–	–
Profit after tax^	650	204,386	205,036
OCI	–	–	–
Total comprehensive income	650	204,386	205,036
Non-current assets	258,168	502,140	760,308
Current assets	7,588	2,319	9,907
Non-current liabilities	(190,076)	(254,001)	(444,077)
Current liabilities	(18,451)	(179)	(18,630)
Net assets	57,229	250,279	307,508
Attributable to the Group	6,891	75,083	81,974
Elimination of unrealised profit	(71)	–	(71)
Other adjustments#	11,418	–	11,418
Carrying amount of interest in associate at the end of the year	18,238	75,083	93,321
Group's interest in net assets of investee at beginning of the year	18,044	13,767	31,811
Group's share of:			
- - Profit after tax	194	61,316	61,510
- OCI	–	–	–
- Total comprehensive income	194	61,316	61,510
Carrying amount of interest in investee at end of the year	18,238	75,083	93,321

^ Included in *Bandar Cassia and GVL's profit after tax were changes in fair value of investment properties amounted to nil (2020: RM9,000,000) and nil (2020: RM235,000,000) respectively. The Group's share of fair value gain recognised on investment properties of Bandar Cassia and GVL amounted to nil (2020: RM2,700,000) and nil (2020: RM70,500,000) respectively.*

Other adjustments represent the fair value of land rights acquired by AV Development through the acquisition of 49% remaining interest in AV Land from a joint venture partner.

The following are information relating to the investment properties held by the associates:

Investment properties of associates

Total assets of associate include investment properties held to earn rental income or for capital appreciation or both.

Measurement of fair value

(a) Fair value hierarchy

The fair value of investment properties was determined by an external, independent valuation company, having appropriate recognised professional qualifications and recent experience in the location and category of property being valued. The independent valuers provide the fair value of the Group's investment properties portfolio on a yearly basis.

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 2.4).

	2022 RM'000	**2020 RM'000**
Bandar Cassia		
Fair value of investment property		
(Disposed during the financial year)	–	RM144,500
GVL		
Fair value of investment property		
(based on valuation report)	RM495,000	RM495,000

Valuation technique and significant unobservable inputs

The following table shows the Group's valuation technique used in measuring the fair value of investment property, as well as the significant unobservable inputs used.

Valuation technique	**Significant unobservable inputs**	**Inter-relationship between key unobservable inputs and fair value measurement**
Comparison method: Sales price of comparable land in close proximity are adjusted for differences in key attributes such as property size. The most significant input into this valuation approach is price per square foot.	Price per square foot: • Bandar Cassia - NA (2020: RM65) • GVL - RM160 (2020: RM160)	The estimated fair value would increase (decrease) if price per square foot was higher (lower).

8 Development properties

	2022 RM'000	Group 2020 RM'000
Current		
Properties under development, for which revenue is to be recognised over time		
Land and land related costs	185,379	207,711
Development costs	107,393	258,627
	292,772	466,338
Current		
Properties under development, for which revenue is to be recognised at a point in time		
Land and land related costs	–	2,202
Development costs	–	1,184
	–	3,386
Completed units	132,369	44,795
	425,141	514,519
Non-current		
Land held for property development		
Land and land related costs	318,375	310,704
Development costs	51,211	57,953
	369,586	368,657
Total development properties	794,727	883,176

(i) During the year, development properties for sale of RM286,861,000 (2020: RM197,938,000) were recognised as an expense and included in "cost of sales".

(ii) Asset for recovery

Included in properties under development are sold units of sales contracts with a right of return of RM2,485,000 (2020: RM7,721,000).

(iii) Land costs (sold units)

As at 30 June 2022, land related costs that are attributable to the sold units amounted to RM21,930,000 (2020: RM10,587,000). These costs are expected to be recoverable and amortised in profit or loss when the related revenue are recognised. The land costs amortised in profit or loss for the financial period ended 30 June 2022 is RM16,060,000 (2020: RM10,180,000).

(iv) Interest expenses

Included in the development properties was interest expenses capitalised of RM80,810,000 (2020: RM43,655,000).

Security

At 30 June 2022, the land and land related cost of RM447,217,000 (2020: RM500,944,000) and completed units of nil and RM16,250,000 (2020: RM3,852,000 and RM29,800,000) were pledged to secure banking facilities granted to the Group and Company respectively (note 14).

Estimation of allowance for foreseeable losses for development properties

The Group assesses at every reporting date whether any allowance for foreseeable losses is required. The allowance for foreseeable losses is estimated after taking into account estimated selling prices and estimated total construction costs. The estimated selling prices are based on recent selling prices for the development project or comparable projects and prevailing market conditions. The estimated total construction costs are based on contracted amounts and, in respect of amounts not contracted for, management's estimates of the amounts to be incurred taking into consideration historical trends of the amounts incurred. As at the reporting date, no allowance for foreseeable losses is recognised.

9 Contract costs

Capitalised commission and legal fees

The amount relates to commission fees paid to property agents and legal fees for securing sale contracts. The Group has therefore capitalised the commission fees and shall amortise these commission fees when the related revenue is recognised. No impairment was recorded.

		Group
	2022	**2020**
	RM'000	**RM'000**
Capitalised commission and legal fees	29,028	11,966

10 Contract assets/(liabilities)

			Group
	Note	**2022**	**2020**
		RM'000	**RM'000**
Contract assets	(i)	60,013	97,148
Contract liabilities	(ii)	(31,872)	(2,434)
		28,141	94,714

(i) Contract assets

Contract assets relate primarily to the Group's right to consideration for work completed but not billed at the reporting date in respect of its property development business. The contract assets are transferred to trade receivables when the rights become unconditional. This usually occurs when the Group invoices the customer upon the construction milestones achieved.

(ii) Contract liabilities

Contract liabilities relate primarily to:

- advance consideration received from customers; and
- progress billings issued in excess of the Group's rights to the consideration.

Contract liabilities are recognised as revenue when the Group fulfils its performance obligation under the contract with the customer.

The significant changes in the contract assets and contract liabilities during the year are as follows:

		Group
	2022	**2020**
	RM'000	**RM'000**
Contract assets		
At beginning of the financial period/year	97,148	36,461
Contract asset reclassified to trade receivables	(97,148)	(36,461)
Progress billings raised during the period/year	(80,926)	(170,603)
Revenue recognised during the period/year	140,939	267,751
At end of the financial period/year	60,013	97,148
Contract liabilities		
At beginning of the financial period/year	(2,434)	(10,113)
Revenue recognised that was included in the contract liabilities balance at the beginning of the period/year	2,434	10,113
Increases due to cash received, excluding amounts recognised as revenue during the period/year	(31,872)	(2,434)
At end of the financial period/year	(31,872)	(2,434)

11 Inventories

		Group
	2022	**2020**
	RM'000	**RM'000**
Housing quotas	14,151	17,603
Food and beverages	360	196
Healthcare	514	–
	15,025	17,799
Housing quotas		
At 1 January	17,603	17,603
Utilisation of housing quotas	(3,452)	–
At 30 June/31 December	14,151	17,603

Housing quotas represent the tradable low-medium cost and affordable housing quotas approved by the local council in Penang, Malaysia, arising from the Group's development of low-medium cost and affordable houses.

The inventories have been reduced by RM6,641,000 (2020: Nil) as a result of the write down to net realisable value. The write-down is included as an expense in cost of sales.

12 Trade and other receivables

	Group		Company	
	2022 RM'000	2020 RM'000	2022 RM'000	2020 RM'000
Current				
Trade receivables	62,367	14,343	–	–
Non-trade amounts due from:				
- holding company	439	73	167	24
- subsidiaries	–	–	–	91,422
Other receivables	10,075	4,520	–	26
Deposits	8,600	26,650	–	–
	81,481	45,586	167	91,472
Prepayments	5,375	4,136	–	–
	86,856	49,722	167	91,472
Non-current				
Deposits	936	913	–	–
Advances to associates	6,990	19,920	–	–
	7,926	20,833	–	–
Total trade and other receivables	94,782	70,555	167	91,472

The non-trade amounts due from holding company and subsidiaries are unsecured, interest-free and repayable on demand. The non-trade amount due from subsidiaries amounting to RM84,447,000 have been written-off as at 30 June 2022.

Advances were made to associates to subscribe for the redeemable preferences shares to be issued by Bandar Cassia and GVL of nil and RM6,990,000 (2020: RM15,240,000 and RM4,680,000) respectively.

Included in non-trade amounts due from subsidiaries is an amount of RM55,586,000 (2020: RM39,360,000 and RM30,422,000) which are unsecured, subject to interest of 1.5% (2020: 7.5% and 1.5%) per annum and repayable on demand. The amounts are classified as current as the Company expects to receive payment within the next 12 months.

Included in deposits of the Group is an amount of nil (2020: RM23,876,000) as at 30 June 2022, representing deposits paid for the purchase of land by its subsidiaries.

The other receivables are unsecured, interest-free and repayable on demand.

The Group's exposure to credit risk and impairment losses related to trade and other receivables is disclosed in note 29.

13 Cash and cash equivalents

	Group		Company	
	2022 RM'000	2020 RM'000	2022 RM'000	2020 RM'000
Short term investment fund	65	3,452	65	62
Fixed deposits	9,669	5,471	–	–
Cash and bank balances	22,073	77,642	351	29,086
Cash and cash equivalents in the statements of financial position	31,807	86,565	416	29,148
Deposit pledged to financial institutions	(5,120)	(2,777)		
Cash and cash equivalents in the consolidated statement of cash flows	26,687	83,788		

Short-term investment fund represents investment in fixed income trust which can be redeemed within a period of less than 31 days.

Included in the cash and bank balances of the Group is an amount of RM4,323,000 (2020: RM13,339,000), where the utilisation is subject to the Housing Developers (Housing Development Account) (Amendment) Regulation, 2002, Malaysia. These accounts, which consist of monies from purchasers, are for the payment of property development expenditure incurred. The surplus monies, if any, will be released to respective subsidiaries upon the completion of property development projects and after all property development expenditure have been fully settled.

Fixed deposits of RM5,120,000 (2020: RM2,777,000) were pledged as securities for bank facilities granted to the Group (note 14).

The Group's exposure to credit and interest rate risks related to cash and cash equivalents is disclosed in note 29.

14 Loans and borrowings

	Group		Company	
	2022 RM'000	2020 RM'000	2022 RM'000	2020 RM'000
Current				
Lease liabilities	18,777	16,884	–	–
Term loans and bridging loans – secured	147,825	106,514	4,732	–
Revolving credit – secured	12,000	9,203	–	–
Convertible loans	–	28,091	–	28,091
Bank overdraft	3,875	–	–	–
	182,477	160,692	4,732	28,091

	Group		Company	
	2022 RM'000	2020 RM'000	2022 RM'000	2020 RM'000
Non-current				
Lease liabilities	23,939	47,712	–	–
Term loans and bridging loans – secured	159,148	249,838	–	–
Redeemable preference shares	38,140	38,140	–	–
	221,227	335,690	–	–
Total loans and borrowings	403,704	496,382	4,732	28,091

The Group's exposure to interest rate and liquidity risks related to loans and borrowings is disclosed in note 29.

Terms and debt repayment schedule

				2022		2020	
	Nominal interest rate %	Year of maturity	Currency	Face value RM'000	Carrying amount RM'000	Face value RM'000	Carrying amount RM'000
Group							
Lease liabilities	1.84-6.03	2020-2044	RM	44,093	42,716	76,198	64,596
Term loans and bridging loans – secured	4.21-6.89	2020-2038	RM	330,649	306,973	362,013	356,352
Revolving credit – secured	4.49	2023	RM	12,000	12,000	9,203	9,203
Redeemable preference shares	5.50	On demand	RM	38,140	38,140	38,140	38,140
Convertible loans	6.50-7.50	2021	USD	–	–	28,605	28,091
Bank overdraft	7.39	2022	RM	3,875	3,875	–	–
				428,757	403,704	514,159	496,382

Breach of loan covenant

During 2022, the Group secured term loans with a carrying amount of RM46,182,000. These loans are repayable within 2 years. However, the term loans contain a financial covenant. As a result, the financial covenant was breached as at 30 June 2022. Accordingly, the bank loan had been classified as current liabilities.

The subsidiary, Aspen Glove Sdn. Bhd. ("AGSB") is in breach of a loan covenant in relation to unable to meet the financial covenant as set out in the Facility Agreement ("FA"). The loan is for the purpose of used for all costs related to project only for an amount of RM50,000,000. AGSB have received notice from the financial institution in relation to the breach of the abovementioned covenant. The management are in discussions with the financial institution and the financial institution request that the breach be remediated as soon as possible.

Securities

The term loans and bridging loans are secured over the freehold land under development properties (note 8), leasehold land, fixed and floating charges over certain subsidiaries' present and future assets, fixed deposits placed by the subsidiaries (note 13), joint and several guarantee by certain directors of the subsidiaries and corporate guarantees by subsidiaries.

The revolving credit facility is secured over corporate guarantee by the Company.

Convertible loans

During 2020, convertible loans bore interest rate at 7.50% per annum. The tenure of the convertible loan is 18 months from the date of first drawn down of the loan and have been extended for another 12 months. Up to 50% of the loans are 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. The equity component has been assessed to be negligible. During the financial period ended 30 June 2022, the Group fully repaid in cash the convertible loan of an aggregate amount of RM28,091,000.

Intra-group financial guarantee

Intra-group financial guarantee comprises a guarantee given by the Company to certain banks in respect of banking facilities amounting to RM212,802,000 (2020: RM183,106,000) granted to three wholly-owned subsidiaries which expire over a period between year 2023 – 2026. At the reporting date, the Company has not recognised an ECL provision as the ECL amount was lower than the amortised liability for intra-group financial guarantee contracts. The Company does not consider it probable that a claim will be made against the Company under the guarantee.

Redeemable preference shares

During 2020, AV City, a partially-owned subsidiary of the Group, issued redeemable preference shares ("RPS") to its non-controlling interests. The RPS is classified as financial liability as it is redeemable at the option of the RPS holders and dividend payments are not discretionary.

The salient features of the RPS are as follows:

(a) The RPS shall carry the right to receive cumulative preferential dividend out of the distributable profit of AV City, at dividend rates of RM5.50 per annum per RPS. No dividends shall be paid on the ordinary shares of AV City unless the dividends on the RPS have first been paid. The dividends for the RPS shall be payable within 30 days from the close of each financial year end, and to the extent that the dividends or any part thereof is not paid on the relevant dividend payment date, it shall continue to accumulate (whether or not there are any distributable reserves). Provided that the first dividend payment shall not be earlier than the 1st anniversary of the issuance of the RPS.

(b) The RPS shall not be convertible into or exchangeable for shares of another class of AV City.

(c) The RPS shall rank in priority to any other classes of shares in AV City. No further shares ranking as to dividends or as to capital in priority to the said RPS shall be created or issued by AV City except with the consent or sanction of the holder of the said RPS.

(d) AV City may at any time, apply any profit or moneys of AV City which may be lawfully applied for purpose of the redemption of all or any of the RPS at its issue price together with arrears of unpaid dividends up to the date of redemption. The RPS to be redeemed on such occasion shall be determined at such time and place in such manner as the RPS holders may determine.

At the same time and place so fixed such holders shall be bound to surrender to AV City the certificate of the RPS to be redeemed and AV City shall pay the amount payable in respect of such redemption and where such certificate comprises any RPS which have not been drawn for redemption, AV City shall issue to the holders thereof a fresh certificate.

(e) The redemption price is at 100% of the RPS's issue price together with arrears of unpaid dividends up to the date of redemption.

AV City may redeem the RPS on a pro-rate basis at the Redemption Price, subject to not less than seven (7) business days' notice in writing being given.

Reconciliation of movements of liabilities to cash flows arising from financing activities

	Loans and borrowings RM'000 (note 14)	Interest payable RM'000 (note 15)	Lease liabilities RM'000 (note 14)	Total RM'000
Balance at 1 January 2020	432,562	3,930	14,788	451,280
Changes from financing cash flows				
Proceeds from loan and borrowings	54,908	–	–	54,908
Repayment of loan and borrowings	(59,244)	–	–	(59,244)
Payment of lease liabilities	–	–	(7,307)	(7,307)
Interest paid	(24,783)	(1,585)	(1,135)	(27,503)
Issuance of redeemable preference shares to non-controlling interest by a subsidiary	3,556	–	–	3,556
Total changes from financing cash flows	(25,563)	(1,585)	(8,442)	(35,590)
Other changes – liability-related				
New leases	–	–	57,115	57,115
Interest expense	24,783	5,318	1,135	31,236
Effect of exchange rate changes	4	–	–	4
Total liability-related other changes	24,787	5,318	58,250	88,355
Balance at 31 December 2020	431,786	7,663	64,596	504,045
Balance at 1 January 2021	431,786	7,663	64,596	504,045
Changes from financing cash flows				
Proceeds from loan and borrowings	180,773	–	–	180,773
Repayment of loan and borrowings	(251,747)	–	–	(251,747)
Payment of lease liabilities	–	–	(27,558)	(27,558)
Interest paid	(30,228)	(14,567)	(3,734)	(48,529)
Total changes from financing cash flows	(101,202)	(14,567)	(31,292)	(147,061)

	Loans and borrowings RM'000 (note 14)	Interest payable RM'000 (note 15)	Lease liabilities RM'000 (note 14)	Total RM'000
Other changes – liability-related				
New leases	–	–	5,679	5,679
Interest expense	30,228	21,955	3,733	55,916
Effect of exchange rate changes	176	–	–	176
Total liability-related other changes	30,404	21,955	9,412	61,771
Balance at 30 June 2022	360,988	15,051	42,716	418,755

15 Trade and other payables

	Group		Company	
	2022 RM'000	**2020 RM'000**	**2022 RM'000**	**2020 RM'000**
Current				
Trade payables	135,981	162,464	–	–
Other payables	245,426	9,622	1,547	1,253
Non-trade amounts due to:				
- subsidiaries	–	–	141	294
Accrued operating expenses	76,528	110,946	874	731
Dividend payable	–	–	–	–
Interest payable	15,051	7,663	–	514
Refund liabilities	–	13,816	–	–
	472,986	304,511	2,562	2,792
Non-current				
Other payables	113,644	110,938	–	–
Amount due to non-controlling interests	–	13,160	–	–
Provision for reinstatement costs	721	673	–	–
	114,365	124,771	–	–

Included in trade payables of the Group are retention sums payable amounted to RM44,022,000 (2020: RM44,396,000).

Non-trade amounts with subsidiaries of the Company are unsecured, interest-free and repayable on demand.

Long-term other payables relates to consideration payable for various plots of land which is due in 2026.

Included in other payables of the Group are booking fees received from purchasers amounted to RM Nil (2020: RM135,000).

16 Share-based payment transactions

Description of the share-based payment arrangements

The Group has the following share-based payment arrangements:

Share Options and Share Plans

The AV Employee Share Option Scheme (the "Scheme") and AV Performance Share Plan ("PSP") of the Company was approved and adopted by its members at an Extraordinary General Meeting held on 19 June 2017. The Scheme is administered by the Company's Nominating committee and the Remuneration Committee, comprising 5 directors as follows:

Nominating Committee	1. Dato' Alan Teo Kwong Chia (Chairman) 2. Dato' Murly Manokharan 3. Mr. Cheah Teik Seng 4. Dato' Choong Khuat Seng
Remuneration Committee	1. Mr. Cheah Teik Seng (Chairman) 2. Dato' Alan Teo Kwong Chia 3. Dr. Lim Su Kiat

During 2019, the Company granted 84,800 ordinary shares under PSP to its employees. At the end of the financial period, no options have been granted.

Performance share plan (equity-settled)

On 8 December 2018, the Group offered 11 of its employees the opportunity to participate in an employee performance share plan. To participate in the plan, the employees are required to achieve time-based of 5 years. Under the terms of the plan, at the end of the 5 years, the employees receive awards with shares at market price of the shares at the grant date. Only employees that remain in services and achieve the time-based for 5 years will become entitled to the share awards.

No outstanding Performance share plan for the financial year.

Measurement of fair values

Equity settled share-based payment arrangements

The fair value of the employee performance share plan has been set at a price equal to the average of the last dealt price for the Company's ordinary shares on the Mainboard for the five consecutive trading days immediately preceding the relevant date of the grant of the share. Service and non-market performance conditions attached to the arrangements were not taken into account in measuring fair value.

The fair values at the grant date of the equity-settled share-based payment plans were as follows:

	Performance share plan 2019
Fair value at grant date	SGD 0.121
Weighted average exercise price	SGD 0.121

At 30 June 2022, a total amount of nil (2020: nil) was invested by the participants in the share awards plan.

Expense recognised in profit or loss

For details on the related employee benefit expenses, see note 24.

17 Deferred tax assets/(liabilities)

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when the deferred taxes related to the same authority. The amounts, determined after appropriate offsetting, are included in the statements of financial position as follows:

	------- Assets --------		-------- Liabilities --------		----------- Net -----------	
	2022	**2020**	**2022**	**2020**	**2022**	**2020**
	RM'000	**RM'000**	**RM'000**	**RM'000**	**RM'000**	**RM'000**
Group						
Deferred tax assets/(liabilities)						
Investment in associate	–	–	(2,740)	(2,740)	(2,740)	(2,740)
Unrealised profits	5,114	5,450	–	–	5,114	5,450
Inventories	–	–	(3,238)	(3,250)	(3,238)	(3,250)
Property, plant and equipment	504	152	(50)	(145)	454	7
Tax loss carry-forwards	722	1,173	–	–	722	1,173
Development properties	2,665	5,723	(4,512)	(6,802)	(1,847)	(1,079)
Other item*	28,216	278	–	–	28,216	278
	37,221	12,776	(10,540)	(12,937)	26,681	(161)
Set off of tax	(50)	(2,156)	50	2,156	–	–
	37,171	10,620	(10,490)	(10,781)	26,681	(161)

* Included in other item is the total tax liability attributable to Aspen Vision Land Sdn. Bhd. amounting to RM28,216,000 which Inland Revenue Board Malaysia has agreed on a consolidated basis at a group level, which allowed to utilise and claim as a tax credit in Aspen Vision City's development for past, current and future projects together with unsold inventory on hand.

