



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

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**RESPONSE TO QUERY FROM THE SINGAPORE EXCHANGE SECURITIES TRADING LIMITED ("SGX-ST") IN RELATION TO THE COMPANY'S ANNOUNCEMENT TITLED "RECEIPT OF NOTICE OF TERMINATION AND DEMAND" DATED 5 FEBRUARY 2023 ("ANNOUNCEMENT")**

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The Board of Directors (the "**Board**") of Aspen (Group) Holdings Limited (the "**Company**", and together with its subsidiaries, the "**Group**") wishes to announce the following in response to the query raised by the SGX-ST on 6 February 2023 in relation to the Announcement.

**SGX-ST's Query**

We note that Aspen Glove Sdn Bhd ("**AGSB**") has received a Letter of Termination and Demand from Gas Malaysia Energy and Services Sdn Bhd ("**GMES**") for the termination of the Gas Supply Agreement with AGBS, and to claim an aggregate sum of RM306.4 million from AGBS.

- (a) Please disclose how the value of the key services provided by GMES to AGBS is stated under the Gas Supply Agreement, and the basis stated by GMES in arriving at their claims of RM306.4 million;
- (b) Please assess the Company's ability to continue as a going concern, after taking into account the various legal claims made against AGBS and/or the Group and the Company's ability to pay for the amount due for services rendered by GMES based on its own calculations. Please disclose the basis for the Board's views; and
- (c) Please provide the Board's confirmation that all material information has been fully disclosed via SGXNET to enable trading to continue on an informed basis.

**Company's Response**

- (a) Based on the terms of the Gas Supply Agreement dated 19 January 2021 and Variation Letter dated 4 October 2021 made between AGBS and GMES ("**GSA**"), GMES is to supply gas up to an annual contracted quantity ("**ACQ**") and AGBS is to take up 90% of the net ACQ ("**T-O-P Quantity**") during each contract year for an eight (8) year tenure (ending 31 December 2029) based on the market price set by the Energy Commission of Malaysia. As stated in the Company's announcement dated 8 June 2022, due to the challenging climate and all the headwinds faced by AGBS, AGBS had to significantly scale down its glove manufacturing operation. Accordingly, the use of gas by AGBS was reduced significantly and the GSA was heading into redundancy. AGBS had engaged GMES for mutual and amicable termination of the GSA where in line with AGBS's proposed disposal of AGBS's rights title and interest in lease land and factory building, the new owner could enter into a new gas supply agreement with GMES should the new owner and GMES reach an agreement. GMES responded with a letter dated 31 January 2023 ("**Notice to Terminate and Demand**") purportedly to terminate the GSA due to alleged non settlement of outstanding payment and, demanded an aggregate sum of RM306,372,513.68 ("**GMES's Claim**") which includes RM838,756.77 for alleged outstanding payment and RM305,533,756.91 for alleged payment for the T-O-P Quantity (i.e. unused gas supply) for the remaining contract period of the GSA, without detailing any computation/basis for GMES's Claim.

(b) The Board wishes to emphasise that:

- (i) GMES's Claim is brought against the Company's subsidiary, AGSB, and not the Company, arising from the GSA entered between AGSB and GMES;
- (ii) the Company has no contingent liabilities arising from or in connection with the GSA and has not given any corporate guarantee in relation to the GSA; and
- (iii) there is no outstanding payment due to GMES as at the date of the Notice to Terminate and Demand. All invoices issued by GMES up to 31 January 2023 have been paid for despite AGSB not using the gas supply from GMES.

The Company also has no contingent liabilities arising from or in connection with the operations of AGSB save as previously disclosed in the Company's announcement dated 15 November 2022.

Taking into consideration the above, the Board is of the view that GMES's Claim and the other legal claims made against AGSB and/or the Group have no immediate financial impact on the Company and accordingly the Company's going concern status is not and will not be affected.

(c) The Board confirms that all material information has been fully disclosed by the Company to enable trading to continue on an informed basis.

The Company will make announcements to update the shareholders via SGXNET as and when there are any material developments.

**BY ORDER OF THE BOARD**

Aspen (Group) Holdings Limited

Dato' Murly Manokharan  
President and Group Chief Executive Officer  
8 February 2023