The movements in the deferred tax assets and liabilities during the financial year are as follows:

	At 1 January 2020 RM'000	**Recognised in profit or loss RM'000 (note 25)**	**At 31 December 2020 RM'000**	**Recognised in profit or loss RM'000 (note 25)**	**At 30 June 2022 RM'000**
Group					
Deferred tax assets/(liabilities)					
Investment in associate	(2,740)	–	(2,740)	–	(2,740)
Unrealised profits	5,046	404	5,450	(298)	5,152
Inventories	(2,293)	(957)	(3,250)	12	(3,238)
Property, plant and equipment	(1,422)	1,429	7	447	454
Tax loss carry-forwards	1,942	(769)	1,173	(451)	722
Development properties	(2,762)	1,683	(1,079)	(768)	(1,847)
Other items	–	278	278	27,900	28,178
	(2,229)	2,068	(161)	26,842	26,681

Unrecognised deferred tax asset

Deferred tax asset has not been recognised in respect of the following items:

		Group
	2022	2020
	RM'000	RM'000
Unabsorbed capital allowance	12,495	(47)
Tax losses	33,122	10,494
Other deductible temporary differences	5,760	5,755
	51,377	16,202

Unutilised tax losses do not expire under current tax legislation. Deferred tax assets have not been recognised in respect of the unutilised tax losses because it is not probable that future taxable profits will be available against which the Group can utilise the benefits therefrom.

18 Share capital

	2022 No. of shares '000	2020 No. of shares '000
Company		
At 1 January	1,083,270	963,570
Issue of shares through private placement	–	100,000
Issue of script dividend	–	19,700
In issue at 30 June/31 December	1,083,270	1,083,270

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the Company. All shares rank equally with regard to the Company's residual assets.

All issued shares are fully paid, with no par value.

Issue of ordinary shares

On 18 November 2020, 100,000,000 ordinary shares were issued through private placement at SGD0.24 per share.

Issue of scrip dividend

On 21 January 2020, 19,699,494 ordinary shares were issued and allotted at an issue price of SGD0.124 per share.

Dividends

The Board of Directors of the Company has not proposed any dividend in respect of the financial period ended 30 June 2022.

19 Reserves

	Group		Company	
	2022 RM'000	2020 RM'000	2022 RM'000	2020 RM'000
Merger reserve	37,442	37,442	–	–
Translation reserve	89	(30)	–	–
Reserve for own shares	(21)	(21)	(21)	(21)
Retained earnings/ (Accumulated losses)	31,961	212,106	(15,397)	(9,058)
	69,471	249,497	(15,418)	(9,079)

Merger reserve

Merger reserve represents the difference between the cost of investment and nominal value of share capital of the merged subsidiaries.

Translation reserve

The translation reserve comprises all foreign currency differences arising from the translation of the financial statements of foreign operations.

Reserve for own shares

The reserve for the Company's own shares comprises the cost of the Company's shares held by the Group. At 30 June 2022, the Group held 47,800 of the Company's shares (2020: 47,800).

20 Non-controlling interests

Subsidiaries with material NCI are as follows:

Name	Principal place of business/ Country of incorporation	Ownership interests held by NCI 2022 %	2020 %
AV City	Malaysia	20	20
AV Homes	Malaysia	49	49
AGSB	Malaysia	25	30

The following summarises the financial information of the Group's subsidiaries with material NCI, based on their respective consolidated unaudited financial statements prepared in accordance with FRS modified for fair value adjustments on acquisition and differences in the Group's accounting policies.

	AV City RM'000	AV Homes RM'000	AGSB RM'000	Other individually immaterial subsidiaries RM'000	Total RM'000
2022					
Revenue	286,171	939	26,955	–	314,065
Profit/(loss) after tax	30,845	706	(164,870)	(2,680)	(135,999)
OCI	–	–	–	–	–
Total comprehensive income	30,845	706	(164,870)	(2,680)	(135,999)
Attributable to NCI:					
Profit/(loss) after tax	6,169	346	(41,218)	(1,313)	(36,016)
OCI	–	–	–	–	–
Total comprehensive income	6,169	346	(41,218)	(1,313)	(36,016)
Non-current assets	254,835	10,000	212,644	–	477,479
Current assets	584,602	47,043	19,178	4,965	655,788
Non-current liabilities	(318,301)	–	(11,916)	–	(330,217)
Current liabilities	(322,686)	(5,018)	(261,329)	(301)	(589,334)
Net assets/(liabilities)	198,450	52,025	(41,423)	4,664	(213,716)
Net assets attributable to NCI	39,690	25,492	(9,075)	–	56,107
Cash flows (used in)/from operating activities	(243,256)	2,448	83,405	83	(157,320)
Cash flows from/(used in) investing activities	4,876	(2,500)	(237,131)	–	(234,755)
Cash flows from/(used in) financing activities	239,202	–	141,593	(3)	380,792
Net increase/(decrease) in cash and cash equivalents	822	(52)	(12,133)	(80)	(11,283)

	AV City RM'000	AV Homes RM'000	Other individually immaterial subsidiaries RM'000	Total RM'000
2020				
Revenue	204,965	716	–	205,681
Profit/(loss) after tax	22,341	1,353	(3,815)	19,879
OCI	–	–	–	–
Total comprehensive income	22,341	1,353	(3,815)	19,879
Attributable to NCI:				
Profit/(loss) after tax	4,468	652	(2,055)	3,065
OCI	–	–	–	–
Total comprehensive income	4,468	652	(2,055)	3,065
Non-current assets	239,556	7,500	85,970	333,026
Current assets	559,991	43,824	46,123	649,938
Non-current liabilities	(374,230)	–	(78,944)	(453,174)
Current liabilities	(257,713)	(5)	(38,309)	(296,027)
Net assets	167,604	51,319	14,840	233,763
Net assets attributable to NCI	33,521	25,146	3,109	61,776
Cash flows used in operating activities	(54,662)	(24,016)	(1,707)	(80,385)
Cash flows from/(used in) investing activities	(295)	804	(31,616)	(31,107)
Cash flows from financing activities	42,235	–	54,529	96,764
Net (decrease)/increase in cash and cash equivalents	(12,722)	(23,212)	21,206	(14,728)

21 Revenue

		Group
	1.1.2021 to 30.6.2022 RM'000	1.1.2020 to 31.12.2020 RM'000
Revenue from contracts with customers	379,550	282,832

The disaggregation of revenue from contracts with customers is as follows:

	Group						
	1.1.2021 to 30.6.2022				1.1.2020 to 31.12.2020		
	Property development RM'000	**Healthcare RM'000**	**Others RM'000**	**Total RM'000**	**Property development RM'000**	**Others RM'000**	**Total RM'000**
Geographical location[(a)]							
Malaysia	338,385	26,955	–	365,340	277,218	–	277,218
Singapore	–	–	14,210	14,210	–	5,614	5,614
	338,385	26,955	14,210	379,550	277,218	5,614	282,832
Timing of recognition							
Goods transferred at a point in time	147,624	26,955	14,210	188,789	73,874	5,614	79,488
Goods transferred overtime	190,761	–	–	190,761	203,344	–	203,344
	338,385	26,955	14,210	379,550	277,218	5,614	282,832

[(a)] The disaggregation is based on the location of business from which revenue was generated.

Critical judgements in identifying performance obligations and measuring progress

For property development projects under the progressive payment scheme, the Group recognised revenue and costs of sales from development properties held for sale based on the percentage of completion method. The stage of completion is measured in accordance with the accounting policy stated in note 3.16. Estimates are required in determining the total estimated development costs which will affect the stage of completion. In making these assumptions, the Group relies on references to information such as current offers and/or recent contract with contractors and suppliers, estimation of construction and material costs based on historical experience; and the work of professional surveyors and architects.

Transaction price allocated to the remaining performance obligations

The following table includes revenue expected to be recognised in the future related to performance obligations that are unsatisfied (or partially unsatisfied) at the reporting date.

	1.1.2021 to 30.6.2022 RM'000	**1.1.2020 to 31.12,2020 RM'000**
Aggregate amount of the transaction price allocated to sale of development properties for contracts that are partially unsatisfied	550,762	261,582

The Group expects the full transaction price allocated to the unsatisfied contracts at the reporting date to be recognised as revenue over the next 1 to 2 years (2020: 1 to 2 years).

22 Cost of sales

		Group
	1.1.2021 to 30.6.2022 RM'000	**1.1.2020 to 31.12.2020 RM'000**
Property development expenses	286,861	197,938
Cost of food and beverage	3,127	1,492
Cost of manufacturing of gloves	60,321	–
	350,309	199,430

23 Net finance costs

		Group
	1.1.2021 to 30.6.2022 RM'000	**1.1.2020 to 31.12.2020 RM'000**
Finance income		
Interest income from:		
- Short term investment funds	1,000	1,180
- Sale of development properties under deferred payment scheme	–	645
Total finance income	1,000	1,825

		Group
	1.1.2021 to 30.6.2022 RM'000	1.1.2020 to 31.12.2020 RM'000
Finance costs		
Interest expenses on:		
- Lease liabilities	(3,734)	(1,135)
- Secured term loans and bridging loans	(26,427)	(20,776)
- Revolving credit	(2,215)	(1,068)
- Convertible loans	(1,602)	(2,939)
- Redeemable preference shares	(21,962)	(2,763)
- Interest accreted upon recognition of fair value of land cost	–	(2,555)
- Unwind of discounting effect	–	(5)
	(55,940)	(31,241)
Less: Interest expense included in cost of sales and capitalised under development properties, capital expenditure in progress and right-of-use assets	46,431	28,139
Total finance costs	(9,509)	(3,102)
Net finance costs recognised in profit or loss	(8,509)	(1,277)

24 Profit before tax

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

		Group
	1.1.2021 to 30.6.2022 RM'000	1.1.2020 to 31.12.2020 RM'000
Audit fees paid to:		
- Auditors of the Company	(433)	(380)
- Other member firms of the auditors	(183)	(177)
Professional fees	(220)	(15)
Depreciation of property, plant and equipment	(28,786)	(13,262)
Amortisation of intangible asset	(348)	(218)
Impairment loss on property, plant and equipment	(98,417)	(3,237)
Impairment loss on inventories	(6,641)	–
Gain/(Loss) on disposal of property, plant and equipment	151	(28)
Property, plant and equipment written off	(938)	(33)
Government grant income	1,686	(626)
Loss on disposal of associate	(10,723)	–
Employee benefit expense*:		
Salaries, bonus and other costs	(34,086)	(14,581)
Contributions to defined contribution plans	(3,528)	(1,717)
	(37,614)	(16,298)
Less: Employee benefit expenses capitalised under development properties	–	–
	(37,614)	(16,298)

* Employee benefit expense excluding directors' remuneration.

25 Tax expense

	1.1.2021 to 30.6.2022 RM'000	Group 1.1.2020 to 31.122020 RM'000
Current tax expense		
Current period/year	4,387	11,018
Changes in estimates related to prior years	37,545	2,542
	41,932	13,560
Deferred tax expense		
Origination and reversal of temporary differences	94	1,104
Changes in estimates related to prior years	(26,929)	(3,172)
	(26,835)	(2,068)
Total tax expense	15,097	11,492

Reconciliation of effective tax rate is as follows:

Profit before tax	(197,985)	87,288
Less: Share of result of equity-accounted investees, net of tax	2,106	(61,510)
	(195,879)	25,778
Income tax using Singapore tax rate of 17% (2020: 17%)	(33,299)	4,382
Effect of tax rates in foreign jurisdiction	8,579	3,221
Non-deductible expenses	30,803	4,708
Non-taxable income	(1,272)	–
Effect of deferred tax assets not recognised	(99)	135
Changes in estimates related to prior years	10,616	(630)
Other items	(231)	(324)
	15,097	11,492

Domestic income tax rate for Singapore incorporated company for the period ended 30 June 2022 was calculated at 17% (2020: 17%) of the estimated assessable profit for the year. Taxation for other jurisdiction was calculated at the rates prevailing in the relevant jurisdictions.

The tax rate applicable to entities incorporated in Malaysia is at 24% (2020: 24%).

Unrecognised deferred tax liabilities

Deferred tax liabilities have not been recognised for withholding and other taxes that would be payable on the unremitted earnings of RM251,215,000 (2020: RM262,407,000) of certain overseas subsidiaries for the period ended 30 June 2022 as the timing of the reversal of the temporary difference arising from such amounts can be controlled and it is probable that such temporary differences will not reverse in the foreseeable future.

26 Earnings per share

The basic earnings per share for the years ended 30 June 2022 and 31 December 2020 were based on the profit attributable to ordinary shareholders and a weighted average number of ordinary shares outstanding, calculated as follows:

		Group
	2022	**2020**
	RM'000	**RM'000**
(Loss)/Profit attributable to ordinary shareholders	(180,145)	72,731

Weighted average number of ordinary shares

		Group
	2022	**2020**
	RM'000	**RM'000**
At beginning of the period/year	1,083,270	963,570
Effect of shares issued through private placement	–	14,208
Script dividend scheme	–	18,623
At end of the period/year	1,083,270	996,401

Diluted earnings per share are the same as basic earnings per share as there were no potential dilutive ordinary shares existing during the respective years.

27 Leases

Leases as lessee (SFRS(I) 16)

The Group leases land, office spaces and motor vehicles. The leases typically run for a period between 1 and 60 years, with an option to renew the lease after that date. Lease payments are renegotiated every five years to reflect market rentals. Some leases provide for additional rent payments that are based on changes in local price indices. For certain leases, the Group is restricted from entering into any sub-lease arrangements.

The Group leases office equipment with contract terms of one to five years. These leases are short-term and/or leases of low-value items. The Group has elected not to recognise right-of-use assets and lease liabilities for these leases.

Information about leases for which the Group is a lessee is presented below.

Right-of-use assets

Right-of-use assets related to leasehold land, leased office spaces and motor vehicles are presented as property, plant and equipment (see note 4).

	Leasehold land RM'000	Buildings RM'000	Motor vehicle RM'000	Total RM'000
2022				
Balance at 1 January 2021	47,581	19,057	408	67,046
Depreciation charge	(1,354)	(5,254)	(408)	(7,016)
Additions to right-of-use assets	2,136	2,652	–	4,788
Disposal of right-of-use assets	–	(4,212)	–	(4,212)
Effect of movement in exchange rate	–	448	–	448
Balance at 30 June 2022	48,363	12,691	–	61,054
2020				
Balance at 1 January 2020	482	10,299	854	11,635
Depreciation charge	(339)	(1,555)	(446)	(2,340)
Additions to right-of-use assets	47,438	10,348	–	57,786
Effect of movement in exchange rate	–	(35)	–	(35)
Balance at 31 December 2020	47,581	19,057	408	67,046

Amounts recognised in profit or loss

	2022 RM'000	2020 RM'000
Interest on lease liabilities	3,734	1,135
Expenses relating to short-term leases	333	423
Expenses relating to leases of low-value assets, excluding short-term leases of low-value assets	65	95
Negative variable lease payments arising from rent concessions	–	(133)

Amounts recognised in consolidated statement of cash flows

	2022 RM'000	2020 RM'000
Total cash outflow for leases	31,292	8,442

Extension options

Some property leases contain extension options exercisable by the Group up to one year before the end of the non-cancellable contract period. Where practicable, the Group seeks to include extension options in new leases to provide operational flexibility. The extension options held are exercisable only by the Group and not by the lessors. The Group assesses at lease commencement date whether it is reasonably certain to exercise the extension options. The Group reassesses whether it is reasonably certain to exercise the options if there is a significant event or significant changes in circumstances within its control.

The Group has estimated that the potential future lease payments, should it exercise the extension option, would result in an increase in lease liabilities of RM12,125,000 (2020: RM12,125,000).

28 Commitments

Capital commitments

Capital expenditure contracted for at the reporting dates but not recognised in the financial statements were as follows:

		Group
	2022	2020
	RM'000	RM'000
Construction in progress		
- Contracted for but not provided for	93,981	169,927

Other commitments

In 2019, the Group entered into a sales and purchase agreements to acquire Paya Terubong Land for a consideration of RM165,000,000. In 2022, the sales and purchase agreements is being rescinded.

As at the reporting date, the Group has contractual commitments to acquire the various land parcels as follows:

		Group
	2022	2020
	RM'000	RM'000
Contracted but not provided for		
- Commitment of the subsidiaries	–	142,265

29 Financial instruments

Overview

The Group has exposure to the following risks from its use of financial instruments:

- Credit risk
- Liquidity risk
- Market risk

This note presents information about the Group's exposure to each of the above risks, the Group's objectives, policies and processes for measuring and managing risk, and the Group's management of capital.

Risk management framework

Risk management is integral to the whole business of the Group. The Board of Directors has overall responsibility for the establishment and oversight of the Group's risk management framework.

The management has a system of controls in place to create an acceptable balance between the cost of risks occurring and the cost of managing the risks. The management continually monitors the Group's risk management process to ensure that an appropriate balance between risk and control is achieved. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Group's activities.

The Group Audit Committee ("AC") oversees how management monitors compliance with the Group's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Group. The Group AC is assisted in its oversight role by Internal Audit. Internal Audit undertakes both regular and ad hoc reviews of risk management controls and procedures, the results of which are reported to the Group AC.

Credit risk

Credit risk is the risk of financial loss to the Group or the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Group's and the Company's receivables from customers and cash placed with financial institutions.

Financial transactions are restricted to counterparties that meet appropriate credit criteria that are approved by the Group and are reviewed on a regular basis. In respect of trade and other receivables, the Group has guidelines governing the process of granting credit and outstanding balances are monitored on an ongoing basis.

The Group has a credit policy in place and the exposure to credit risk is monitored on an ongoing basis. Credit evaluations are performed on all customers requiring credit over a certain amount. They are further restrained by credit limits and terms.

The carrying amounts of financial assets and contract assets represent the Group's and the Company's maximum exposures to credit risk, before taking into account any collateral held. The Group and the Company do not require any collateral in respect of their financial assets.

Exposure to credit risk

The maximum exposure to credit risk at the reporting date is as follows:

		------------- Group -------------		------------ Company ------------	
	Note	**2022 RM'000**	**2020 RM'000**	**2022 RM'000**	**2020 RM'000**
Contract assets	10	60,013	97,148	–	–
Trade and other receivables*	12	89,407	66,419	167	91,472
Cash and cash equivalents	13	31,807	86,565	416	29,148
		181,227	250,132	583	120,620

* Excluding prepayments.

The exposure to credit risk for trade receivables and contract assets at the reporting date by geographic region was as follows:

		Group
	2022 RM'000	**2020 RM'000**
Domestic	122,380	111,040
Asia, other than domestic	–	451
	122,380	111,491

There is no concentration of customers' credit risk at the Company level.

Expected credit loss assessment for customers

The Group does not have any significant credit risk from its property development activities as its products are predominantly sold to a large number of property purchasers with end financing facilities from reputable financiers. In addition, the credit risk is limited as the ownership and rights to the properties revert to the Group in the event of default, and the products do not suffer from physical, technological nor fashion obsolescence.

The following table provides information about the exposure to credit risk and ECLs for trade receivables and contract assets as at 30 June/31 December:

	Group				
	Weighted average loss rate %	Gross carrying amount RM'000	Impairment loss allowance RM'000	Net carrying amount RM'000	Credit impaired
2022					
Current (not past due)	–	102,511	–	102,511	No
1 to 30 days past due	–	6,144	–	6,144	No
31 to 120 days past due	–	11,148	–	11,148	No
Over 120 days past due	–	2,577	–	2,577	No
		122,380	–	112,380	
2020					
Current (not past due)	–	110,053	–	110,053	No
1 to 30 days past due	–	1,116	–	1,116	No
31 to 120 days past due	–	81	–	81	No
Over 120 days past due	–	241	–	241	No
		111,491	–	111,491	

There are no impairment losses arising from these outstanding balances as the ECL is not material and no historical loss recorded for the past 2 years. The Group believes that no impairment allowance is necessary in respect of neither past due nor impaired balances as these are supported by booking fees received and the unimpaired amounts that are past due more than 30 days are still collectible in full, based on historical payment behaviour and analyses of customer credit risks.

Financial guarantees

At 30 June 2022, the Company has issued a guarantee to certain banks in respect of credit facilities granted to three subsidiaries. These guarantees are subject to impairment assessment under SFRS(I) 9. The Company has assessed that the subsidiaries have strong capacity to meet the contractual cash flows obligations in the near future and hence, does not expect significant credit losses from the guarantees. The Company's assessment is based on quantitative and qualitative factors that are indicative of the risk of default (including but not limited to external ratings, audited financial statements and applying experience credit judgement).

Non-trade amounts due from subsidiaries

The Company held non-trade receivables from its subsidiaries of RM167,000 (2020: RM91,422,000). These balances are amounts lent to subsidiaries to satisfy short-term funding requirements. The Company uses an approach that is used on an assessment of qualitative and quantitative factors that are indicative of the risk of default (including but not limited to external ratings, audited financial statements and management accounts). There is no significant increase in credit risk for these exposures. Therefore impairment on these balances has been measured based on the 12 month expected credit loss basis; and the amount of the allowance is insignificant.

Deposits and advances to associates

The Group held deposits of RM19,536,000 (2020: RM27,563,000) and advances to associates of RM6,990,000 (2020: RM19,920,000). As at the end of the reporting year, the maximum exposure to credit risk is represented by their carrying amounts in the statements of financial position. The impairment methodology applied depends on whether there has been a significant increase in credit risk. There is no significant increase in credit risk for these exposures. Therefore, impairment on these balances has been measured on the 12-month expected credit loss basis; and the amount of the allowance is insignificant.

Cash and cash equivalents

At the reporting date, the Group and Company held cash and cash equivalents of RM31,807,000 (2020: RM86,565,000) and RM416,000 (2020: RM29,148,000) respectively which represents its maximum exposure on these assets. The cash and cash equivalents are held with banks and financial institutions which are regulated.

Impairment on cash and cash equivalents has been measured on the 12-month expected loss basis and reflects the short maturities of the exposures. The Group considers that its cash and cash equivalents have low credit risk based on the external credit ratings of the counterparties. The amount of the allowance on cash and cash equivalents was negligible.

Redeemable preference shares in associates

The Group held redeemable preference shares in associates to meet their funding requirements. Impairment on these balances has been measured on the 12-month expected loss basis which reflects the low credit risk of the exposures. The amount of the allowance on these balances is insignificant.

Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Group's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation.

The Group's exposure to liquidity risk arises primarily from mismatches of the maturities of financial assets and liabilities. The Group's objective is to maintain a balance between continuity of funding and flexibility through use of stand-by credit facilities.

The table below highlights the profile of the maturity of the Group's financial liabilities based on contractual undiscounted cash flows, including the interest payments and excluding the impact of netting agreements:

Group	Carrying amount RM'000	Contractual cash flows RM'000	Less than 1 year RM'000	Between 1 and 5 years RM'000	More than 5 years RM'000
30 June 2022					
Trade and other payables*	587,351	(587,351)	(472,986)	(114,365)	–
Loans and borrowings	318,973	(356,206)	(152,370)	(165,876)	(37,960)
Lease liabilities	42,716	(50,188)	(19,985)	(20,418)	(9,785)
Bank overdraft	3,875	(3,875)	(3,875)	–	–
Redeemable preference shares	38,140	(45,482)	(2,098)	(43,384)	–
	991,055	(1,043,102)	(651,314)	(344,043)	(47,745)
31 December 2020					
Trade and other payables*	428,474	(435,054)	(305,034)	(113,570)	(16,450)
Loans and borrowings	393,646	(431,322)	(125,534)	(202,654)	(103,134)
Finance lease liabilities	64,596	(76,198)	(19,618)	(44,660)	(11,920)
Redeemable preference shares	38,140	(49,195)	(2,728)	(46,467)	–
	924,856	(991,769)	(452,914)	(407,351)	(131,504)

* Excluding booking fees received and provision for reinstatement costs

Company	Carrying amount RM'000	Contractual cash flows RM'000	Less than 1 year RM'000	Between 1 and 5 years RM'000	More than 5 years RM'000
30 June 2022					
Trade and other payables	2,562	(2,562)	(2,562)	–	–
Loans and borrowings	4,732	(4,787)	(4,787)	–	–
Recognised financial liabilities	7,294	(7,349)	(7,349)	–	–
Intra-group financial guarantee	–	(307,233)	(307,233)	–	–
	7,294	(314,582)	(314,582)	–	–
31 December 2020					
Trade and other payables	2,792	(2,792)	(2,792)	–	–
Loans and borrowings	28,091	(28,709)	(28,709)	–	–
Recognised financial liabilities	30,883	(31,501)	(31,501)	–	–
Intra-group financial guarantee	–	(183,106)	(183,106)	–	–
	30,883	(214,607)	(214,607)	–	–

Market risk

Market risk is the risk that changes in market prices, such as interest rate and foreign exchange rates will affect the Group's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return on risk.

Currency risk

The Group is exposed to transactional foreign currency risk on sales and purchases that are denominated in currency other than Malaysia ringgit (MYR). The currencies giving rise to these risk is primarily Singapore dollar (SGD), United States Dollar (USD) and British Pound (GBP).

Exposure to currency risk

The Group's exposure to currency risk in as reported to the management of the Group is as follows:

	SGD RM'000	USD RM'000	GBP RM'000
Group			
2022			
Trade and other receivables	927	–	–
Loans and borrowings	(4,732)	–	–
Trade and other payables	(3,860)	–	–
Cash and cash equivalents	929	4	–
	(6,736)	4	–
2020			
Trade and other receivables	1,291	–	–
Loans and borrowings	–	(28,091)	–
Trade and other payables	(3,943)	(514)	(129)
Cash and cash equivalents	30,906	21,563	–
	28,254	(7,042)	(129)
Company			
2022			
Loans and borrowings	(4,732)	–	–
Trade and other payables	(1,736)	–	–
Cash and cash equivalents	413	3	–
	(6,055)	3	–
2020			
Trade and other receivables	26	–	–
Loans and borrowings	–	(28,091)	–
Trade and other payables	(1,552)	(514)	–
Cash and cash equivalents	28,996	3	–
	27,470	(28,602)	–

Sensitivity analysis

A 10% strengthening/(weakening) of the Malaysia ringgit against the following currencies at the reporting date would increase/(decrease) profit before tax by the amounts shown below. This analysis assumes that all other variables remain constant.

	Group Profit or loss		Company Profit or loss	
	2022 RM'000	2020 RM'000	2022 RM'000	2020 RM'000
SGD	674	(2,825)	606	(2,747)
USD	–	704	–	2,860
GBP	–	13	–	–

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of the Group's financial instruments will fluctuate because of changes in market interest rates. The Group's exposure to interest rate risk arises primarily from cash and cash equivalents and borrowings. The Group does not hedge against this risk.

At the reporting date, the interest rate profile of the Group and the Company's interest-bearing financial instruments was:

	Group Nominal amount		Company Nominal amount	
	2022 RM'000	**2020 RM'000**	**2022 RM'000**	**2020 RM'000**
Fixed rate instruments				
Financial assets	78,744	59,306	–	69,782
Financial liabilities	(92,857)	(75,434)	(4,732)	(28,091)
	(14,113)	(16,128)	(4,732)	41,691
Variable rate instruments				
Financial assets	65	3,452	65	62
Financial liabilities	(306,972)	(356,352)	–	–
	(306,907)	(352,900)	65	62

Fair value sensitivity analysis for fixed rate instruments

The Group does not account for any fixed rate financial assets and liabilities at fair value through profit or loss. Therefore a change in interest rates at the reporting dates would not affect profit or loss.

Cash flow sensitivity analysis for variable rate instruments

A change of 50 basis points ("bp") in interest rates at the reporting dates would have increased/(decreased) profit or loss by the amounts shown below. There is no effect to the equity. This analysis assumes that all other variables, in particular foreign currency rates, remain constant. The analysis is performed on the same basis for all periods presented.

	Group Profit or loss	
	50 bp Increase RM'000	**50 bp Decrease RM'000**
2022		
Variable rate instruments	(1,535)	1,535
2020		
Variable rate instruments	(1,765)	1,765

Accounting classifications and fair values

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			
	Note	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 2022								
Financial assets not measured at fair value								
Redeemable preference shares – associates	7	22,485	–	22,485	–	–	25,430	25,430
Trade and other receivables*	12	88,471	–	88,471				
Deposit	12	936	–	936	–	856	–	856
Cash and cash equivalents	13	31,807	–	31,807				
		143,699	–	143,699				
Financial liabilities not measured at fair value								
Trade and other payables^	15	–	(587,351)	(587,351)				
Loans and borrowings		–						
- Term loans and bridging loans	14	–	(306,973)	(306,973)	–	(330,649)	–	(330,649)
- Revolving credit	14	–	(12,000)	(12,000)	–	(12,000)	–	(12,000)
- Redeemable preference shares	14	–	(38,140)	(38,140)	–	–	(42,685)	(42,685)
- Bank overdraft	14	–	(3,875)	(3,875)	–	–	(3,875)	(3,875)
		–	(948,339)	(948,339)				

* Excluding prepayments and non-current deposits.

^ Excluding booking fee received and provision for reinstatement costs.

	Note	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	7	53,835	–	53,835	–	–	55,510	55,510
Trade and other receivables*	12	65,506	–	65,506				
Deposit	12	913	–	913	–	883	–	883
Cash and cash equivalents	13	86,565	–	86,565				
		206,819	–	206,819				
Financial liabilities not measured at fair value								
Trade and other payables^	15	–	(428,474)	(428,474)	–	–	(429,717)	(429,717)
Loans and borrowings								
- Term loans and bridging loans	14	–	(356,352)	(356,352)	–	(362,013)	–	(362,013)
- Revolving credit	14	–	(9,203)	(9,203)	–	(9,203)	–	(9,203)
- Redeemable preference shares	14	–	(38,140)	(38,140)	–	–	(41,467)	(41,467)
- Convertible loan	14	–	(28,091)	(28,091)	–	–	(28,091)	(28,091)
		–	(860,260)	(860,260)				

* Excluding prepayments.

^ Excluding booking fee received and provision for reinstatement costs.

		Carrying amount			Fair value			
	Note	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 2022								
Financial assets not measured at fair value								
Trade and other receivables*	12	167	–	3,091				
Cash and cash equivalents	13	416	–	416				
		583	–	3,507				
Financial liabilities not measured at fair value								
Trade and other payables	15	–	(2,562)	(2,562)				
Term loan	14	–	(4,732)	(4,732)	–	–	(4,732)	(4,732)
		–	(7,294)	(7,294)				
31 December 2020								
Financial assets not measured at fair value								
Trade and other receivables*	12	91,472	–	91,472				
Cash and cash equivalents	13	29,148	–	29,148				
		120,620	–	120,620				
Financial liabilities not measured at fair value								
Trade and other payables	15	–	(2,792)	(2,792)				
Convertible loan	14	–	(28,091)	(28,091)	–	–	(28,091)	(28,091)
		–	(30,883)	(30,883)				

* Excluding prepayments.

Valuation technique

Financial instruments not measured at fair value

The following table shows the valuation technique used in measuring Level 3 fair values, as well as the significant unobservable inputs used.

Type	Valuation technique	Significant unobservable inputs	Inter-relationship between key unobservable inputs and fair value measurement
Financial assets – redeemable preference shares	Discounted cash flows	Discount rate: 4.46% (2020: 4.46%)	The estimated fair value would increase/(decrease) if discount rate was lower/(higher).
Deposits	Discounted cash flows	Discount rate: 0.53% (2020: 0.53%)	The estimated fair value would increase/(decrease) if discount rate was lower/(higher).
Other financial liabilities*	Discounted cash flows	Discount rate: 1.84% - 7.39% (2020: 1.84% - 6.03%)	The estimated fair value would increase/(decrease) if discount rate was lower/(higher).

* Other financial liabilities include loans and borrowings.

30 Capital management

The primary objectives of the Group's capital management are to safeguard the Group's ability as a going concern and to maintain an optimal capital structure so as to maximise shareholder value. Capital consists of equity attributable to owners of the Company.

To maintain or adjust the capital structure, the Group may adjust the dividend payment, return capital to shareholders, issue new shares, and obtain new borrowings to leverage on lower cost of borrowings versus the Group's weighted average cost of capital or sell assets to reduce borrowings.

The Company and its subsidiaries are in compliance with its externally imposed capital requirements for the financial period ended 30 June 2022.

31 Related parties

Transactions with key management personnel

Key management personnel of the Group are those persons having the authority and responsibility for planning, directing and controlling the authorities of the entity. The directors and senior key management are considered as key management personnel of the Group.

Key management personnel remuneration comprised:

	Group 2022 RM'000	2020 RM'000
Directors fee	630	420
Short-term employee benefits	13,813	8,014
Post-employment benefits (including contributions to defined contribution plans)	1,460	810
Benefits-in-kind	236	132
	16,139	9,376

Key management personnel transactions comprised:

Progress billings		
Key management personnel	281	253
Companies in which directors and key management personnel have substantial interests	236	267
	517	520
Loans and borrowings		
Companies in which directors and key management personnel have substantial interests	4,732	–

32 Contingent liabilities

During 2018, AG Innovation Sdn. Bhd. And Aspen Vision All Sdn. Bhd., both subsidiaries of the Group, have been served with a Writ of Summons endorsed with a statement of claim filed by IBM Malaysia and IBM Capital Malaysia claiming RM2.2 million and RM5.4 million respectively.

On September 2022, AG Innovation Sdn. Bhd. And Aspen Vision All Sdn. Bhd. Reached a settlement with IBM Malaysia and IBM Capital Malaysia by way of recording a consent order under seal where the terms of the Consent Order are kept confidential, as full and final settlement and discharge of all disputes, differences and claims by either party in connection with the Lawsuit.

No provision for any liability has been made in these financial statements.

33 Segment reporting

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

	Property development RM'000	Healthcare RM'000	Others RM'000	Total reportable segment RM'000	Elimination RM'000	Consolidation RM'000
2022						
External revenue	338,385	26,955	14,210	379,550	–	379,550
Inter-segment revenue	1,755	–	56,136	57,891	(57,891)	–
Interest income	881	43	76	1,000	–	1,000
Interest expenses	(4,142)	(7,306)	(9,356)	(20,804)	11,295	(9,509)
Depreciation and amortisation	(6,640)	(8,008)	(14,942)	(29,590)	456	(29,134)
Impairment of property, plant and equipment	–	(98,417)	–	–	–	(98,417)
Segment loss before tax	(8,964)	(164,870)	(14,536)	(188,370)	(9,615)	(197,985)
Share of loss of equity-accounted investees	–	–	(2,106)	(2,106)	–	(2,106)
Reportable segment assets	1,256,611	231,822	1,432,985	2,921,418	(1,412,029)	1,509,389
Equity-accounted investees	–	–	96,357	96,357	–	96,357
Capital expenditure	875	240,272	4,711	245,858	(92)	245,766
Reportable segment liabilities	1,009,540	273,245	488,484	1,771,269	(704,244)	1,067,025

	Property development RM'000	Others RM'000	Total reportable segment RM'000	Elimination RM'000	Consolidation RM'000
2020					
External revenue	277,218	5,614	282,832	–	282,832
Inter-segment revenue	204	73,558	73,762	(73,762)	–
Interest income	1,694	131	1,825	–	1,825
Interest expenses	(2,908)	(8,320)	(11,228)	8,126	(3,102)
Depreciation and amortisation	(4,761)	(8,841)	(13,602)	122	(13,480)
Segment profit before tax	41,963	20,168	62,131	25,157	87,288
Share of profit of equity-accounted investees	–	61,510	61,510	–	61,510
Reportable segment assets	1,228,871	1,423,402	2,652,273	(1,082,583)	1,569,690
Equity-accounted investees	–	147,227	147,227	(71)	147,156
Capital expenditure	428	94,102	94,530	–	94,530
Reportable segment liabilities	1,306,085	224,489	1,418,329	(476,698)	941,631

Management assessed the performance of the Group's operations based on the profit before tax, total assets and total liabilities which are measured in a manner consistent with that of the financial statements.

34 Significant events

On April 2022, Aspen Glove Sdn. Bhd. ("AGSB") received a Notice of Adjudication to refer the dispute in relation to Tialoc Malaysia Sdn. Bhd.'s ("Tialoc") claim amounting to RM84,348,615 against AGSB pursuant to adjudication under the provision of the Construction Industry Payment & Adjudication Act 2012 ("CIPAA 2012"). On April 2022, AGSB served on Tialoc's solicitors an originating summons ("OS") filed in the Sungai Petani High Court against Tialoc for inter alia, a declaration that Tialoc's reference of the payment dispute to adjudication pursuant to the CIPAA 2012 is null and void. AGSB had also filed a notice of application seeking, inter alia, an interim injunction to restrain Tialoc from commencing and/or proceeding with the adjudication proceedings pursuant to CIPAA 2012 until the full and final determination of the OS ("Notice of Application"). On May 2022, AGSB obtained an ad interim injunction restraining Tialoc from taking any further steps and/or proceedings in respect of adjudication under CIPAA 2012 until the hearing and disposal of AGSB's Notice of Application. Tialoc has filed a striking-out application which is now fixed for decision by the Sungai Petani High Court on October 2022.

As at 30 June 2022, the claim RM78,102,643.78 is provided in other payables in these financial statements. Balance RM6,245,971.53 being finance charges is not provided.

On June 2022, AGSB received a Notice (the "Notice") filed by Multi Purpose Metal Tech Sdn. Bhd. ("MPMT"). The Notice sets out, inter alia, that MPMT is seeking payment from AGSB for a sum of RM29,348,000.00 ("MPMT's Claim") being the balance sum due, owing and payable in respect of services rendered to AGSB; and in the event that AGSB fails, neglects and/or refuses to make the payment or to secure or compound MPMT's Claim to the reasonable satisfaction of MPMT within twenty-one (21) days after the service of the Notice, MPMT shall proceed to commence winding-up proceedings against AGSB. On June 2022, AGSB served on MPMT's solicitors an originating summons and a notice of application (the "said Proceedings") filed in the Klang High Court against MPMT seeking, amongst others, a declaration that the Notice is null and void and that MPMT shall be restrained by an injunction from acting on the Notice including but not limited to filing and/or presenting a winding-up petition against AGSB. AGSB had also on June 2022 obtained an ex parte interim injunction restraining MPMT from filing and/or presenting a winding up petition against AGSB pending the inter partes hearing. In October 2022, the High Court had dismissed the said Proceedings and subsequently AGSB filed Notice of Appeal to the Court of Appeal against the decision of the High Court.

As at 30 June 2022, the full claim RM29,348,000 is provided in other payables in these financial statements.

35 Subsequent events

On 7 October 2022, the Company's subsidiary, AGSB has entered into a Sale and Purchase Agreement ("SPA") with Cambridge Real Estate Partners Pte Ltd ("Cambridge") to sell all rights, title and interest of AGSB in all that piece of land held under Hakmilik Sementara No. H.S.(D) 73801, No. PT 4065 Seksyen 11, Bandar Lunas, Daerah Kulim, Negeri Kedah and the factory building erected thereon for an aggregate cash consideration of RM200.0 million.

Accordingly, the disposal is subject to the approval of the shareholders of the Company under Listing Manual by way of an ordinary resolution and written consent of Kulim Technology Park Corporation Sdn. Bhd.. The Company will be seeking the approval of its Shareholders for the disposal at an extraordinary general meeting to be convened.

Statistics of Shareholdings

As At 27 September 2022

Share Capital
AS AT 27 SEPTEMBER 2022

Issued and paid up capital	:	RM316,786,000
Number of Issued Shares (excluding Treasury Shares)	:	1,083,269,594
Number / Percentage of Treasury Shares	:	47,800 (0.004%)
Number / Percentage of Subsidiary Holdings Held	:	Nil
Class of Shares	:	Ordinary Shares
Voting Rights	:	One Vote Per Share

Distribution of Shareholders by Size of Shareholdings
AS AT 27 SEPTEMBER 2022

SIZE OF SHAREHOLDINGS	NO. OF SHAREHOLDERS	%	NO. OF SHARES	%
1 - 99	15	0.76	710	0.00
100 - 1,000	114	5.75	91,563	0.01
1,001 - 10,000	528	26.65	3,555,762	0.33
10,001 - 1,000,000	1,293	65.27	115,980,628	10.70
1,000,001 and above	31	1.57	963,640,931	88.96
TOTAL	1,981	100.00	1,083,269,594	100.00

Twenty Largest Shareholders
AS AT 27 SEPTEMBER 2022

NO.	SHAREHOLDER'S NAME	NUMBER OF SHARES HELD	%
1	PHILLIP SECURITIES PTE LTD	372,956,941	34.43
2	CGS-CIMB SECURITIES (SINGAPORE) PTE LTD	173,707,368	16.04
3	KENANGA NOMINEES (TEMPATAN) SDN BHD	156,114,676	14.41
4	CITIBANK NOMINEES SINGAPORE PTE LTD	122,106,176	11.27
5	HSBC (SINGAPORE) NOMINEES PTE LTD	30,671,532	2.83
6	RAFFLES NOMINEES (PTE) LIMITED	30,259,734	2.79
7	DBS NOMINEES PTE LTD	18,602,210	1.72
8	UOB KAY HIAN PTE LTD	7,973,757	0.74
9	KGI SECURITIES (SINGAPORE) PTE. LTD	7,483,500	0.69
10	MAYBANK SECURITIES PTE. LTD.	6,681,385	0.62
11	CHEAH TEIK SENG	4,480,252	0.41
12	IFAST FINANCIAL PTE LTD	4,284,400	0.40

13	YEE WEI MENG	3,118,000	0.29
14	OCBC SECURITIES PRIVATE LTD	2,886,100	0.27
15	TIGER BROKERS (SINGAPORE) PTE. LTD.	2,151,900	0.20
16	TAN KIAN HWEE	2,128,400	0.20
17	HARDEEP SINGH	1,472,600	0.14
18	LI JIANSHENG	1,400,000	0.13
19	KOH YAK CHUA THOMAS	1,340,000	0.12
20	LIM AND TAN SECURITIES PTE LTD	1,314,000	0.12
	TOTAL	**951,132,931**	**87.82**

Note: Percentage computed is based on 1,083,269,594 shares (excluding shares held as treasury shares) as at 27 september 2022 treasury shares as at 27 september 2022 are 47,800 shares.

Substantial Shareholders
AS AT 27 SEPTEMBER 2022

Substantial Shareholders of the Company (as recorded in the Register of Substantial Shareholders) as at 27 September 2022

	Direct Interest		**Deemed Interest**		**Total**	
Substantial Shareholders	**Number of Shares**	**%**	**Number of Shares**	**%**	**Number of Shares**	**%**
Aspen Vision Group Sdn. Bhd.	495,602,146	45.75	–	–	495,602,146	45.75
Dato' Murly Manokharan[1]	–	–	505,877,952	46.70	505,877,952	46.70
Ideal Force Sdn. Bhd.[2]	63,220,276	5.84	4,000,000	0.37	67,220,276	6.21
Oh Kim Sun[3]	41,340,000	3.82	67,220,276	6.21	108,560,276	10.03
Oxley Holdings Limited	101,340,620	9.36	–	–	101,340,620	9.36
Ching Chiat Kwong[4]	–	–	101,340,620	9.36	101,340,620	9.36
Low See Ching (Liu Shijin)[5]	–	–	101,340,620	9.36	101,340,620	9.36

Notes:

(1) By virtue of Section 4 of the Securities and Futures Act, Chapter 289 of Singapore, Dato' Murly Manokharan is deemed interested in the shares of the Company held through the following entities:-

(a) Aspen Vision Group Sdn. Bhd. – 495,602,146 ordinary shares (45.75%); and
(b) Intisari Utama Sdn. Bhd. – 10,275,806 ordinary shares (0.95%).

Dato' Murly Manokharan holds 64.76% and 100% of the ordinary shares of Aspen Vision Group Sdn. Bhd. and Intisari Utama Sdn. Bhd. respectively.

(2) By virtue of Section 4 of the Securities and Futures Act, Chapter 289 of Singapore, Ideal Force Sdn. Bhd. is deemed interested in the shares of the Company held by Setia Batu Kawan Sdn. Bhd.

Ideal Force Sdn. Bhd. holds 30% of the issued share capital of Setia Batu Kawan Sdn. Bhd.

(3) By virtue of Section 4 of the Securities and Futures Act, Chapter 289 of Singapore, Mr Oh Kim Sun is deemed interested in the shares of the Company held through the following entities:-

(a) Ideal Force Sdn. Bhd. – 63,220,276 ordinary shares (5.84%); and
(b) Setia Batu Kawan Sdn. Bhd. – 4,000,000 ordinary shares (0.37%).

The issued share capital of Ideal Force Sdn. Bhd. is wholly owned by Mr Oh Kim Sun and his associates.

Mr Oh Kim Sun holds 20% of the issued share capital of Setia Batu Kawan Sdn. Bhd.

(4) By virtue of Section 4 of the Securities and Futures Act, Chapter 289 of Singapore, Mr Ching Chiat Kwong is deemed interested in the shares of the Company held through Oxley Holdings Limited as he holds 42.49% of the total issued shares (excluding treasury shares) of Oxley Holdings Limited.

(5) By virtue of Section 4 of the Securities and Futures Act, Chapter 289 of Singapore, Mr Low See Ching (Liu Shijin) is deemed interested in the shares of the Company held through Oxley Holdings Limited as he holds 28.25% of the total issued shares (excluding treasury shares) of Oxley Holdings Limited.

PUBLIC FLOAT

Rule 723 of the Listing Manual of the Singapore Exchange Securities Trading Limited requires that at least 10% of the total number of issued shares excluding treasury shares (excluding preference shares and convertible equity securities) of a listed company in a class that is listed is at all times held by the public. Based on information available to the Company as at 27 September 2022, approximately 33.41% of the issued ordinary shares of the Company was held by the public and therefore, Rule 723 of the Listing Manual has been complied with.

Notice of Annual General Meeting

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

NOTICE IS HEREBY GIVEN that the Annual General Meeting ("**AGM**") of Aspen (Group) Holdings Limited (the "**Company**") will be convened and held by way of electronic means on Monday, 31 October 2022 at 10:30 a.m. (Singapore time) to transact the following business:

ORDINARY BUSINESS	**ORDINARY RESOLUTIONS**
1. To receive and adopt the Audited Financial Statements of the Company for the financial period from 1 January 2021 to 30 June 2022, the Directors' Statement and the Report of the Auditors thereon.	**Resolution 1**
2. To approve the payment of Directors' fees of RM630,000.00 for the financial period from 1 January 2021 to 30 June 2022.	**Resolution 2**
3. To re-elect Ir Anilarasu Amaranazan, a Director retiring under Regulation 97 of the Constitution of the Company. *[Please refer to the explanatory note 1 provided]*	**Resolution 3**
4. To re-elect Dr Lim Su Kiat, a Director retiring under Regulation 97 of the Constitution of the Company. *[Please refer to the explanatory note 1 provided]*	**Resolution 4**
5. To re-elect Dato' Choong Khuat Seng, a Director retiring under Regulation 97 of the Constitution of the Company. *[Please refer to the explanatory note 1 provided]*	**Resolution 5**
6. To re-appoint Messrs Mazars LLP as Auditors of the Company for the financial year ending 30 June 2023 and to authorise the Directors to fix their remuneration.	**Resolution 6**

SPECIAL BUSINESS

7. **Authority to Allot and Issue Shares** **Resolution 7**

THAT pursuant to Section 161 of the Companies Act 1967 of Singapore, and Rule 806 of the Listing Manual of the Singapore Exchange Securities Trading Limited ("**SGX-ST**"), authority be and is hereby given to the Directors of the Company to allot and issue new ordinary shares in the capital of the Company ("**Shares**") (whether by way of rights, bonus or otherwise) and/or make or grant offers, agreements or options (collectively, "**Instruments**") that might or would require Shares to be issued, including but not limited to the creation and issue of (as well as adjustments to) options, warrants, debentures or other instruments convertible into Shares, at any time and upon such terms and conditions and for such purposes and to such persons as the Directors may, in their absolute discretion, deem fit, PROVIDED ALWAYS that:

(a) the aggregate number of the Shares to be issued pursuant to this authority (including the Shares to be issued in pursuance of Instruments made or granted pursuant to this authority), does not exceed fifty per cent (50%) of the total number of issued Shares (excluding treasury shares and subsidiary holdings) in the capital of the Company (as calculated in accordance with paragraph (b) below), of which the aggregate number of Shares to be issued other than on a pro-rata basis to the existing shareholders of the Company (including the Shares to be issued in pursuance of Instruments made or granted pursuant to this authority) shall not exceed twenty per cent (20%) of the total number of issued Shares (excluding treasury shares and subsidiary holdings) in the capital of the Company (as calculated in accordance with paragraph (b) below);

(b) (subject to such manner of calculation as may be prescribed by the SGX-ST) for the purpose of determining the aggregate number of the Shares that may be issued under paragraph (a) above, the total number of issued Shares (excluding treasury shares and subsidiary holdings) shall be based on the total number of issued Shares (excluding treasury shares and subsidiary holdings) of the Company at the time such authority was conferred, after adjusting for:

(i) new Shares arising from the conversion or exercise of any convertible securities;

(ii) new Shares arising from share options or vesting of share awards, provided the options or awards were granted in compliance with Part VIII of Chapter 8 of the Listing Manual of the SGX-ST; and

(iii) any subsequent consolidation or subdivision of the Shares;

and adjustments in accordance with sub-paragraphs (i) and (ii) above are only to be made in respect of new Shares arising from convertible securities, share options or share awards which were issued and outstanding or subsisting at the time of the passing of this Resolution and, in relation to an Instrument, the number of Shares shall be taken to be that number as would have been issued had the rights therein been fully exercised or effected on the date of the making or granting of the Instrument;

(c) in exercising the authority conferred by this Resolution, the Company shall comply with the requirements imposed by the SGX-ST from time to time and the provisions of the Listing Manual of the SGX-ST for the time being in force (in each case, unless such compliance has been waived by the SGX-ST), all applicable legal requirements under the Companies Act, 1967 of Singapore and otherwise, and the Constitution of the Company for the time being; and

(d) such authority shall, unless revoked or varied by the Company in a general meeting, continue in force until the conclusion of the next AGM of the Company or the date by which the next AGM of the Company is required by law to be held, whichever is earlier.

[Please refer to the explanatory note 2 provided]

8. Authority to Offer and Grant Options and Allot and Issue Shares under the AV Employee Share Option Scheme **Resolution 8**

THAT pursuant to Section 161 of the Companies Act 1967 of Singapore, approval be and is hereby given to the Directors of the Company to offer and grant options, and allot and issue from time to time such number of new Shares in the share capital of the Company as may be required to be delivered pursuant to the exercise of options granted in accordance with the provisions of the AV Employee Share Option Scheme (the "**ESOS**"), provided that the aggregate number of the ESOS Shares to be issued or transferred pursuant to the ESOS on any date, when aggregated with the number of Shares over which options or awards are granted under any share option schemes or share schemes of the Company, shall not exceed fifteen per cent (15%) of the total number of issued Shares (excluding treasury shares and subsidiary holdings) of the Company on the day preceding that date, and that such authority shall, unless revoked or varied by the Company in a general meeting, continue in force until the conclusion of the next AGM of the Company or the date by which the next AGM of the Company is required by law to be held, whichever is earlier.

[Please refer to the explanatory note 3 provided]

9. Authority to Allot and Issue Shares under the AV Performance Share Plan **Resolution 9**

THAT pursuant to Section 161 of the Companies Act 1967 of Singapore, approval be and is hereby given to the Directors of the Company to allot and issue from time to time such number of new Shares in the share capital of the Company as may be required to be issued pursuant to the vesting of awards under the AV Performance Share Plan (the "**PSP**"), provided that the aggregate number of additional new Shares to be allotted and issued pursuant to the PSP and other share scheme(s) to be implemented by the Company (if any) shall not exceed fifteen per cent (15%) of the total number of issued Shares (excluding treasury shares and subsidiary holdings) of the Company preceding that date of grant of award, and that such authority shall, unless revoked or varied by the Company in a general meeting, continue in force until the conclusion of the next AGM of the Company or the date by which the next AGM of the Company is required by law to be held, whichever is earlier.

[Please refer to the explanatory note 4 provided]

10. Proposed Renewal of the Share Buy Back Mandate **Resolution 10**

THAT:

(a) for the purposes of the Listing Manual of the SGX-ST and the Companies Act 1967 of Singapore, the Directors be and are hereby authorised to exercise all the powers of the Company to purchase or acquire its issued and fully paid-up Shares representing not more than ten per cent (10%) of the total number of issued Shares of the Company at such price(s) as may be determined by the Directors or a committee of Directors that may be constituted for the purposes of effecting purchases or acquisitions of Shares by the Company from time to time up to the Maximum Price (as defined below), whether by way of:

(i) an on-market purchase ("**Market Purchase**"), transacted on the SGX-ST through the ready market, and which may be transacted through one or more duly licensed stock brokers appointed by the Company for the purpose; and/or

(ii) an off-market purchase ("**Off-Market Purchase**"), effected otherwise than on the SGX-ST pursuant to an equal access scheme in accordance with Section 76C of the Companies Act 1967 of Singapore,

and otherwise in accordance with all other laws and regulations, including but not limited to, the provisions of the Companies Act 1967 of Singapore and the Listing Manual of the SGX-ST as may for the time being be applicable, be and is hereby authorised and approved generally and unconditionally (the "**Share Buy Back Mandate**");

(b) unless varied or revoked by the Shareholders in a general meeting, purchases or acquisitions of Shares pursuant to the proposed Share Buy Back Mandate may be made, at any time and from time to time during the period commencing from the date of the passing of this Resolution and expiring on the earliest of:

(i) the date on which the next AGM of the Company is held or required by law to be held; or

(ii) the date on which the purchases or acquisitions of Shares by the Company pursuant to the Share Buy Back Mandate are carried out to the full extent mandated; or

(iii) the date on which the authority conferred by the Share Buy Back Mandate is revoked or varied by the Shareholders in a general meeting.

(c) in this Resolution:

"**Maximum Price**", in relation to a Share to be purchased or acquired, means the purchase price (excluding brokerage, stamp duties, commission, applicable goods and services tax and other related expenses) which shall not exceed:

(i) in the case of a Market Purchase, one hundred and five per cent (105%) of the Average Closing Price (as defined below); and

(ii) in the case of an Off-Market Purchase pursuant to an equal access scheme, one hundred and twenty per cent (120%) of the Average Closing Price, where:

"**Average Closing Price**" means the average of the closing market prices of the Shares over the last five (5) Market Days, on which transactions in the Shares were recorded, before the day on which the purchase or acquisition of Shares was made, or as the case may be, the day of the making of the offer pursuant to the Off-Market Purchase, and deemed to be adjusted for any corporate action that occurs during the relevant five (5) Market Days period on which the purchases are made;

"**day of the making of the offer**" means the day on which the Company announces its intention to make an offer for an Off-Market Purchase, stating therein the purchase price (which shall not be more than the Maximum Price for an Off-Market Purchase calculated on the foregoing basis) for each Share and the relevant terms of the equal access scheme for effecting the Off-Market Purchase; and

(d) the Directors and/or any of them be and are hereby authorised to complete and do all such acts and things (including executing such documents as may be required) as they and/or he may consider necessary, expedient, incidental or in the interests of the Company to give effect to the transactions contemplated and/ or authorised by this Resolution.

[Please refer to the explanatory note 5 provided]

11. Other Business

To transact any other ordinary business that may be properly transacted at an AGM of the Company.

BY ORDER OF THE BOARD
Aspen (Group) Holdings Limited

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

EXPLANATORY NOTES:

1. Ir Anilarasu Amaranazan (Group Managing Director) is considered non-independent for the purposes of Rule 704(8) of the Listing Manual of the SGX-ST.

   Dr Lim Su Kiat (Non-Independent Non-Executive Director) will, upon re-election as Director of the Company, continue to serve as a member of the Audit Committee and Remuneration Committee. He is considered non-independent for the purposes of Rule 704(8) of the Listing Manual of the SGX-ST.

   Dato' Choong Khuat Seng (Independent Non-Executive Director) will, upon re-election as Director of the Company, continue to serve as a member of the Nominating Committee. He is considered independent for the purposes of Rule 704(8) of the Listing Manual of the SGX-ST.

   Detailed information on Ir Anilarasu Amaranazan, Dr Lim Su Kiat and Dato' Choong Khuat Seng can be found under the "Meet The Board of Directors", Corporate Governance Report and "Disclosure of information on Directors seeking re-election pursuant to Rule 720(6) of the Listing Manual of the SGX-ST" sections in the Company's Annual Report 2022.

2. Ordinary Resolution 7, if passed, will empower the Directors of the Company from the date of this AGM until the date of the next AGM of the Company, to allot and issue Shares and/or Instruments (as defined above). The aggregate number of new Shares (including Shares to be issued in pursuance of Instruments made or granted) which the Directors may issue under this Resolution shall not exceed 50% of the total number of issued Shares (excluding treasury shares and subsidiary holdings) of the Company at the time of passing of this Resolution. For issue of Shares and convertible securities other than on a pro-rata basis, the aggregate number of Shares and convertible securities to be issued shall not exceed 20% of the total number of issued Shares (excluding treasury shares and subsidiary holdings) of the Company at the time of passing of this Resolution. This authority will, unless revoked or varied at a general meeting, expire on the date of the next AGM of the Company or on the date by which the next AGM of the Company is required by law to be held, whichever is earlier.

3. Ordinary Resolution 8, if passed, will empower the Directors of the Company to offer and grant options, and allot and issue new Shares pursuant the ESOS provided that the aggregate number of new Shares to be allotted and issued pursuant to the ESOS and other share-based incentive scheme(s) or plan(s) to be implemented by the Company (if any) shall not exceed 15% of the total number of issued Shares (excluding treasury shares and subsidiary holdings) of the Company. This authority will, unless revoked or varied at a general meeting, expire at the next AGM of the Company or by the date by which the next AGM of the Company is required by law to be held, whichever is earlier.

4. Ordinary Resolution 9, if passed, will empower the Directors of the Company to allot and issue new Shares pursuant to the PSP, provided that the aggregate number of new Shares to be allotted and issued pursuant to the PSP and other share scheme(s) to be implemented by the Company (if any) shall not exceed 15% of the total number of issued Shares (excluding treasury shares and subsidiary holdings) of the Company. This authority will, unless revoked or varied at a general meeting, expire at the next AGM of the Company or by the date by which the next AGM of the Company is required by law to be held, whichever is earlier.

5. Ordinary Resolution 10, if passed, will empower the Directors of the Company from the date of this AGM until the date of the next AGM is held or is required by law to be held, whichever is the earlier, to purchase or acquire up to 10% of the total number of issued Shares (excluding treasury shares and subsidiary holdings) of the Company as at the date of the passing of this Resolution. Details of the proposed renewal of the Share Buyback Mandate, including the sources of funds to be used for the purchase or acquisition, the amount of financing (if any) and the illustrative financial effects on the Group, are set out in the Appendix to the Annual Report 2022.

Personal Data Privacy

By submitting an instrument appointing a proxy(ies) and/or representative(s) to attend, speak and vote at the AGM and/or any adjournment thereof, a member of the Company: (i) consents to the collection, use and disclosure of the member's personal data by the Company (or its agents or service providers) for the purpose of the processing, administration and analysis by the Company (or its agents or service providers) of proxies and representatives appointed for the AGM (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the AGM (including any adjournment thereof), and in order for the Company (or its agents or service providers) to comply with any applicable laws, listing rules, regulations and/or guidelines (collectively, the "**Purposes**"); (ii) warrants that where the member discloses the personal data of the member's proxy(ies) and/or representative(s) to the Company (or its agents or service providers), the member has obtained the prior consent of such proxy(ies) and/or representative(s) for the collection, use and disclosure by the Company (or its agents or service providers) of the personal data of such proxy(ies) and/or representative(s) for the Purposes; and (iii) agrees that the member will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the member's breach of warranty.

Notes:

1. The AGM is being convened, and will be held, by electronic means pursuant to the COVID-19 (Temporary Measures) (Alternative Arrangements for Meetings for Companies, Variable Capital Companies, Business Trusts, Unit Trusts and Debenture Holders) Order 2020. **Printed copies of this notice of AGM (the "Notice") will not be sent to members.** Instead, this Notice will be sent to members by electronic means via an announcement on the SGX website at the URL https://www.sgx.com/securities/company-announcements and may be accessed at the Company's website at the URL https://aspen.listedcompany.com/newsroom.html.

2. To minimise physical interactions and COVID-19 transmission risks, members will not be able to attend the AGM in person. Members will be able to attend the proceedings of the AGM through a "live" webcast via their mobile phones, tablets or computers or through a "live" audio feed via telephone. In order to do so, members who wish to attend the "live" webcast or "live" audio feed must pre-register by **10:30 a.m. on 28 October 2022** (the "**Registration Deadline**") at https://conveneagm.com/sg/aspen2022. Following authentication of their status as members, authenticated members will receive email instructions on how to access the webcast and audio feed of the proceedings of the AGM by **10:30 a.m. on 29 October 2022**. Members who do not receive an email by **10:30 a.m. on 29 October 2022** should contact the Company's Share Registrar, Tricor Barbinder Share Registration Services by phone call at +65 6236 3550 / +65 6236 3555 during operating hours from 8:30 a.m. to 5:30 p.m. for assistance.

   Investors who hold shares through relevant intermediaries as defined in Section 181(C) of the Companies Act, other than SRS Investors, and wish to participate in the AGM should, in additional to pre-registering, approach their respective agents at least seven working days before the AGM, so that the necessary arrangements can be made by the relevant agents for their participating in the AGM.

3. Members who pre-register to attend the AGM may ask questions relating to the resolutions to be tabled at the AGM for approval, "live" at the AGM, by submitting their questions through the live chat function via the platform.

   Members may also submit questions relating to the resolutions to be tabled for approval at the AGM in advance of the AGM. Such questions must be received by the Company in the following manner **no later than 10:30 a.m. on 23 October 2022**:

   (a) via the pre-registration website at https://conveneagm.com/sg/aspen2022;

   (b) via email to: agm@aspen.com.my; or

   (c) via post, to the Company's Share Registrar, Tricor Barbinder Share Registration Services, at 80 Robinson Road, #11-02, Singapore 068898.

   To ensure that Shareholders' substantial and relevant questions are received by the Company by the stipulated deadline, Shareholders are strongly encouraged to submit their questions via the pre-registration website and/or via email.

   For verification purpose, when submitting any questions via email or by post, members **MUST** provide the Company with their particulars (comprising full name (for individuals)/company name (for corporates), email address, contact number, NRIC/passport number/company registration number, shareholding type and number of shares held).

   The Management and the Board of Directors of the Company will endeavour to address the substantial queries from members at least 48 hours prior to the closing date and time of the lodgement of the proxy forms by publishing the responses to those questions on SGXNET at the URL https://www.sgx.com/securities/company-announcements and the Company's website at the URL https://aspen.listedcompany.com/newsroom.html. Where substantial and relevant questions submitted by members are unable to be addressed prior to the AGM, the Company will address them at the AGM. The minutes of the AGM, including responses to substantial queries from the members which are addressed during the AGM, shall thereafter be published on SGXNet and the Company's corporate website at https://aspen.listedcompany.com/newsroom.html, within one (1) month from the date of the AGM.

   Investors who hold shares through relevant intermediaries as defined in Section 181(C) of the Companies Act, including SRS Investors, can submit their questions in relation to any resolution set out in the Notice of AGM upon pre-registration, however, they must, in addition to pre-registering, approach their respective agents at least seven working days before the AGM, so that the necessary arrangements can be made by the relevant agents for their participation in the AGM.

4. A member will not be able to attend the AGM in person. Members who wish to exercise their voting rights at the AGM may:

   (a) (where such members are individuals) vote live via electronic means at the AGM;

   (b) (where such members are individuals or corporates) appoint a proxy(ies) (other than the Chairman of the AGM) to vote live via electronic means at the AGM on their behalf; or

   (c) (where such members are individuals or corporates) appoint the Chairman of the AGM as their proxy to vote on their behalf at the AGM. In appointing the Chairman of the AGM as proxy, members (whether individuals or corporates) must give specific instructions as to voting, or abstentions from voting, in the form of proxy, failing which the appointment will be treated as invalid.

   Vote Live at the AGM

   Members, who wish to vote live via electronic means at the AGM must first pre-register themselves at the pre-registration website at https://conveneagm.com/sg/aspen2022.

   "Live" voting will be conducted during the AGM. It is important for members and proxies to have their own web-browser enabled devices ready for voting during the AGM. Examples of web-browser enabled devices include mobile smartphones, laptops, tablets or desktop computers with internet capabilities.

   Members, or where applicable, their appointed proxy(ies) must access the AGM proceedings via the "live" webcast in order to vote live at the AGM and will not be able to do so via the "live" audio feed of the AGM proceedings. Instructions will be provided at the start of the AGM on how to vote.

5. A proxy need not be a member of the Company.

6. Members who wish to appoint proxies (other than the Chairman of the AGM) to attend the AGM and vote "live" at the AGM on their behalf must do both of the following:

   (a) complete and submit the Proxy Form in accordance with the instructions below; and

   (b) pre-register the proxy(ies) at the pre-registration website by the Registration Deadline at https://conveneagm.com/sg/aspen2022 by **10:30 a.m. on 28 October 2022**.

   As an alternative to "live" voting, members may also vote at the AGM by appointing the Chairman as proxy to vote on their behalf in respect of all the Shares held by them.

7. The Proxy Form must be submitted to the Company in the following manner:

   (a) via the following URL https://conveneagm.com/sg/aspen2022 (the "**Aspen AGM Website**") in the electronic format accessible on the Aspen AGM Website; or

   (b) in hard copy by post to the Company's Share Registrar, Tricor Barbinder Share Registration Services, at 80 Robinson Road, #11-02, Singapore 068898; or

(c) via email to: sg.is.proxy@sg.tricorglobal.com

in either case, not less than 72 hours before the time for holding the AGM and at any adjournment thereof.

A member who wishes to submit a proxy form must first download, complete and sign the proxy form, before submitting it by post to the address provided above, or before scanning and sending it by email to the email address provided above.

Investors who hold shares through relevant intermediaries as defined in Section 181(C) of the Companies Act, including SRS investors, and wish to appoint a proxy or proxies (including the Chairman), should approach their respective agents to submit their votes at least seven working days before the AGM in order to allow sufficient time for their respective relevant intermediaries to in turn submit a proxy form to vote on their behalf by **10:30 a.m. on 28 October 2022**.

8. The Annual Report 2022 may be accessed at the Company's website at the URL https://aspen.listedcompany.com/newsroom.html and on the SGX website at the URL https://www.sgx.com/securities/annual-reports-related-documents.

9. The Proxy Form must be signed by the appointor or his attorney duly authorised in writing. Where the Proxy Form is executed by a corporation, it must be either under its common seal or signed on its behalf by a duly authorised officer or attorney.

10. Where the Proxy Form is signed on behalf of the appointor by an attorney, the power of attorney (or other authority) or a duly certified copy thereof must (failing previous registration with the Company) be attached to the Proxy Form, failing which the Proxy Form may be treated as invalid.

11. The Company shall be entitled to reject the Proxy Form if it is incomplete, improperly completed, illegible or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified in the Proxy Form (such as in the case where the appointor submits more than one instrument of proxy).

12. In the case of shares entered in the Depository Register, the Company may reject a proxy form if the member, being the appointor, is not shown to have shares entered against his/her/its name in the Depository Register as at 72 hours before the time appointed for holding the meeting, as certified by The Central Depository (Pte) Limited to the Company.

Personal data privacy

By submitting an instrument appointing the Chairman of the Meeting to attend, speak and vote at the AGM and/or any adjournment thereof, a member of the Company (i) consents to the collection, use and disclosure of the member's personal data by the Company (or its agents) for the purpose of the processing and administration by the Company (or its agents) of the appointment of Chairman of the Meeting as proxy appointed for the AGM (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the AGM (including any adjournment thereof), and in order for the Company (or its agents) to comply with any applicable laws, listing rules, regulations and/or guidelines (collectively, the "**Purposes**"), (ii) agrees that the member will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the member's breach of warranty. Photographic, sound and/or video recordings of the AGM may be made by the Company for record keeping and to ensure the accuracy of the minutes prepared of the AGM. Accordingly, the personal data of a member of the Company (such as his name) may be recorded by the Company for such purpose.

Disclosure of Information on Directors Seeking Re-Election Pursuant to Rule 720(6) of the Listing Manual of the Singapore Exchange Securities Trading Limited ("SGX-ST")

Ir Anilarasu Amaranazan is the Director seeking re-election at the forthcoming Annual General Meeting of the Company to be convened on 31 October 2022 ("**AGM**") (the "**Retiring Director**").

Pursuant to Rule 720(6) of the Listing Manual of the SGX-ST, the following is the information relating to the Retiring Director as set out in Appendix 7.4.1 to the Listing Manual of the SGX-ST:

Date of Appointment	1 February 2019
Date of last re-appointment	25 April 2019
Age	41
Country of principal residence	Malaysia
The Board's comments on this appointment (including rationale, selection criteria, and the search and nomination process)	The Board of Directors of the Company has considered, among others, the recommendation of the Nominating Committee and has reviewed and considered the qualification, work experience and suitability of Ir Anilarasu Amaranazan for re-election as the Group Managing Director of the Company. The Board have reviewed and concluded that Ir Anilarasu Amaranazan possess the experience, expertise, knowledge and skills to contribute towards the core competencies of the Board.
Whether appointment is executive, and if so, the area of responsibility	Executive. Ir Anilarasu Amaranazan is responsible for developing and executing viable business strategies, overseeing the Group's financial performance, operations, marketing activities, investments and business ventures as well as implementing such policies and procedures as part of the overall quality management system for the Group.
Job Title (e.g. Lead ID, AC Chairman, AC Member etc.)	Group Managing Director

Professional qualifications	• Bachelor of Engineering (Civil), Universiti Teknologi Malaysia • Master of Science (Construction Management), Universiti Teknologi Malaysia • Member of Institute of Engineering Malaysia • Professional Member of the Board of Engineers Malaysia
Any relationship (including immediate family relationships) with any existing director, existing executive officer, the issuer and/or substantial shareholder of the listed issuer or of any of its principal subsidiaries	None
Conflict of Interest (including any competing business)	None
Working experience and occupation(s) during the past 10 years	**June 2006 to July 2014:** S P Setia Berhad (Penang) – Project Manager and Head of the Technical Department **July 2014 to June 2015:** EcoWorld Berhad – Head of the Technical Department **June 2015 to August 2016:** Aspen Vision Development Sdn. Bhd. – Operations Director **September 2016 to October 2016:** Aspen Vision Construction Sdn. Bhd. – Operations Director **November 2016 to December 2017:** Aspen Vision Construction Sdn. Bhd. – Chief Operating Officer **January 2018 to January 2019:** Aspen Vision Construction Sdn. Bhd. & Aspen Vision Development Sdn. Bhd. – Chief Operating Officer
Undertaking submitted to the listed issuer in the form of Appendix 7.7 (Listing Rule 704(7)) or Appendix 7H (Catalist Rule 704(6))	Yes
Shareholding interest in the listed issuer and its subsidiaries	Direct Interest – 242,000 ordinary shares

Other Principal Commitments* Including Directorships# **Past (for the last 5 years)**	**Past** BT Sepakat Sdn. Bhd. Eco World Agro Trading Sdn. Bhd. Bina Teguh Sepakat Engineering Sdn. Bhd. (Dissolved)
Present	**Present** Aspen Vision City Sdn. Bhd. Aspen Glove Sdn. Bhd.

Disclose the following matters concerning an appointment of director.

a)	**Whether at any time during the last 10 years, an application or a petition under any bankruptcy law of any jurisdiction was filed against him or against a partnership of which he was a partner at the time when he was a partner or at any time within 2 years from the date he ceased to be a partner?**	No
b)	**Whether at any time during the last 10 years, an application or a petition under any law of any jurisdiction was filed against an entity (not being a partnership) of which he was a director or an equivalent person or a key executive, at the time when he was a director or an equivalent person or a key executive of that entity or at any time within 2 years from the date he ceased to be a director or an equivalent person or a key executive of that entity, for the winding up or dissolution of that entity or, where that entity is the trustee of a business trust, that business trust, on the ground of insolvency?**	No
c)	**Whether there is any unsatisfied judgment against him?**	No
d)	**Whether he has ever been convicted of any offence, in Singapore or elsewhere, involving fraud or dishonesty which is punishable with imprisonment, or has been the subject of any criminal proceedings (including any pending criminal proceedings of which he is aware) for such purpose?**	No

e)	**Whether he has ever been convicted of any offence, in Singapore or elsewhere, involving a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, or has been the subject of any criminal proceedings (including any pending criminal proceedings of which he is aware) for such breach?**	No
f)	**Whether at any time during the last 10 years, judgment has been entered against him in any civil proceedings in Singapore or elsewhere involving a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, or a finding of fraud, misrepresentation or dishonesty on his part, or he has been the subject of any civil proceedings (including any pending civil proceedings of which he is aware) involving an allegation of fraud, misrepresentation or dishonesty on his part?**	No
g)	**Whether he has ever been convicted in Singapore or elsewhere of any offence in connection with the formation or management of any entity or business trust?**	No
h)	**Whether he has ever been disqualified from acting as a director or an equivalent person of any entity (including the trustee of a business trust), or from taking part directly or indirectly in the management of any entity or business trust?**	No
i)	**Whether he has ever been the subject of any order, judgment or ruling of any court, tribunal or governmental body, permanently or temporarily enjoining him from engaging in any type of business practice or activity?**	No

j)	**Whether he has ever, to his knowledge, been concerned with the management or conduct, in Singapore or elsewhere, of the affairs of:–** **i. any corporation which has been investigated for a breach of any law or regulatory requirement governing corporations in Singapore or elsewhere; or** **ii. any entity (not being a corporation) which has been investigated for a breach of any law or regulatory requirement governing such entities in Singapore or elsewhere; or** **iii. any business trust which has been investigated for a breach of any law or regulatory requirement governing business trusts in Singapore or elsewhere; or** **iv. any entity or business trust which has been investigated for a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere** **in connection with any matter occurring or arising during that period when he was so concerned with the entity or business trust?**	No
k)	**Whether he has been the subject of any current or past investigation or disciplinary proceedings, or has been reprimanded or issued any warning, by the Monetary Authority of Singapore or any other regulatory authority, exchange, professional body or government agency, whether in Singapore or elsewhere?**	On 26 August 2022, the SGX-ST Listings Disciplinary Committee reprimanded Ir. Anilarasu Amaranazan under Mainboard Rule 1402, for causing the Company to breach Mainboard Rules 703 and 719(1).

Any prior experience as a director of an issuer listed on the Exchange? **If yes, please provide details of prior experience.** **If no, please state if the director has attended or will be attending training on the roles and responsibilities of a director of a listed issuer as prescribed by the Exchange.** **Please provide details of relevant experience and the nominating committee's reasons for not requiring the director to undergo training as prescribed by the Exchange (if applicable).**	Not applicable as this relates to the re-election of a director

Disclosure of Information on Directors Seeking Re-Election Pursuant to Rule 720(6) of the Listing Manual of the Singapore Exchange Securities Trading Limited ("SGX-ST")

Dr Lim Su Kiat is the Director seeking re-election at the forthcoming Annual General Meeting of the Company to be convened on 31 October 2022 ("**AGM**") (the "**Retiring Director**").

Pursuant to Rule 720(6) of the Listing Manual of the SGX-ST, the following is the information relating to the Retiring Director as set out in Appendix 7.4.1 to the Listing Manual of the SGX-ST:

Date of Appointment	22 December 2016
Date of last re-appointment	25 June 2020
Age	47
Country of principal residence	Singapore
The Board's comments on this appointment (including rationale, selection criteria, and the search and nomination process)	The Board of Directors of the Company has considered, among others, the recommendation of the Nominating Committee and has reviewed and considered the qualification, work experience and suitability of Dr Lim Su Kiat for re-election as a Non-Independent Non-Executive Director of the Company. The Board have reviewed and concluded that Dr Lim Su Kiat possess the experience, expertise, knowledge and skills to contribute towards the core competencies of the Board.
Whether appointment is executive, and if so, the area of responsibility	Non-Executive
Job Title (e.g. Lead ID, AC Chairman, AC Member etc.)	Non-Independent Non-Executive Director, member of the Audit Committee and Remuneration Committee
Professional qualifications	• Bachelor Business (Accounting), Monash University, Australia • Master of Business (Accounting), Monash University, Australia • Doctor of Philosophy, Monash University, Australia
Any relationship (including immediate family relationships) with any existing director, existing executive officer, the issuer and/or substantial shareholder of the listed issuer or of any of its principal subsidiaries	None

Conflict of Interest (including any competing business)	None
Working experience and occupation(s) during the past 10 years	**July 2011 to November 2017:** Rockworth Capital Partners Pte Ltd – Chief Investment Officer, Executive Director, Funds Management **November 2017 to Present:** Firmus Capital Pte Ltd – Chief Executive Officer
Undertaking submitted to the listed issuer in the form of Appendix 7.7 (Listing Rule 704(7)) or Appendix 7H (Catalist Rule 704(6))	Yes
Shareholding interest in the listed issuer and its subsidiaries	Direct Interest – 33,152 ordinary shares
Other Principal Commitments* Including Directorships# **Past (for the last 5 years)** **Present**	**Past** 1. Rockworth Capital Partners Pte Ltd 2. Aspen Vision All Sdn Bhd 3. Aspen Vision City Sdn Bhd **Present** 1. Aspen Vision All Sdn Bhd 2. Aspen Vision Group Sdn Bhd 3. Laville Pte. Ltd. 4. M&S Global Ventures Pte. Ltd. 5. Firmus Capital Pte. Ltd. 6. Firmus Investment Management Pty. Ltd. 7. Firmus Creek Pty. Ltd. 8. Firmus Property Pty. Ltd. 9. Kanada-Ya SG Pte. Ltd. 10. Kanada-Ya Restaurants Pte. Ltd. 11. Firmus Opportunity Fund VCC 12. Firmus Cap (BBCR) Pte. Ltd. 13. Firmus Cap (TPI) Pte. Ltd.
Disclose the following matters concerning an appointment of director.	
a) Whether at any time during the last 10 years, an application or a petition under any bankruptcy law of any jurisdiction was filed against him or against a partnership of which he was a partner at the time when he was a partner or at any time within 2 years from the date he ceased to be a partner?	No

b)	**Whether at any time during the last 10 years, an application or a petition under any law of any jurisdiction was filed against an entity (not being a partnership) of which he was a director or an equivalent person or a key executive, at the time when he was a director or an equivalent person or a key executive of that entity or at any time within 2 years from the date he ceased to be a director or an equivalent person or a key executive of that entity, for the winding up or dissolution of that entity or, where that entity is the trustee of a business trust, that business trust, on the ground of insolvency?**	No
c)	**Whether there is any unsatisfied judgment against him?**	No
d)	**Whether he has ever been convicted of any offence, in Singapore or elsewhere, involving fraud or dishonesty which is punishable with imprisonment, or has been the subject of any criminal proceedings (including any pending criminal proceedings of which he is aware) for such purpose?**	No
e)	**Whether he has ever been convicted of any offence, in Singapore or elsewhere, involving a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, or has been the subject of any criminal proceedings (including any pending criminal proceedings of which he is aware) for such breach?**	No
f)	**Whether at any time during the last 10 years, judgment has been entered against him in any civil proceedings in Singapore or elsewhere involving a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, or a finding of fraud, misrepresentation or dishonesty on his part, or he has been the subject of any civil proceedings (including any pending civil proceedings of which he is aware) involving an allegation of fraud, misrepresentation or dishonesty on his part?**	No

g)	**Whether he has ever been convicted in Singapore or elsewhere of any offence in connection with the formation or management of any entity or business trust?**	No
h)	**Whether he has ever been disqualified from acting as a director or an equivalent person of any entity (including the trustee of a business trust), or from taking part directly or indirectly in the management of any entity or business trust?**	No
i)	**Whether he has ever been the subject of any order, judgment or ruling of any court, tribunal or governmental body, permanently or temporarily enjoining him from engaging in any type of business practice or activity?**	No
j)	**Whether he has ever, to his knowledge, been concerned with the management or conduct, in Singapore or elsewhere, of the affairs of:–** **i. any corporation which has been investigated for a breach of any law or regulatory requirement governing corporations in Singapore or elsewhere; or** **ii. any entity (not being a corporation) which has been investigated for a breach of any law or regulatory requirement governing such entities in Singapore or elsewhere; or** **iii. any business trust which has been investigated for a breach of any law or regulatory requirement governing business trusts in Singapore or elsewhere; or** **iv. any entity or business trust which has been investigated for a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere** **in connection with any matter occurring or arising during that period when he was so concerned with the entity or business trust?**	No

k) Whether he has been the subject of any current or past investigation or disciplinary proceedings, or has been reprimanded or issued any warning, by the Monetary Authority of Singapore or any other regulatory authority, exchange, professional body or government agency, whether in Singapore or elsewhere?	No
Any prior experience as a director of an issuer listed on the Exchange? **If yes, please provide details of prior experience.** **If no, please state if the director has attended or will be attending training on the roles and responsibilities of a director of a listed issuer as prescribed by the Exchange.** **Please provide details of relevant experience and the nominating committee's reasons for not requiring the director to undergo training as prescribed by the Exchange (if applicable).**	Not applicable as this relates to the re-election of a director

Disclosure of Information on Directors Seeking Re-Election Pursuant to Rule 720(6) of the Listing Manual of the Singapore Exchange Securities Trading Limited ("SGX-ST")

Dato' Choong Khuat Seng is the Director seeking re-election at the forthcoming Annual General Meeting of the Company to be convened on 31 October 2022 ("**AGM**") (the "**Retiring Director**").

Pursuant to Rule 720(6) of the Listing Manual of the SGX-ST, the following is the information relating to the Retiring Director as set out in Appendix 7.4.1 to the Listing Manual of the SGX-ST:

Date of Appointment	28 June 2018
Date of last re-appointment	25 April 2019
Age	62
Country of principal residence	Malaysia
The Board's comments on this appointment (including rationale, selection criteria, and the search and nomination process)	The Board of Directors of the Company has considered, among others, the recommendation of the Nominating Committee and has reviewed and considered the qualification, work experience and suitability of Dato' Choong Khuat Seng for re-election as an Independent Non-Executive Director of the Company. The Board have reviewed and concluded that Dato' Choong Khuat Seng possess the experience, expertise, knowledge and skills to contribute towards the core competencies of the Board.
Whether appointment is executive, and if so, the area of responsibility	Non-Executive
Job Title (e.g. Lead ID, AC Chairman, AC Member etc.)	Independent Non-Executive Director and Member of the Nominating Committee
Professional qualifications	• Bachelor of Arts in Economics, City of Birmingham Polytechnic • Master of Business Administration, The University of Aston in Birmingham
Any relationship (including immediate family relationships) with any existing director, existing executive officer, the issuer and/or substantial shareholder of the listed issuer or of any of its principal subsidiaries	None

Conflict of Interest (including any competing business)	None
Working experience and occupation(s) during the past 10 years	**1986 to 2012:** Choongs Sdn. Bhd. – Executive Officer **2012 to Present:** Choongs Sdn. Bhd. – Director
Undertaking submitted to the listed issuer in the form of Appendix 7.7 (Listing Rule 704(7)) or Appendix 7H (Catalist Rule 704(6))	Yes
Shareholding interest in the listed issuer and its subsidiaries	No
Other Principal Commitments* Including Directorships# **Past (for the last 5 years)** **Present**	**Past** Seng Leok Sdn. Berhad Miami Boulevard Sdn. Bhd. Choongs Sporting Management Sdn. Bhd. Maxipro (M) Sdn. Bhd. Garden Court Sdn. Bhd. Gagasan Anggun Sdn. Bhd. Signature Promotions Sdn. Bhd. Thean Portfolio Sdn. Bhd. **Present** Taman Serasi Sdn. Bhd. Taman Sri Setia Sdn. Bhd. Taman Sri Bunga Sdn. Bhd. Penang Realty Sdn. Bhd. Choongs Property Corp. Sdn. Bhd. Choongs Real Income Sdn. Bhd. Choongs Resources Sdn. Bhd. Choongs Venture Sdn. Bhd. Ogostar Sdn. Bhd. Signature Homes Sdn. Bhd. Signature Products Sdn. Bhd. Century Fair Sdn. Bhd. Signature Corporate Services Sdn. Bhd. Chye Siew Sdn. Berhad Leok Seng Sdn. Berhad Lumbona Products Sdn. Bhd. Ultra Binary Sdn. Bhd. Heng Ee School Board Berhad Epic Focus Sdn. Bhd. Ho Khuat Sendirian Berhad

		Hock Hin Bros. Sdn. Bhd. Kim Hye Properties Sdn. Bhd. FAC Properties Sdn. Bhd. Choongs Sdn. Bhd. Belle Isle & Co. Sdn. Bhd. Lumbona Nature Products Sdn. Bhd. Solaris Consortium Sdn. Bhd. Sulomas Utara Sdn Bhd Tambun Consortium Sdn. Bhd. Ewein Berhad
Disclose the following matters concerning an appointment of director.		
a)	**Whether at any time during the last 10 years, an application or a petition under any bankruptcy law of any jurisdiction was filed against him or against a partnership of which he was a partner at the time when he was a partner or at any time within 2 years from the date he ceased to be a partner?**	No
b)	**Whether at any time during the last 10 years, an application or a petition under any law of any jurisdiction was filed against an entity (not being a partnership) of which he was a director or an equivalent person or a key executive, at the time when he was a director or an equivalent person or a key executive of that entity or at any time within 2 years from the date he ceased to be a director or an equivalent person or a key executive of that entity, for the winding up or dissolution of that entity or, where that entity is the trustee of a business trust, that business trust, on the ground of insolvency?**	No
c)	**Whether there is any unsatisfied judgment against him?**	No
d)	**Whether he has ever been convicted of any offence, in Singapore or elsewhere, involving fraud or dishonesty which is punishable with imprisonment, or has been the subject of any criminal proceedings (including any pending criminal proceedings of which he is aware) for such purpose?**	No

e)	**Whether he has ever been convicted of any offence, in Singapore or elsewhere, involving a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, or has been the subject of any criminal proceedings (including any pending criminal proceedings of which he is aware) for such breach?**	No
f)	**Whether at any time during the last 10 years, judgment has been entered against him in any civil proceedings in Singapore or elsewhere involving a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, or a finding of fraud, misrepresentation or dishonesty on his part, or he has been the subject of any civil proceedings (including any pending civil proceedings of which he is aware) involving an allegation of fraud, misrepresentation or dishonesty on his part?**	No
g)	**Whether he has ever been convicted in Singapore or elsewhere of any offence in connection with the formation or management of any entity or business trust?**	No
h)	**Whether he has ever been disqualified from acting as a director or an equivalent person of any entity (including the trustee of a business trust), or from taking part directly or indirectly in the management of any entity or business trust?**	No
i)	**Whether he has ever been the subject of any order, judgment or ruling of any court, tribunal or governmental body, permanently or temporarily enjoining him from engaging in any type of business practice or activity?**	No

j)	**Whether he has ever, to his knowledge, been concerned with the management or conduct, in Singapore or elsewhere, of the affairs of:–** **i. any corporation which has been investigated for a breach of any law or regulatory requirement governing corporations in Singapore or elsewhere; or** **ii. any entity (not being a corporation) which has been investigated for a breach of any law or regulatory requirement governing such entities in Singapore or elsewhere; or** **iii. any business trust which has been investigated for a breach of any law or regulatory requirement governing business trusts in Singapore or elsewhere; or** **iv. any entity or business trust which has been investigated for a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere** **in connection with any matter occurring or arising during that period when he was so concerned with the entity or business trust?**	No
k)	**Whether he has been the subject of any current or past investigation or disciplinary proceedings, or has been reprimanded or issued any warning, by the Monetary Authority of Singapore or any other regulatory authority, exchange, professional body or government agency, whether in Singapore or elsewhere?**	No

Any prior experience as a director of an issuer listed on the Exchange? **If yes, please provide details of prior experience.** **If no, please state if the director has attended or will be attending training on the roles and responsibilities of a director of a listed issuer as prescribed by the Exchange.** **Please provide details of relevant experience and the nominating committee's reasons for not requiring the director to undergo training as prescribed by the Exchange (if applicable).**	Not applicable as this relates to the re-election of a director

Appendix to the Annual Report

For The Financial Year Ended 30 June 2022

DATED 16 OCTOBER 2022

This Appendix is circulated to shareholders of Aspen (Group) Holdings Limited (the "**Company**") together with the Company's Annual Report. Its purpose is to explain to shareholders the rationale and provide information to shareholders for the proposed renewal of the Share Buy Back Mandate to be tabled at the AGM of the Company to be held on Monday, 31 October 2022 at 10.30 a.m. (Singapore time) by electronic means.

The Notice of AGM is enclosed with the Annual Report.

THIS APPENDIX IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. PLEASE READ IT CAREFULLY.

If you are in any doubt about its contents or the action you should take, you should consult your bank manager, stockbroker, solicitor, accountant or other professional adviser immediately.

Capitalised terms appearing on the cover of this Appendix have the same meanings as defined herein.

If you have sold or transferred all your ordinary shares in the share capital of the Company represented by physical share certificate(s), you should immediately forward this Appendix, the Notice of the Annual General Meeting and the accompanying Proxy Form which are enclosed with the Annual Report for the financial period from 1 January 2021 to 30 June 2022 to the purchaser or the transferee or to the bank, stockbroker or agent through whom the sale or the transfer was effected, for onward transmission to the purchaser or the transferee.

The SGX-ST assumes no responsibility for the contents of this Appendix, including the correctness of any of the statements or opinions made or reports contained in this Appendix.

LETTER TO SHAREHOLDERS IN RELATION TO
THE PROPOSED RENEWAL OF THE SHARE BUY BACK MANDATE

CONTENT	PAGE

In this Appendix, the following definitions shall apply throughout unless the context otherwise requires or otherwise stated:

"2021 AGM"	:	The annual general meeting of the Company held on 26 April 2021
"2022 AGM"	:	The annual general meeting of the Company to be held on 31 October 2022
"ACRA"	:	Accounting and Corporate Regulatory Authority
"Act" or "Companies Act"	:	Companies Act 1967 of Singapore, as amended, modified or supplemented from time to time
"AGM"	:	The annual general meeting of the Company
"Appendix"	:	This Appendix to Shareholders in respect of the proposed renewal of the Share Buy Back Mandate
"Associate"	:	(a) in relation to any Director, chief executive officer, Substantial Shareholder or Controlling Shareholder (being an individual) means: i. his immediate family; ii. the trustees of any trust of which he or his immediate family is a beneficiary or, in the case of a discretionary trust, is a discretionary object; and iii. any company in which he and his immediate family together (directly or indirectly) have an interest of 30% or more. (b) in relation to a Substantial Shareholder or Controlling Shareholder (being a company) means any company which is its subsidiary or holding company or is a subsidiary of any such holding company or one in the equity of which it and/or such other company or companies taken together (directly or indirectly) have an interest of 30% or more
"Board of Directors" or "Board"	:	The board of directors of the Company for the time being
"CDP"	:	The Central Depository (Pte) Limited

"Company"	:	Aspen (Group) Holdings Limited
"Constitution"	:	Constitution of the Company, as amended, supplemented or modified from time to time
"Control"	:	The capacity to dominate decision-making, directly or indirectly, in relation to the financial and operating policies of the Company
"Controlling Shareholder"	:	A person who: (a) holds directly or indirectly 15% or more of the issued share capital of the Company; or (b) in fact exercises Control over the Company
"Directors"	:	The directors of the Company for the time being
"EGM"	:	The extraordinary general meeting of the Company held on 29 January 2019
"EPS"	:	Earnings per Share
"FY"	:	Financial year of the Company ended or ending 30 June (as the case may be)
"Group"	:	The Company and its subsidiaries
"Latest Practicable Date"	:	11 October 2022, being the latest practicable date prior to the issuance of this Appendix
"Listing Manual"	:	The Listing Manual of the SGX-ST, as amended, supplemented or modified from time to time
"Market Day"	:	A day on which SGX-ST is open for securities trading
"NAV"	:	Net asset value
"NTA"	:	Net tangible assets
"Relevant Period"	:	Has the meaning ascribed to it under Section 3.2 of this Appendix
"Securities Account"	:	The securities account maintained by a Depositor with CDP (but does not include a securities sub-account)
"SFA" or "Securities and Futures Act"	:	The Securities and Futures Act (Chapter 289) of Singapore, as amended or modified from time to time
"SGX-ST"	:	Singapore Exchange Securities Trading Limited
"Shares"	:	Ordinary shares in the share capital of the Company and "Share" shall be construed accordingly
"Shareholders"	:	The registered holders of the Shares in the register of members of the Company, except where the registered holder is CDP, the term "Shareholders" shall, in relation to such Shares and where the context so admits, mean the Depositors whose Securities Accounts are credited with such Shares
"Share Buy Back"	:	The exercise of buy-back(s) of Shares pursuant to the Share Buy Back Mandate (as defined below)
"Share Buy Back Mandate"	:	The general and unconditional mandate given by the Shareholders on 26 April 2021 to authorise the Directors to exercise all the powers of the Company to purchase or otherwise acquire issued Shares within the Relevant Period, in accordance with the terms set out in this Appendix, as well as the rules and regulations set forth in the Companies Act and the Listing Manual
"SIC"	:	Securities and Industry Council of Singapore

"Substantial Shareholder"	:	A person (including a corporation) who holds, directly or indirectly, 5% or more of the total issued share capital of the Company
"Takeover Code"	:	The Singapore Code on Take-overs and Mergers, and all practice notes, rules and guidelines thereunder, as may from time to time be issued or amended
"Treasury Shares"	:	Issued Shares of the Company which was (or is treated as having been) purchased or acquired by the Company in circumstances which Section 76H of the Companies Act applies and has since been continuously held by the Company and "Treasury Share" shall be construed accordingly
Currencies, Units and Others		
"S$", or "cents"	:	Singapore dollars and cents, respectively
"RM", or "RM cents"	:	Malaysian Ringgit and cents, respectively
"%" or "per cent"	:	Per centum or percentage

The terms "Depositor", "Depository Agent" and "Depository Register" shall have the same meanings ascribed to them respectively in Section 81SF of the SFA.

Words importing the singular shall, where applicable, include the plural and vice versa, and words importing the masculine gender shall, where applicable, include the feminine and neuter genders and vice versa. References to persons shall, where applicable, include corporations.

Any reference in this Appendix to any statute or enactment is a reference to that statute or enactment as for the time being amended or re-enacted. Any word or term defined under the Companies Act, the SFA, the Listing Manual or any statutory modification thereof and used in this Appendix shall, where applicable, has the meaning ascribed to it under the Companies Act, the SFA, the Listing Manual or any statutory modification thereof, as the case may be, unless otherwise provided.

Any reference to a time of day in this Appendix shall be a reference to Singapore time, unless otherwise stated. Any discrepancies in this Appendix between the amounts listed and the total thereof are due to rounding. Accordingly, figures shown as totals in this Appendix may not be an arithmetic aggregation of the figures which precede them.

Directors:		**Registered Office:**
Mr. Cheah Teik Seng	Chairman and Independent Non-Executive Director	80 Robinson Road #02-00 Singapore 068898
Dato' Murly Manokharan	President and Group Chief Executive Officer	
Dato' Seri Nazir Ariff Bin Mushir Ariff	Executive Deputy Chairman	
Ir. Anilarasu Amaranazan	Group Managing Director	
Dato' Alan Teo Kwong Chia	Independent Non-Executive Director	
Dato' Choong Khuat Seng	Independent Non-Executive Director	
Dr. Lim Su Kiat	Non-Independent Non-Executive Director	

16 October 2022

To: The Shareholders of Aspen (Group) Holdings Limited

Dear Shareholders,

1. INTRODUCTION

The Company will be holding its 2022 AGM on 31 October 2022, 10:30 a.m. (Singapore time) by way of electronic means pursuant to the COVID-19 (Temporary Measures) (Alternative Arrangements for Meetings for Companies, Variable Capital Companies, Business Trusts, Unit Trusts and Debenture Holders) Order 2020.

The purpose of this Appendix is to provide Shareholders with information relating to, and to seek Shareholders' approval for, the renewal of the Share Buy Back Mandate to be tabled at the 2022 AGM. The Notice of AGM is published on the SGX website at the URL ***https://www.sgx.com/securities/ company-announcements*** and may be accessed at the Company's website at the URL ***https://aspen. listedcompany.com/newsroom.html.***

The SGX-ST takes no responsibility for the contents of this Appendix, including the accuracy, completeness or correctness of any of the information, statements or opinions made or reports contained in this Appendix.

2. THE PROPOSED RENEWAL OF THE SHARE BUY BACK MANDATE

2.1 The Proposed Renewal of the Share Buy Back Mandate

The Shareholders had first approved the Share Buy Back Mandate at the EGM to enable the Company to purchase or otherwise acquire Shares. The Share Buy Back Mandate was renewed at the 2021 AGM. As the Share Buy Back Mandate will expire on the date of the forthcoming 2022 AGM, the Directors propose that the Share Buy Back Mandate be renewed at the 2022 AGM.

Any purchase or acquisition of Shares by the Company would have to be made in accordance with, and in the manner prescribed by, the Companies Act and the Listing Manual and such other laws and regulations as may for the time being be applicable. Regulation 13(B) of the Constitution expressly permits the Company to purchase its issued Shares.

If approved by Shareholders at the 2022 AGM, the authority conferred by the Share Buy Back Mandate will take effect from the date of the 2022 AGM at which the renewal of the Share Buy Back Mandate has been approved ("**Renewal Date**") and continue to be in force until the date on which the next AGM of the Company is held or required to be held; the date on which the Share Buy Backs are carried out to the full extent mandated; or the date on which the authority contained in the Share Buy Back Mandate is varied or revoked by the Shareholders in a general meeting, whichever is the earliest, and may be renewed by Shareholders in a general meeting.

Subject to its continued relevance to the Company, the Share Buy Back Mandate will be put to Shareholders for renewal at each subsequent AGM of the Company.

2.2 Rationale for the Share Buy Back Mandate

The Share Buy Back Mandate will give the Company the flexibility to purchase or otherwise acquire its Shares if and when circumstances permit. The Directors believe that Share Buy Back would allow the Company and its Directors to better manage the Company's share capital structure, dividend payout and cash reserves. In addition, it also provides the Directors a mechanism to facilitate the return of surplus cash over and above the Company's ordinary capital requirements in an expedient and cost-efficient manner, and the opportunity to exercise control over the Company's share capital structure with a view to enhance the EPS and/or NAV per Share of the Group.

The Directors further believe that Share Buy Back by the Company will help mitigate short-term market volatility, offset the effects of short-term speculation and bolster Shareholders' confidence.

If and when circumstances permit, the Directors will decide whether to effect the Share Buy Back via market purchases or off-market purchases, after taking into account the amount of surplus cash available, the prevailing market conditions and the most cost-effective and efficient approach. The Directors do not propose to carry out the Share Buy Back to an extent that would, or in circumstances that might, result in a material adverse effect on the liquidity and/or the orderly trading of the Shares and/or the financial position of the Company or the Group.

3. TERMS OF THE SHARE BUY BACK MANDATE

The authority and limitations placed on purchases and acquisitions of the Shares by the Company under the Share Buy Back Mandate, if renewed at the 2022 AGM, are summarised below:

3.1 Maximum Number of Shares

Only Shares which are issued and fully paid-up may be purchased or acquired by the Company.

The total number of Shares that may be purchased or acquired by the Company pursuant to the Share Buy Back Mandate during the Relevant Period is limited to that number of Shares representing not more than 10% of the issued share capital of the Company, ascertained as at the date of the 2022 AGM at which the Share Buy Back Mandate is renewed (the "**Approval Date**"), unless the Company has effected a reduction of the share capital of the Company in accordance with the applicable provisions of the Companies Act, at any time during the Relevant Period, in which event the total number of Shares of the Company shall be taken to be the total number of Shares of the Company as altered. For purposes of calculating the percentage of issued shares above, any of the Shares which are held as Treasury Shares and subsidiary holdings (if applicable) will be disregarded.

For illustrative purposes only, based on the existing issued and paid-up share capital of the Company as at the Latest Practicable Date of 1,083,269,594 Shares, excluding 47,800 Treasury Shares held by the Company and no subsidiary holdings, and assuming that no further shares are issued at or prior to the 2022 AGM, not more than 108,326,959 Shares (representing ten per cent (10%) of the issued and paid- up share capital of the Company) may be purchased or acquired by the Company pursuant to the Share Buy Back Mandate during the duration referred to under Section 3.2 below.

3.2 Duration of Authority

Purchases or acquisitions of Shares may be made at any time and from time to time, on and from the Renewal Date, up to the earlier of:

(a) the conclusion of the next AGM or the date by which such AGM is required by law or the Constitution to be held; or

(b) the date on which the Share Buy Back is carried out to the full extent mandated; or

(c) the date on which the authority conferred by the Share Buy Back Mandate is varied or revoked by the Shareholders in a general meeting;

(hereinafter referred to as "**Relevant Period**"). The authority conferred by the Share Buy Back Mandate to purchase or acquire Shares may be renewed at each AGM or any other general meeting of the Company. When seeking the approval of the Shareholders for the renewal of the Share Buy-Back Mandate, the Company is required to disclose details pertaining to any Share Buy Back made during the previous twelve (12) months, including the total number of Shares purchased or acquired, the purchase price per Share or the highest and lowest prices paid for such Share Buy Back, where relevant, and the total consideration paid for such Share Buy Back.

3.3 Manner of Purchase or Acquisition of Shares

Purchases or acquisitions of Shares may be made by way of:

(a) on-market purchases ("**Market Purchase**"), transacted on the SGX-ST through the ready market and which may be transacted through one or more duly licensed stockbrokers appointed by the Company for the purpose; and/or

(b) off-market purchases ("**Off-Market Purchase**") (if effected otherwise than on the SGX-ST) in accordance with any equal access scheme(s) as defined in Section 76C of the Companies Act and which will satisfy all the conditions prescribed by the Constitution, Companies Act and the Listing Manual.

The Directors may impose such terms and conditions which are not inconsistent with the Share Buy Back Mandate, the Listing Manual, Constitution and the Companies Act as they consider fit in the interest of the Company in connection with or in relation to any equal access scheme(s).

An Off-Market Purchase must, however, satisfy all the following conditions:

(a) offers for the purchase or acquisition of Shares shall be made to every person who holds Shares to purchase or acquire the same percentage of their Shares;

(b) all of those persons shall be given a reasonable opportunity to accept the offers made to them; and

(c) the terms of all the offers shall be the same, except that there shall be disregarded:

i. differences in consideration attributable to the fact that offers may relate to Shares with different accrued dividend entitlements;

ii. differences in consideration attributable to the fact that the offers relate to Shares with different amounts remaining unpaid; and

iii. differences in the offers introduced solely to ensure that each person is left with a whole number of Shares.

In addition, the Listing Manual provides that, in making an Off-Market Purchase, the Company must issue an offer document to all Shareholders, which must contain at least the following information:

(a) the terms and conditions of the offer;

(b) the period and procedures for acceptances;

(c) the reasons for the proposed Share Buy Back;

(d) the consequences, if any, of the Share Buy Back by the Company that will arise under the Takeover Code or other applicable take-over rules;

(e) whether the Share Buy Back, if made, would have any effect on the listing of the Shares on the SGX- ST;

(f) details of any Share Buy Back made by the Company in the previous twelve (12) months (whether by way of Market Purchases or Off-Market Purchases in accordance with an equal access scheme(s)), setting out the total number of Shares purchased or acquired, the purchase price per Share or the highest and lowest prices paid for the purchases or acquisitions, where relevant, and the total consideration paid for the purchases or acquisitions; and

(g) whether the Shares purchased or acquired by the Company will be cancelled or kept as Treasury Shares.

3.4 Maximum Purchase Price

The purchase price (excluding brokerage, stamp duties, commission, applicable goods and services tax and other related expenses) to be paid for the Shares will be determined by the Directors.

However, the purchase price to be paid for the Shares must not exceed:

(a) in the case of a Market Purchase, 105% of the Average Closing Price (as defined hereinafter); and

(b) in the case of an Off-Market Purchase pursuant to an equal access scheme, 120% of the Average Closing Price (as defined hereinafter).

(the "**Maximum Price**") ") in either case, excluding related expenses of the purchase or acquisition.

For the above purposes:

"**Average Closing Price**" means the average of the closing market prices of the Shares over the last five (5) Market Days, on which transactions in the Shares were recorded, immediately preceding the day of the Market Purchase by the Company or, as the case may be, preceding the day of the making of the offer pursuant to the Off-Market Purchase, and deemed to be adjusted for any corporate action that occurs during the relevant five (5)-Market Day period and the day on which the purchases are made.

"**day of the making of the offer**" means the day on which the Company announces its intention to make an offer for the purchase or acquisition of Shares from Shareholders, stating the purchase price (which shall not be more than the Maximum Price calculated on the foregoing basis) for each Share and the relevant terms of the equal access scheme(s) for effecting the Off-Market Purchase.

4. STATUS OF PURCHASED SHARES UNDER THE SHARE BUY BACK MANDATE

At the time of each purchase of Shares by the Company, the Directors will decide whether the Shares purchased or acquired will be cancelled or kept as Treasury Shares, or partly cancelled and partly kept as Treasury Shares, depending on the needs of the Company at that time.

4.1 Cancellation

A Share purchased or acquired by the Company is, unless held as a Treasury Share in accordance with the Companies Act, treated as cancelled immediately on purchase or acquisition. On such cancellation, all rights and privileges attached to the Share will expire on cancellation.

The total number of issued Shares will be diminished by the number of Shares which are purchased or acquired and cancelled by the Company. All Shares purchased or acquired and cancelled by the Company will be automatically delisted by the SGX-ST, and (where applicable) all certificates in respect thereof will be cancelled and destroyed by the Company as soon as reasonably practicable following the settlement of any such purchase or acquisition or cancellation.

4.2 Treasury Shares

Under the Companies Act, a company may hold shares so purchased or acquired as treasury shares provided that:

(a) Maximum Holdings

The number of Shares held as Treasury Shares cannot at any time exceed 10% of the total number of issued Shares. Any Shares in excess of this limit shall be disposed of or cancelled in accordance with Section 76K of the Companies Act within six (6) months or such further periods as ACRA may allow.

(b) Voting and Other Rights

The Company cannot exercise any right in respect of Treasury Shares. In particular, the Company cannot exercise any right to attend or vote at meetings and for the purposes of the Companies Act, the Company shall be treated as having no right to vote and the Treasury Shares shall be treated as having no voting rights.

In addition, no dividend may be paid, and no other distribution of the Company's assets may be made, to the Company in respect of Treasury Shares. However, the allotment of Shares as fully paid bonus shares in respect of Treasury Shares is allowed. A subdivision of any Treasury Shares into Treasury Shares of a larger amount, or consolidation of any Treasury Shares into Treasury Shares of a smaller amount, is also allowed so long as the total value of the Treasury Shares after the subdivision or consolidation is the same as the total value of the Treasury Shares before the subdivision or consolidation, as the case may be.

(c) Disposal and Cancellation

Where Shares are held as Treasury Shares, the Company may at any time:

i. sell the Treasury Shares for cash;

ii. transfer the Treasury Shares for the purposes of, or pursuant to any share schemes of the Company, whether for employees, directors or other persons;

iii. transfer the Treasury Shares as consideration for the acquisition of Shares in, or assets of, another company or assets of a person;

iv. cancel the Treasury Shares; or

v. sell, transfer or otherwise use the Treasury Shares for such other purposes as may be prescribed by the Minister for Finance of Singapore.

4.3 Requirements of Listing Manual

The Company, upon undertaking any sale, transfer, cancellation and/or use of Treasury Shares, will comply with Rule 704(28) of the Listing Manual, which provides that an issuer must make an immediate announcement thereof, stating the following:

(a) date of the sale, transfer, cancellation and/or use;

(b) purpose of such sale, transfer, cancellation and/or use;

(c) number of Treasury Shares sold, transferred, cancelled and/or used;

(d) number of Treasury Shares before and after such sale, transfer, cancellation and/or use;

(e) percentage of the number of Treasury Shares against the total number of Shares outstanding in a class that is listed before and after such sale, transfer, cancellation and/or use; and

(f) value of the Treasury Shares if they are used for a sale or transfer, or cancelled.

5. SOURCE OF FUNDS FOR SHARE BUY-BACK

The Company may only apply funds for the Share Buy Back Mandate in accordance with the Companies Act, Constitution and the applicable laws in Singapore. The Company may not buy Shares for a consideration other than cash or, in the case of a Market Purchase, for settlement otherwise than in accordance with the Listing Manual. As stated in the Companies Act, the Share Buy Back may be made out of the Company's profits or capital so long as the Company is solvent.

Pursuant to Section 76F(4) of the Companies Act, the Company is solvent if (a) there is no ground on which the company could be found to be unable to pay its debts; (b) if (i) it is intended to commence winding up of the company within the period of 12 months immediately after the date of the payment, the company will be able to pay its debts in full within the period of 12 months after the date of commencement of the winding up; or (ii) it is not intended so to commence winding up, the company will be able to pay its debts as they fall due during the period of 12 months immediately after the date of the payment; and (c) the value of the company's assets is not less than the value of its liabilities (including contingent liabilities) and will not, after the proposed purchase, acquisition, variation or release (as the case may be), become less than the value of its liabilities (including contingent liabilities).

In determining whether the Company is solvent, the Directors must have regard to the most recently audited financial statements, other relevant circumstances, and may rely on valuations or estimates of assets or liabilities. In determining the value of contingent liabilities, the Directors may take into account the likelihood of the contingency occurring, as well as any counter-claims by the Company.

When Shares are purchased or acquired, and cancelled:

(a) if the Shares are purchased or acquired entirely out of the capital of the Company, the Company shall reduce the amount of its share capital by the total amount of the purchase price paid by the Company for the Shares (including brokerage, stamp duties, commission, applicable goods and services tax, clearance fees and other related expenses) (the "**Purchase Price**") and the amount available for the distribution of dividends by the Company will not be reduced;

(b) if the Shares are purchased or acquired entirely out of profits of the Company, the Company shall reduce the amount of its profits and the amount available for distribution of dividends by the Purchase Price; or

(c) where the Shares are purchased or acquired out of both the capital and the profits of the Company, the Company shall reduce the amount of its share capital and profits proportionately by the Purchase Price.

The Company may use internal resources and/or external borrowings to finance purchases and acquisitions of its Shares pursuant to the Share Buy Back Mandate.

The Directors do not propose to exercise the Share Buy Back Mandate in a manner and to such extent that the liquidity and capital adequacy position of the Group would be materially and adversely affected.

6. TAKE-OVER IMPLICATIONS UNDER THE TAKEOVER CODE

An increase of a Shareholder's proportionate interest in the voting rights of the Company resulting from a Share Buyback by the Company will be treated as an acquisition for the purposes of Rule 14 of the Singapore Code of Takeovers and Mergers (the "**Code**").

6.1 Obligation to make a Take-over Offer

Under Rule 14 of the Code, a Shareholder and persons acting in concert with the Shareholder will incur an obligation to make a mandatory takeover offer if, inter alia, he and persons acting in concert with him increase their voting rights in the Company to thirty per cent (30%) or more or, if they, together hold between thirty per cent (30%) and fifty per cent (50%) of the Company's voting rights, increase their voting rights in the Company by more than one per cent (1%) in any period of six (6) months.

6.2 Persons Acting in Concert

Under the Code, persons acting in concert comprise individuals or companies who, pursuant to an agreement or understanding (whether formal or informal) co-operate, through the acquisition by any of them of shares in a company to obtain or consolidate control of that company. Unless the contrary is established, the following persons will, inter alia, be presumed to be acting in concert:

(a) a company with its parent company, subsidiaries, its fellow subsidiaries, any associated companies of the above companies and any company whose associated companies include any of the above companies;

(b) a company with any of its directors, together with their close relatives, related trusts and any companies controlled by its directors, their close relatives and related trusts;

(c) a company with any of its pension funds and employee share schemes;

(d) a person with any investment company, unit trust or other fund in respect of the investment account which such person manages on a discretionary basis;

(e) a financial or other professional adviser, with its clients in respect of the shareholdings of the adviser and the persons controlling, controlled by or under the same control as the adviser and all the funds which the adviser manages on a discretionary basis, where the shareholdings of the adviser and any of those funds in the client total ten per cent (10%) or more of the client's equity share capital;

(f) directors of a company, together with their closed relatives, related trusts and companies controlled by any of them, which is subject to an offer or where they have reason to believe a bona fide offer for their company may be imminent;

(g) partners;

(h) an individual, his close relatives, his related trusts, and any person who is accustomed to act according to instructions and companies controlled by any of the above and any person who has provided financial assistance (other than bank in the ordinary course of business) to any of the above for the purpose of voting rights;

(i) any person who has provided financial assistance (other than a bank in its ordinary course of business) to any of the above for the purchase of voting rights.

For this purpose, ownership or control of at least twenty per cent (20%) but not more than fifty per cent (50%) of the voting rights of a company will be regarded as the test of associated company status.

The circumstances under which Shareholders (including Directors) and persons acting in concert with them will incur an obligation to make a takeover offer under Rule 14 of the Code after a purchase or acquisition of Shares by the Company are set out in Appendix 2 of the Code ("**Appendix 2**").

6.3 Effect of Rule 14 and Appendix 2

In general terms, the effect of Rule 14 and Appendix 2 is that:

(a) unless exempted, directors of a company and persons acting in concert with them will incur an obligation to make a takeover offer under Rule 14 if, as a result of the Company purchasing or acquiring its Shares, the voting rights of such directors and their concert parties would increase to thirty per cent (30%) or more, or if the voting rights of such directors and their concert parties fall between thirty per cent (30%) and fifty per cent (50%) of the Company's voting rights, the voting rights of such directors and their concert parties would increase by more than one per cent (1%) in any period of six (6) months; and

(b) a Shareholder who is not acting in concert with directors will not be required to make a takeover offer under Rule 14 if, as a result of the Company purchasing or acquiring its Shares, the voting rights of such Shareholder in the Company would increase to thirty per cent (30%) or more, or if the voting rights of such directors and their concert parties fall between thirty per cent (30%) and fifty per cent (50%) of the company's voting rights, the voting rights of such Shareholder would increase by more than one per cent (1%) in any period of six (6) months. Such Shareholder need not abstain from voting in respect of the resolution authorising the Share Buyback Mandate

6.4 Application of the Singapore Code on Takeovers and Mergers

Details of the shareholdings of the Directors and Substantial Shareholders as at the Latest Practicable Date are set out in Section 13 below.

As at the Latest Practicable Date, Aspen Vision Group Sdn. Bhd is the Controlling Shareholder of the Company holding 495,602,146 Shares, representing 45.75% interest in the issued and paid up share capital of the Company. Intisari Utama Sdn. Bhd. is a Shareholder of the Company holding 10,275,806 Shares, representing approximately 0.95% of the issued and paid-up share capital of the Company. Dato' Murly Manokharan holds 64.76% and 100% of the ordinary shares of Aspen Vision Group Sdn. Bhd. and Intisari Utama Sdn. Bhd. respectively.

Definition 1(b) of the Code provides that a company with any of its directors (together with their close relatives, related trusts as well as companies controlled by any of the directors, their close relatives and related trusts) will be presumed to be persons acting in concert with each other unless the contrary is established. Accordingly, Dato' Murly Manokharan, Aspen Vision Group Sdn. Bhd and Intisari Utama Sdn. Bhd are presumed to be persons acting in concert with each other (collectively the "**Concert Parties**"), unless the contrary is established.

As at the Latest Practicable Date, the Concert Parties collectively hold an aggregate of 505,877,952 Shares representing approximately 46.70% of the total number of issued Shares of the Company.

Assuming that the Company purchases the maximum of 108,326,959 Shares (being ten per cent (10%) of its issued Shares excluding Treasury Shares and subsidiary holdings) pursuant to the Share Buyback Mandate and that such Shares are cancelled upon purchase, and assuming further that there is no change in the number of Shares held by the Concert Parties, the aggregate interests of the Concert Parties would increase from 46.70% to 51.89% of the issued share capital of the Company.

Accordingly, under the Take-over Code, the Concert Parties, unless exempted, will become obliged to make a general offer under the Take-over Code for the Shares not owned by them, if as a result of the exercise of the Share Buyback Mandate, their interest in the voting rights of the Company increase by more than one (1%) within a six (6) month period.

6.5 Exemption under Appendix 2 of the Take-over Code and conditions for exemption from having to make a general offer under Rule 14 of the Take-over Code

Section 3(a) of Appendix 2 of the Take-over Code sets out the conditions for exemption from the obligation to make a general offer under Rule 14 of the Take-over Code in the case of directors and persons acting in concert with them incurring such an obligation as a result of a listed company making a market acquisition under Section 76E of the Companies Act or an off-market acquisition on an equal access scheme under Section 76C of the Companies Act.

Shareholders should therefore note that by voting for the Share Buyback Mandate, they are waiving their rights to a take-over offer by the Concert Parties in the circumstances set out above. Such take-over offer, if required to be made and had not been exempted by the Securities Industry Council (the "**SIC**"), would have to be made in cash or be accompanied by a cash alternative at the higher of, excluding stamp duty and commission, (a) the highest price paid by the Concert Parties for any Shares within the preceding six (6) months or (b) the highest price paid by the Company for its own Shares in the preceding six (6) months.

Accordingly, the Concert Parties will be exempted from the obligation to make a general offer under Rule 14 of the Take-over Code as a result of a listed company making a market acquisition under Section 76E of the Companies Act or an off-market acquisition on an equal access scheme under Section 76C of the Companies Act, subject to the following conditions:

(a) the circular to Shareholders on the resolution to authorise the Share Buyback Mandate contains advice to the effect that by voting for the Share Buyback Mandate resolution, Shareholders are waiving their right to a general offer at the required price from the Concert Parties who, as a result of the Company buying back its Shares, would increase their voting rights by more than one per cent (1%) in any period of six (6) months, and the names of the Concert Parties, their voting rights at the time of the resolution and after the proposed Share Buyback to be disclosed in the same circular;

(b) the resolution to authorise the Share Buyback Mandate to be approved by a majority of those Shareholders present and voting at the meeting on a poll who could not become obliged to make an offer as a result of the Share Buyback;

(c) the Concert Parties to abstain from voting for and/or recommending Shareholders to vote in favour of the resolution to authorise the Share Buyback Mandate;

(d) within seven (7) days after the passing of the resolution to authorise a Share Buyback, Dato' Murly Manokharan to submit to the SIC a duly signed form as prescribed by the SIC; and

(e) the Concert Parties, together holding between thirty per cent (30%) and fifty per cent (50%) of the company's voting rights, not to have acquired and not to acquire any shares between the date on which they know that the announcement of the share buy-back proposal is imminent and the earlier of:

   i. the date on which the authority of the share buy-back expires; and

   ii. the date on which the company announces it has bought back such number of shares as authorised by Shareholders at the latest general meeting or it has decided to cease buying back its shares, as the case may be,

   if such acquisitions, taken together with the buy-back, would cause their aggregate voting rights to increase by more than one per cent (1%) in the preceding six (6) months.

   It follows that where the aggregate voting rights held by a director and persons acting in concert with him increase by more than one per cent (1%) solely as a result of the share buyback and none of them has acquired any shares during the Relevant Period defined above, then such director and/or persons acting in concert with him would be eligible for the SIC's exemption from the requirement to make a general offer under Rule 14 of the Code, or where such exemption had been granted, would continue to enjoy the exemption.

6.6 Waiver

Shareholders should note that by voting for the Share Buyback Mandate, they are waiving their rights to a takeover offer by the Concert Parties in the circumstances set out above. Such a takeover offer, if required to be made and had not been exempted by SIC or such exemption granted is subsequently invalidated, would have to be made in cash or be accompanied by a cash alternative at the higher of (a) the highest price paid by the Concert Parties for any Share in the preceding six (6) months or (b) the highest price paid by the Company for its own Shares in the preceding six (6) months.

6.7 Voting to be on a poll

Appendix 2 of the Code requires that the resolution to authorise the Share Buyback Mandate be approved by a majority of those Shareholders present and voting at the meeting on a poll who could not become obliged to make an offer under the Take-over Code as a result of the Share Buyback Mandate. Accordingly, the ordinary resolution relating to the Share Buyback Mandate set out in the Notice of AGM is proposed to be taken on a poll and the Concert Parties shall abstain from voting on the ordinary resolution.

Save as disclosed above, as at the Latest Practicable Date, the Directors confirm that they are not aware of any facts or factors which suggest or imply that any particular person(s) and/or Shareholder(s) are, or may be regarded as, parties acting in concert such that their respective interests in voting shares in the capital of the Company should or ought to be consolidated, and consequences under the Code would ensue as a result of a purchase of Shares by the Company pursuant to the Share Buyback Mandate.

Shareholders are advised to consult their professional advisers and/or the SIC and/or other relevant authorities at the earliest opportunity as to whether an obligation on their part, if any, to make a mandatory take-over offer under the Take-over Code would arise by reason of any Share Buyback by the Company.

7. FINANCIAL IMPACT

7.1 Assumptions

It is not possible for the Company to realistically calculate or quantify the impact of purchases that may be made pursuant to the Share Buy Back Mandate on the financial effects as it would depend on factors such as the aggregate number of Shares purchased or acquired, the purchase prices paid at the relevant time, and the amount (if any) borrowed by the Company to fund the purchases or acquisitions, whether the purchase or acquisition is made out of profits or capital, and whether the Shares purchased are held in treasury or cancelled. The financial effects presented in this Section of this Appendix are based on the assumptions set out below:

(a) Information as at the Latest Practicable Date

The Company has 1,083,269,594 Shares (excluding treasury shares and subsidiary holdings). The Company holds 47,800 Treasury Shares and there are no subsidiary holdings.

(b) Illustrative Financial Effects

Purely for illustrative purposes, on the basis of 1,083,269,594 Shares in issue as at the Latest Practicable Date (excluding Treasury Shares and subsidiary holdings) and assuming no further Shares are issued and no Shares are held by the Company as Treasury Shares and there are no subsidiary holdings on or prior to the AGM, the purchase or acquisition by the Company of 10% of its issued Shares will result in the purchase or acquisition of 108,326,959 Shares.

In the case of Market Purchases by the Company and assuming that the Company purchases or acquires 108,326,959 Shares at the Maximum Price of S$0.0500 for each Share (being the price equivalent to 105% of the Average Closing Price of the Shares for the five (5) consecutive trading Market Days on which the Shares were traded on SGX-ST immediately preceding the Latest Practicable Date), the maximum amount of funds required for the purchase or acquisition of 108,326,959 Shares is approximately RM17.58 million based on an exchange rate of RM3.2456 : S$1.00.

In the case of Off-Market Purchases by the Company and assuming that the Company purchases or acquires 108,326,959 Shares at the Maximum Price of S$0.0571 for each Share (being the price equivalent to 120% of the Average Closing Price of the Shares for the five (5) consecutive trading Market Days on which the Shares were traded on SGX-ST immediately preceding the Latest Practicable Date), the maximum amount of funds required for the purchase or acquisition of 108,326,959 Shares is approximately RM20.08 million based on an exchange rate of RM3.2456: S$1.00;

(c) the Share Buy Back in a Market Purchase will be funded by the Company from its internal funds and the Share Buy Back in an Off-Market Purchase will be funded by the Company from a combination of both its internal funds and external borrowings;

(d) the purchase or acquisition of Shares pursuant to the Share Buy Back Mandate had taken place on 30 June 2022 for the purpose of computing the financial effects on the EPS of the Group;

(e) the purchase or acquisition of Shares pursuant to the Share Buy Back Mandate had taken place on 30 June 2022 for the purpose of computing the financial effects on Shareholders' equity, NTA per Share and gearing of the Company and the Group; and

(f) transaction costs incurred for the purchase or acquisition of Shares pursuant to the Share Buy Back Mandate are insignificant and are ignored for the purpose of computing the financial effects.

7.2 Pro Forma Financial Effects

For illustrative purposes only and on the basis of the assumptions set out above and assuming that the Share Buy Back will be funded by the Company from its internal funds and/or external borrowings, the financial effects of:

(a) the acquisition of 10% of the issued Shares, excluding Treasury Shares and subsidiary holdings, comprising 108,326,959 Shares as at the Latest Practicable Date by the Company in a Market Purchase or Off-Market Purchase pursuant to the Share Buy Back Mandate by way of purchases or acquisitions made entirely out of capital and held as treasury shares ("**Scenario A**"); and

(b) the acquisition of 10% of the issued Shares, excluding Treasury Shares and subsidiary holdings, comprising 108,326,959 Shares as at the Latest Practicable Date, by the Company in a Market Purchase or Off-Market Purchase pursuant to the Share Buy Back Mandate by way of purchases or acquisitions made entirely out of capital and cancelled ("**Scenario B**"),

on the audited financial statements of the Group and the Company for the financial period ending 30 June 2022 which covers a period of 18 months from 1 January 2021 to 30 June 2022 ("**FY2022**") are set out below.

Based on the audited financial statements of the Group and the Company for FY2022, the Company and the Group does not have sufficient distributable profits to effect the Share Buy Back. As such, the financial effects of the purchase or acquisition of Shares by the Company pursuant to the Share Buy Back Mandate by way of Market Purchases and Off-Market Purchases made entirely out of profits is not disclosed in this Appendix.

SCENARIO A
(AS AT 30 JUNE 2022)

	Group			Company		
(RM'000)	**Before Share Buy Back**	**After Market**	**After Off-Market**	**Before Share Buy Back**	**After Market**	**After Off-Market Purchase**
Share Capital	316,786	316,786	316,786	316,786	316,786	316,786
Reserves	37,442	37,442	37,442	–	–	–
Retained Earnings	31,961	31,961	31,961	(99,844)	(99,844)	(99,844)
Translation Reserve	89	89	89	–	–	–
Treasury Shares	(21)	(17,600)	(20,096)	(21)	(17,600)	(20,096)
Total Shareholders' Equity	386,257	368,678	366,182	216,921	199,342	196,846
NTA	386,257	368,678	366,182	216,921	199,342	196,846
Current Assets	653,460	635,881	643,423	583	167	167
Current Liabilities	698,207	698,207	708,245	7,294	24,457	26,953
Working Capital	(44,747)	(62,326)	(64,822)	(6,711)	(24,290)	(26,786)
Total Borrowings	403,704	403,704	413,742	4,732	4,732	14,770
Cash and cash equivalents	31,807	14,228	21,770	416	–	–
Number of issued shares ('000) (1)	1,083,270	974,943	974,943	1,083,270	974,943	974,943
Number of Treasury Shares ('000)	48	108,375	108,375	48	108,375	108,375
Weighted average of shares ('000)	1,083,270	1,083,270	1,083,270	1,083,270	1,083,270	1,083,270
Profit for the period attributable to shareholders	(180,145)	(180,145)	(180,145)	(90,786)	(90,786)	(90,786)
Financial Ratios						
NTA per share (RM cents) (2)	35.66	37.82	37.56	20.02	20.45	20.19
Gearing (times) (3)	1.05	1.10	1.13	0.02	0.02	0.08
Current Ratio (times)	0.94	0.91	0.91	0.08	0.01	0.01
Basic EPS (RM cents) (4)	(16.63)	(16.63)	(16.63)	(8.38)	(8.38)	(8.38)

SCENARIO B
(AS AT 30 JUNE 2022)

(RM'000)	Group			Company		
	Before Share Buy Back	After Market	After Off-Market	Before Share Buy Back	After Market	After Off-Market Purchase
Share Capital	316,786	299,207	296,711	316,786	299,207	296,711
Reserves	37,442	37,442	37,442	–	–	–
Retained Earnings	31,961	31,961	31,961	(99,844)	(99,844)	(99,844)
Translation Reserve	89	89	89	–	–	–
Treasury Shares	(21)	(21)	(21)	(21)	(21)	(21)
Total Shareholders' Equity	386,257	368,678	366,182	216,921	199,342	196,846
NTA	386,257	368,678	366,182	216,921	199,342	196,846
Current Assets	653,460	635,881	643,423	583	167	167
Current Liabilities	698,207	698,207	708,245	7,294	24,457	26,953
Working Capital	(44,747)	(62,326)	(64,822)	(6,711)	(24,290)	(26,786)
Total Borrowings	403,704	403,704	413,742	4,732	4,732	14,770
Cash and cash equivalents	31,807	14,228	21,770	416	–	–
Number of issued shares ('000) [1]	1,083,270	974,943	974,943	1,083,270	974,943	974,943
Number of Treasury Shares ('000)	48	48	48	48	48	48
Weighted average of shares ('000)	1,083,270	1,083,270	1,083,270	1,083,270	1,083,270	1,083,270
Profit for the period attributable to shareholders	(180,145)	(180,145)	(180,145)	(90,786)	(90,786)	(90,786)
Financial Ratios						
NTA per share (RM cents) [2]	35.66	37.82	37.56	20.02	20.45	20.19
Gearing (times) [3]	1.05	1.10	1.13	0.02	0.02	0.08
Current Ratio (times)	0.94	0.91	0.91	0.08	0.01	0.01
Basic EPS (RM cents) [4]	(16.63)	(16.63)	(16.63)	(8.38)	(8.38)	(8.38)

Notes:
(1) Based on the issued share capital of 108,326,959 Shares (excluding Treasury Shares and subsidiary holdings) as at the Latest Practicable Date.
(2) NTA per Share equals to equity attributable to owners of the Company divided by the number of Shares outstanding (excluding Treasury Shares and subsidiary holdings) as at the Latest Practicable Date.
(3) Gearing equals to total borrowings divided by total equity.
(4) EPS equals to profit attributable to owners of the Company divided by the weighted average number of Shares outstanding (excluding Treasury Shares and subsidiary holdings) during FY2022.

The actual impact will depend on the number and price of the Shares bought back. As stated, the Directors do not propose to exercise the Share Buy Back Mandate to such an extent that it would have a material adverse effect on the working capital requirements and/or gearing of the Group. The purchase or acquisition of the Shares will only be effected after considering relevant factors such as the working capital requirement, availability of financial resources, the expansion and investment plans of the Group, and the prevailing market conditions. The Share Buy Back Mandate will be exercised with a view to enhance the EPS and/or NAV per Share of the Group.

Shareholders should note that the financial effects illustrated above, based on the respective aforesaid assumptions, are for illustrative purposes only. In particular, it is important to note that the above analysis is based on the audited financial statements of the Company and the Group for FY2022, and is not necessarily representative of the future financial performance of the Company and the Group.

It should be noted that although the Share Buy Back Mandate would authorise the Company to purchase or otherwise acquire up to 10% of the issued Shares, the Company may not necessarily purchase or acquire or be able to purchase or otherwise acquire the entire 10% of the issued Shares. In addition, the Company may cancel, or hold as Treasury Shares, all or part of the Shares purchased or otherwise acquired. The Company will take into account both financial and non-financial factors (for example, stock market conditions and the performance of the Shares) in assessing the relative impact of a Share Buy Back before execution.

8. TAXATION

Shareholders who are in doubt as to their respective tax positions or any such tax implications or who may be subject to tax in a jurisdiction other than Singapore should consult their own professional advisors.

9. INTERESTED PERSONS

The Company is prohibited from knowingly buying Shares from an interested person, that is, a Director, the chief executive officer of the Company or Controlling Shareholder of the Company or any of their Associates, and an interested person is prohibited from knowingly selling his/her Shares to the Company.

10. REPORTING REQUIREMENTS UNDER COMPANIES ACT

Within 30 days of the passing of a Shareholders' resolution to approve the purchases or acquisitions of Shares by the Company, the Company shall lodge a copy of such resolution with ACRA. Within 30 days of a purchase or acquisition of Shares, the Company shall lodge with ACRA the notice of the purchase or acquisition in the prescribed form, such notification including, inter alia, details of the purchase or acquisition, the total number of Shares purchased or acquired by the Company, the total number of Shares cancelled, the number of Shares held as treasury shares, the Company's issued ordinary share capital before the purchase or acquisition and after the purchase or acquisition of Shares, the amount of consideration paid by the Company for the purchase or acquisition, and whether the Shares were purchased or acquired out of the profits or the capital of the Company.

Within thirty (30) days of the cancellation or disposal of Treasury Shares in accordance with the provisions of the Companies Act, the Directors shall lodge with the Registrar the notice of cancellation or disposal of Treasury Shares in the prescribed form.

11. MAINBOARD RULES RELATING TO THE ACQUISITION OF SHARES

11.1 The Mainboard Rules provide that a listed company shall report all purchases or acquisitions of its Shares to SGX-ST not later than 9.00 a.m. (Singapore time):

(a) in the case of a Market Purchase, on the Market Day following the day of purchase or acquisition of any of its Shares; and

(b) in the case of an Off-Market Purchase under an equal access scheme, on the second Market Day after the close of acceptances of the offer.

Such announcement must include details of the total number of Shares purchased and the purchase price per Share or the highest and lowest prices paid for such Shares, as applicable.

11.2 While the Mainboard Rules do not expressly prohibit any buyback of shares by a listed company of its own shares during any particular time or times, because the listed company would be regarded as an “insider” in relation to any proposed purchase of its issued shares, the Company will not undertake any buyback of Shares pursuant to the proposed Share Buyback Mandate at any time after any matter or development of a price sensitive nature has occurred or has been the subject of a decision until such price sensitive information has been publicly announced. In particular, in line with the best practices guide on securities dealings issued by SGX-ST, the Company will not purchase or acquire any shares pursuant to the proposed Share Buyback Mandate during the period commencing one (1) month immediately preceding the announcement of the Company’s financial statements of its half year and full-year and ending on the date of the announcement of the relevant results.

11.3 The Mainboard Rules also require a listed company to ensure that at least ten per cent (10%) of its Shares is at all times held by the public Shareholders. The “public”, as defined under the Mainboard Rules, are persons other than the directors, substantial shareholders, chief executive officers or controlling shareholders of the company and its subsidiaries, as well as Associates of such persons.

As at the Latest Practicable Date, 362,529,826 Shares representing 33.41% of the issued share capital of the Company are held by public Shareholders. In the event that the Company purchases the maximum of ten per cent (10%) of its issued ordinary share capital from such public Shareholders, the resultant percentage of the issued Shares held by the public Shareholders would be reduced to approximately 26.01%. Accordingly, the Company is of the view that there is, at present, a sufficient number of Shares in public hands that would permit the Company to potentially undertake buybacks of the Shares up to the full ten per cent (10%) limit pursuant to the proposed Share Buyback Mandate without affecting adversely the listing status of the Shares on SGX-ST.

The Company does not have any individual shareholding limit or foreign shareholding limit.

12. SHARES BOUGHT BY THE COMPANY IN THE PREVIOUS 12 MONTHS

The Company has not purchased any Shares within the twelve (12) months preceding the Latest Practicable Date.

13. INTERESTS OF THE DIRECTORS AND/OR SUBSTANTIAL SHAREHOLDERS

	Before Share Buy Back		After Share Buy Back	
	No. of Shares	%(1)	No. of Shares	%(2)
Directors				
Dato' Murly Manokharan	505,877,952	46.70	505,877,952	51.89
Dato' Seri Nazir Ariff Bin Mushir Ariff	–	–	–	–
Ir. Anilarasu Amaranazan	242,000	0.022	242,000	0.025
Mr. Cheah Teik Seng	4,480,252	0.41	4,480,252	0.46
Dato' Alan Teo Kwong Chia	205,516	0.019	205,516	0.021
Dato' Choong Khuat Seng	–	–	–	–
Dr. Lim Su Kiat	33,152	0.003	33,152	0.003
Substantial Shareholders (other than Directors)				
Aspen Vision Group Sdn. Bhd.	495,602,146	45.75	495,602,146	50.83
Ideal Force Sdn. Bhd.	67,220,276	6.21	67,220,276	6.89
Mr. Oh Kim Sun	108,560,276	10.03	108,560,276	11.14
Oxley Holdings Limited	101,340,620	9.36	101,340,620	10.39

Notes:

(1) The percentage is calculated based on 1,083,269,594 Shares (excluding treasury shares and subsidiary holdings) as at the Latest Practicable Date.

(2) Assuming the Company purchases or acquires the maximum number of Shares pursuant to the Share Buy Back Mandate, the percentage after the Share Buy Back is calculated based on 974,942,635 Shares.

In the event that the Company undertakes purchases or acquisitions of Shares of up to 10% of the issued Shares of the Company as permitted under the Share Buy Back Mandate, the shareholdings and voting rights of the Concert Parties will increase by more than one per cent (1%) in the preceding six (6) months. Accordingly, the Concert Parties may be required to make a mandatory take-over offer under Rule 14 of the Takeover Code. Further details on conditions for exemption from having to make a mandatory take-over offer under Rule 14 of the Takeover Code are set out in Sections 6 of this Appendix.

Save for the above, the Directors are not aware of any Shareholder or group of Shareholders acting in concert who may become obligated to make a mandatory take-over offer under the Takeover Code in the event that the Company purchases or acquires the maximum number of Shares under the Share Buy Back Mandate.

Neither the Directors nor the Substantial Shareholders of the Company (other than in his capacity as a Director or Shareholder of the Company), as well as their respective associates, has any interest, direct or indirect, in the Share Buy Back Mandate.

14. DIRECTORS' RECOMMENDATION

The Directors, save for Dato' Murly Manokharan, who has abstained from making any recommendation to Shareholders pursuant to the conditions for exemption under Appendix 2 of the Takeover Code (as set out in Section 6 of this Appendix), having considered, inter alia, the rationale and information relating to the proposed renewal of the Share Buy Back Mandate, are of the opinion that the proposed renewal of the Share Buy Back Mandate is in the best interests of the Company. Accordingly, the Directors, save for Dato' Murly Manokharan, recommend that Shareholders vote in favour of the ordinary resolution relating to the proposed renewal of the Share Buy Back Mandate at the 2022 AGM.

15. ACTION TO BE TAKEN BY SHAREHOLDERS

Pursuant to the COVID-19 (Temporary Measures) (Alternative Arrangements for Meetings for Companies, Variable Capital Companies, Business Trusts, Unit Trusts and Debenture Holders) Order 2020 and to minimise physical interactions and COVID-19 transmission risks the 2022 AGM of the Company will be held by way of electronic means. Hence, Shareholders will not be able to attend the 2022 AGM in person. Shareholders who wish to exercise their voting rights at the 2022 may:

(a) (where such members are individuals) vote live via electronic means at the 2022 AGM;

(b) (where such members are individuals or corporates) appoint a proxy(ies) (other than the Chairman of the 2022 AGM) to vote live via electronic means at the 2022 AGM on their behalf; or

(c) (where such members are individuals or corporates) appoint the Chairman of the 2022 AGM as their proxy to vote on their behalf at the AGM. In appointing the Chairman of the 2022 AGM as proxy, members (whether individuals or corporates) must give specific instructions as to voting, or abstentions from voting, in the form of proxy, failing which the appointment will be treated as invalid.

Vote “Live” at the AGM

Shareholders, who wish to vote “live” via electronic means at the 2022 AGM must first pre-register themselves at the pre-registration website at https://conveneagm.com/sg/aspen2022.

“Live” voting will be conducted during the 2022 AGM. It is important for members and proxies to have their own web-browser enabled devices ready for voting during the 2022 AGM. Examples of web-browser enabled devices include mobile smartphones, laptops, tablets or desktop computers with internet capabilities. Members, or where applicable, their appointed proxy(ies) must access the 2022 AGM proceedings via the “live” webcast in order to vote live at the AGM and will not be able to do so via the “live” audio feed of the 2022 AGM proceedings. Instructions will be provided at the start of the 2022 AGM on how to vote.

A proxy need not be a member of the Company. Shareholders who wish to appoint proxies (other than the Chairman of the 2022 AGM) to attend the 2022 AGM and vote “live” at the AGM on their behalf must do both of the following:

(a) complete and submit the Proxy Form in accordance with the instructions below; and

(b) pre-register the proxy(ies) at the pre-registration website by the Registration Deadline at https://conveneagm.com/sg/aspen2022 by 10:30 a.m. on 28 October 2022.

As an alternative to “live” voting, members may also vote at the 2022 AGM by appointing the Chairman as proxy to vote on their behalf in respect of all the Shares held by them.

The Proxy Form must be submitted to the Company in the following manner:

(a) via the following URL https://conveneagm.com/sg/aspen2022 (the “**Aspen AGM Website**”) in the electronic format accessible on the Aspen AGM Website; or

(b) in hard copy by post to the Company’s Share Registrar, Tricor Barbinder Share Registration Services, at 80 Robinson Road, #11-02, Singapore 068898; or

(c) via email to: sg.is.proxy@sg.tricorglobal.com

in either case, not less than 72 hours before the time for holding the 2022 AGM and at any adjournment thereof.

A Depositor shall not be regarded as a Shareholder of the Company and not be entitled to attend the 2022 AGM and to speak and vote thereat unless his name appears on the Depository Register and/or the Register of Members at least seventy-two (72) hours before the 2022 AGM.

If a shareholder is required to abstain from voting on a proposal at a general meeting by a listing rule or pursuant to any court order, any votes cast by the shareholder on that resolution will be disregarded by the Company.

16. DIRECTORS' RESPONSIBILITY STATEMENT

The Directors (including those who may have delegated detailed supervision of this Appendix) collectively and individually accept full responsibility for the accuracy of the information given in this Appendix and confirm after making all reasonable enquiries that, to the best of their knowledge and belief, this Appendix constitutes full and true disclosure of all material facts about the proposed renewal of the Share Buy Back Mandate, the Company and its subsidiaries, and the Directors are not aware of any facts or the omission of which would make any statement in this Appendix misleading. Where information in the Appendix has been extracted from published or otherwise publicly available sources the sole responsibility of the Directors has been to ensure that such information has been accurately and correctly extracted from those sources and/or reproduced in the Appendix in its proper form and context.

17. INSPECTION OF DOCUMENTS

Subject to prevailing regulations, orders, advisories and guidelines relating to safe distancing which may be issued by the relevant authorities, copies of the following documents are available for inspection at the registered office of the Company at 80 Robinson Road, #02-00, Singapore 068898, during normal business hours from the date of this Appendix up to the date of the 2022 AGM:

(a) the Constitution of the Company; and
(b) the audited consolidated financial statements of the Company for FY2022.

The Annual Report for FY2022 may be accessed at our Company's website at the URL ***https:// aspen. listedcompany.com/newsroom.html*** and on the SGX website at the URL ***https://www.sgx. com/securities/ annual-reports-related-documents.***

Yours faithfully
For and on behalf of the Board of Directors
ASPEN (GROUP) HOLDINGS LIMITED

Dato' Murly Manokharan
President and Group Chief Executive Office

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

Proxy Form

IMPORTANT

1. The Annual General Meeting **("AGM")** is being convened, and will be held by way electronic means pursuant to the COVID-19 (Temporary Measures) (Alternative Arrangements for Meetings for Companies, Variable Capital Companies, Business Trusts, Unit Trusts and Debenture Holders) Order 2020. Printed copies of the Notice of AGM will not be sent to members. Instead, it will be sent to members by electronic means via announcement on the SGX website at the URL *https://www.sgx.com/securities/company-announcements* and may be accessed at the Company's website at the URL *https://aspen.listedcompany.com/newsroom.html*.
2. **To minimise physical interactions and COVID-19 transmission risks, members will not be able to attend the AGM in person.**
3. Alternative arrangements relating to attendance at the AGM by way of electronic means (including arrangements by which the AGM can be electronically accessed via live audio-visual webcast or live audio-only stream), submission of questions, addressing of substantial and relevant questions at the AGM and live voting at the AGM are set out in the Notice of AGM dated 16 October 2022. The Notice of AGM may be accessed at the Company's website at the URL *https://aspen.listedcompany.com/newsroom.html*, and on the SGX website at the URL *https://www.sgx.com/securities/company-announcements*.
4. If a member who wishes to exercise his/her/its voting rights at the AGM, he/she/it may:
   (a) (where the member is an individual) vote "live" via electronic means at the AGM; or (where the member is an individual or a corporate) appoint a proxy(ies) (other than the Chairman of the AGM) to vote "live" via electronic means at the AGM on their behalf; or
   (b) (where the member is an individual or corporates) appoint the Chairman of the AGM as his/her/its proxy to attend, speak and vote on his/her/its behalf at the AGM. In appointing the Chairman of the AGM as proxy, a member (whether individual or corporate) must give specific instructions as to voting, or abstentions from voting, in the form of proxy, failing which the appointment will be treated as invalid.
5. This Proxy Form is not valid for use and shall be ineffective for all intents and purposes if used or purported to be used by CPF/SRS investors who hold ordinary shares through their CPF/SRS funds. CPF/SRS investors who wish to vote should approach their respective CPF Agent Banks or SRS Operators to submit their votes at least seven working days before the AGM.
6. By submitting this Proxy Form, the member accepts and agrees to the personal data privacy terms set out in the Notice of AGM dated 16 October 2022.

I / We, ______________________ (Name) of NRIC/Passport/Company Registration No, ______________________ of

____ (Address)

being a member/members of Aspen (Group) Holdings Limited (the "**Company**"), hereby appoint:

Name	NRIC/Passport No.	Proportion of Shareholding(s)	
		No. of Shares	**%**
Address and Email Address			

and/or (delete where appropriate)

Name	NRIC/Passport No.	Proportion of Shareholding(s)	
		No. of Shares	**%**
Address and Email Address			

as *my/our *proxy/proxies, or failing him/them, the Chairman of the Annual General Meeting ("**AGM**") of the Company, to attend, speak and vote for *me/us on *my/our behalf at the AGM of the Company to be held by way of electronic means on Monday, 31 October 2022 at 10:30 a.m. (Singapore time) and at any adjournment thereof. I/We direct *my/our *proxy/proxies to vote for, against and/or to abstain from voting on the Ordinary Resolutions to be proposed at the AGM as indicated with an "X" in the spaces provided hereunder. If no specific direction as to voting is given, the proxy/proxies may vote or abstain from voting at his/their discretion.

Resolution No.	Ordinary Resolutions	For*	Against*	Abstain*
1.	Adoption of the Audited Financial Statements of the Company for the financial period from 1 January 2021 to 30 June 2022, the Directors' Statement and the Report of the Auditors thereon.			
2.	Approval of the payment of Directors' fees of RM630,000.00 for the financial period from 1 January 2021 to 30 June 2022.			
3.	Re-election of Ir Anilarasu Amaranazan as Director.			
4.	Re-election of Dr Lim Su Kiat as Director.			
5.	Re-election of Dato' Choong Khuat Seng as Director.			
6.	Re-appointment of Messrs Mazars LLP as Auditors of the Company and to authorise the Directors to fix their remuneration.			
7.	Authority to allot and issue shares in the capital of the Company and/or instruments pursuant to Section 161 of the Companies Act.			
8.	Authority to allot and issue shares under the AV Employee Share Option Scheme.			
9.	Authority to allot and issue shares under the AV Performance Share Plan.			
10.	Proposed Renewal of the Share Buy Back Mandate.			

* *Delete as appropriate.*

** *Voting will be conducted by poll. If you wish to exercise all your votes "For" or "Against", please indicate with a tick (√) in the "For" or "Against" box. Alternatively, please indicate the number of votes "For" or "Against" as appropriate in the resolution. If you wish to "Abstain" from voting on the resolution, please indicate with a tick (√) in the "Abstain" box. Alternatively, please indicate the number of shares which you wish to abstain from voting. In the absence of directions for the resolution, the appointment of Chairman of the Meeting as your proxy for the resolution will be treated as invalid.*

Total number of Shares in :	No. of Shares held
(a) CDP Register	
(b) Register of Members	

Dated this ________ day of ____________________ 2022

____

Signature(s) of Member(s) / Common Seal of Corporate Member

IMPORTANT: Please read notes overleaf

Glue all sides firmly. Stapling and spot sealing are disallowed

Glue all sides firmly. Stapling and spot sealing are disallowed

Glue all sides firmly. Stapling and spot sealing are disallowed

1. Please insert the total number of shares held by you. If you have shares entered against your name in the Depository Register (as defined in Section 81SF of the Securities and Future Act, (Chapter 289) of Singapore), you should insert that number of shares. If you have shares registered in your name in the Register of Members of the Company, you should insert that number of shares. If you have shares entered against your name in the Depository Register and shares registered in your name in the Register of Members, you should insert the aggregate number of shares. If no number is inserted, the instrument appointing a proxy or proxies shall be deemed to relate to all the shares held by you.
2. To minimise physical interactions and COVID-19 transmission risks, members will not be able to attend the AGM in person. Members will be able to attend the proceedings of the AGM through a "live" webcast via their mobile phones, tablets or computers or through a "live" audio feed via telephone. In order to do so, members who wish to attend the "live" webcast or "live" audio feed must pre-register by **10:30 a.m. on 28 October 2022** (the "**Registration Deadline**") at https://conveneagm.com/sg/aspen2022. Following authentication of their status as members, authenticated members will receive email instructions on how to access the webcast and audio feed of the proceedings of the AGM by **10:30 a.m. on 29 October 2022**. Members who do not receive an email by **10:30 a.m. on 29 October 2022** should contact the Company's Share Registrar, Tricor Barbinder Share Registration Services by phone call at +65 6236 3550 / +65 6236 3555 during operating hours from 8:30 a.m. to 5:30 p.m. for assistance.
3. Investors who hold shares through relevant intermediaries as defined in Section 181(C) of the Companies Act, other than SRS Investors, and wish to participate in the AGM should, in additional to pre-registering, approach their respective agents at least seven working days before the AGM, so that the necessary arrangements can be made by the relevant agents for their participating in the AGM.
4. Members who pre-register to attend the AGM may ask questions relating to the resolutions to be tabled at the AGM for approval, "live" at the AGM, by submitting their questions through the live chat function via the platform.

   Members may also submit questions relating to the resolutions to be tabled for approval at the AGM in advance of the AGM. Such questions must be received by the Company in the following manner **no later than 10:30 a.m. on 23 October 2022**:

   (a) via the pre-registration website at https://conveneagm.com/sg/aspen2022;

   (b) via email to: agm@aspen.com.my; or

   (c) via post, to the Company's Share Registrar, Tricor Barbinder Share Registration Services, at 80 Robinson Road, #11-02, Singapore 068898.

   For verification purpose, when submitting any questions via email or by post, members **MUST** provide the Company with their particulars (comprising full name (for individuals)/company name (for corporates), email address, contact number, NRIC/ passport number / company registration number, shareholding type and number of shares held).

   The Management and the Board of Directors of the Company will endeavour to address the substantial queries from members at least 48 hours prior to the closing date and time of the lodgement of the proxy forms by publishing the responses to those questions on SGXNET at the URL https://www.sgx.com/securities/company-announcements and the Company's website at the URL https://aspen.listedcompany.com/newsroom.html. Where substantial and relevant questions submitted by members are unable to be addressed prior to the AGM, the Company will address them at the AGM. The minutes of the AGM, including responses to substantial queries from the members which are addressed during the AGM, shall thereafter be published on SGXNet and the Company's corporate website at https://aspen.listedcompany.com/newsroom.html, within one (1) month from the date of the AGM.

   Investors who hold shares through relevant intermediaries as defined in Section 181(C) of the Companies Act, including SRS Investors, can submit their questions in relation to any resolution set out in the Notice of AGM upon pre-registration, however, they must, in addition to pre-registering, approach their respective agents at least seven working days before the AGM, so that the necessary arrangements can be made by the relevant agents for their participation in the AGM.
5. A member will not be able to attend the AGM in person. Members who wish to exercise their voting rights at the AGM may:

   (a) (where such members are individuals) vote "live" via electronic means at the AGM;

   (b) (where such members are individuals or corporates) appoint a proxy(ies) (other than the Chairman of the AGM) to vote "live" via electronic means at the AGM on their behalf; or

   (c) (where such members are individuals or corporates) appoint the Chairman of the AGM as their proxy to vote on their behalf at the AGM. In appointing the Chairman of the AGM as proxy, members (whether individuals or corporates) must give specific instructions as to voting, or abstentions from voting, in the form of proxy, failing which the appointment will be treated as invalid.

   Vote Live at the AGM

   Members, who wish to vote "live" via electronic means at the AGM must first pre-register themselves at the pre-registration website at https://conveneagm.com/sg/aspen2022.

   "Live" voting will be conducted during the AGM. It is important for members and proxies to have their own web-browser enabled devices ready for voting during the AGM. Examples of web-browser enabled devices include mobile smartphones, laptops, tablets or desktop computers with internet capabilities. Members, or where applicable, their appointed proxy(ies) must access the AGM proceedings via the "live" webcast in order to vote live at the AGM and will not be able to do so via the "live" audio feed of the AGM proceedings. Instructions will be provided at the start of the AGM on how to vote.
6. A proxy need not be a member of the Company.
7. Members who wish to appoint proxies (other than the Chairman of the AGM) to attend the AGM and vote "live" at the AGM on their behalf must do both of the following:

   (a) complete and submit the Proxy Form in accordance with the instructions below; and

   (b) pre-register the proxy(ies) at the pre-registration website by the Registration Deadline at https://conveneagm.com/sg/aspen2022 by **10:30 a.m. on 28 October 2022**.

   As an alternative to "live" voting, members may also vote at the AGM by appointing the Chairman as proxy to vote on their behalf in respect of all the Shares held by them.
8. The Proxy Form must be submitted to the Company in the following manner:

   (a) via the following URL https://conveneagm.com/sg/aspen2022 (the "**Aspen AGM Website**") in the electronic format accessible on the Aspen AGM Website; or

   (b) in hard copy by post to the Company's Share Registrar, Tricor Barbinder Share Registration Services, at 80 Robinson Road, #11-02, Singapore 068898; or

   (c) via email to: sg.is.proxy@sg.tricorglobal.com

   in either case, not less than 72 hours before the time for holding the AGM and at any adjournment thereof.

   A member who wishes to submit a proxy form must first download, complete and sign the proxy form, before submitting it by post to the address provided above, or before scanning and sending it by email to the email address provided above.

   Investors who hold shares through relevant intermediaries as defined in Section 181(C) of the Companies Act, including SRS investors, and wish to appoint a proxy or proxies (including the Chairman), should approach their respective agents to submit their votes at least seven working days before the AGM in order to allow sufficient time for their respective relevant intermediaries to in turn submit a proxy form to vote on their behalf by **10:30 a.m. on 28 October 2022.**
9. The Annual Report 2022 may be accessed at the Company's website at the URL https://aspen.listedcompany.com/newsroom.html and on the SGX website at the URL https://www.sgx.com/securities/annual-reports-related-documents.
10. The Proxy Form must be signed by the appointor or his attorney duly authorised in writing. Where the Proxy Form is executed by a corporation, it must be either under its common seal or signed on its behalf by a duly authorised officer or attorney.
11. Where the Proxy Form is signed on behalf of the appointor by an attorney, the power of attorney (or other authority) or a duly certified copy thereof must (failing previous registration with the Company) be attached to the Proxy Form, failing which the Proxy Form may be treated as invalid.
12. The Company shall be entitled to reject the Proxy Form if it is incomplete, improperly completed, illegible or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified in the Proxy Form (such as in the case where the appointor submits more than one instrument of proxy).
13. In the case of shares entered in the Depository Register, the Company may reject a proxy form if the member, being the appointor, is not shown to have shares entered against his/her/its name in the Depository Register as at 72 hours before the time appointed for holding the meeting, as certified by The Central Depository (Pte) Limited to the Company.

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ASPEN (GROUP) HOLDINGS LIMITED

Company's Share Registrar
Tricor Barbinder Share Registration Services
80 Robinson Road
#11-02
Singapore 068898

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