
FILING OF PETITION FOR WINDING UP OF ASPEN GLOVE SDN. BHD.

1. INTRODUCTION

The Board of Directors (the “**Board**”) of Aspen (Group) Holdings Limited (the “**Company**”) and together with its subsidiaries, the “**Group**”) wishes to update that the Company’s subsidiary, Aspen Glove Sdn. Bhd. (“**AGSB**”) has on 14 July 2023, submitted a winding-up petition to the High Court of Penang (the “**Winding Up Petition**”) for winding up of AGSB pursuant to Section 465(1)(a) and (e) of the Companies Act 2016, by the reason of the inability of AGSB to pay its debts.

2. BACKGROUND

As announced by the Company on 7 December 2022 and 21 April 2023, AGSB’s proposed transactions to dispose of its assets and interest in all that piece of land held under Geran No. 218490, Lot 60230 of Seksyen 11, Bandar Lunas, Daerah Kulim, Negeri Kedah (“**Lease Land**”) and the factory buildings erected thereon (“**Factory Buildings**”) to Cambridge Real Estate Partners Pte Ltd and subsequently to Sustainable Waste Management Holdings Pte. Ltd. (“**the Proposed Transactions**”) have both been terminated. The rationale of the Proposed Transactions was to enable AGSB to realise cash and place AGSB in a better financial position to discharge AGSB’s payment obligations. As both the Proposed Transactions did not materialise, AGSB and Kulim Technology Park Corporation Sdn. Bhd. (“**KTPC**”) had entered into a Deed of Mutual Termination on 31 May 2023 (“**Deed of Mutual Termination**”) to terminate the Lease Agreement dated 1 September 2020 and surrender the Lease Land and Factory Buildings to KTPC (as announced by the Company on 6 June 2023). The entry into the Deed of Mutual Termination had enabled AGSB to utilise the Paid Sum and the Ex Gratia Payment paid by KTPC to fully settle the Redemption Sum payable to Standard Chartered Bank Malaysia Berhad but had not improved AGSB’s financial position sufficiently to enable AGSB to discharge its remaining payment obligations. Moreover, following the surrender of the Lease Land and Factory Buildings to KTPC, AGSB has completely ceased operations and exited the glove business.

3. WINDING UP

Given AGSB’s unsuccessful attempts to dispose of its interest in the Lease Land and Factory Buildings, the surrender of the Lease Land and Factory Buildings to KTPC, mounting legal claims and suits faced by AGSB and the current financial position of AGSB, the directors and shareholders of AGSB have re-assessed the situation of AGSB and formed the view and has accordingly resolved that AGSB is unable to pay its debts based on actual and/or contingent liabilities and is cash flow insolvent; that the Winding Up Petition is in the best interests of AGSB and its creditors as it ensures an orderly wind down of the affairs of AGSB under the control of a Court-appointed liquidator; and is the most time-efficient and cost-effective manner to liquidate AGSB.

4. FINANCIAL EFFECTS OF THE WINDING UP

4.1 Assumptions

The pro forma financial effects in this section have been prepared based on the most recently audited consolidated financial statements of the Group for the financial year ended 30 June 2022 and under the following assumptions:

- (a) that the winding up had been effected on 1 January 2021 for the purposes of illustrating the financial effects on the Group's earnings per share ("**EPS**"); and
- (b) that the winding up had been effected on 30 June 2022 for the purposes of illustrating the financial effects on the Group's net tangible assets ("**NTA**") per share.

The pro forma financial effects presented below are for illustrative purposes only and should not be taken as an indication of the actual financial performance or position of the Group following AGSB's entry into the Deed of Mutual Termination and KHTP Assets Sdn. Bhd.'s (formerly known as Dynamic Tune Sdn. Bhd.) entry into the Lease Agreement with KTPC ("**Lease Agreement**"), nor a projection of the future financial performance or position of the Group after the winding up had been effected.

4.2 NTA per Share

	Before winding up	After winding up
NTA (RM'000)	384,471	416,819
Number of Shares ('000)	1,083,270	1,083,270
NTA per Share (RM cent)	35.49	38.48

NTA per Share adjusted pro forma¹ after entry into the Deed of Mutual Termination and Lease Agreement

	Before winding up (after entry into the Deed of Mutual Termination and Lease Agreement)	After winding up (after entry into the Deed of Mutual Termination and Lease Agreement)
NTA (RM'000)	280,720	416,559
Number of Shares ('000)	1,083,270	1,083,270
NTA per Share (RM cent)	25.91	38.45

4.3 EPS

	Before winding up	After winding up
Net profit attributable to shareholders after tax from continuing operations (RM'000)	(180,026)	(147,678)
Number of weighted average shares ('000)	1,083,270	1,083,270
Earnings per share (RM cent)	(16.62)	(13.63)

¹ Adjusted Pro forma is the figures based on most recently audited consolidated financial statements of the Group, after taking into consideration both the Deed of Mutual Termination and Lease Agreement.

EPS adjusted pro forma² after entry into the Deed of Mutual Termination and Lease Agreement

	Before winding up (after entry into the Deed of Mutual Termination and Lease Agreement)	After winding up (after entry into the Deed of Mutual Termination and Lease Agreement)
Net profit attributable to shareholders after tax from continuing operations (RM'000)	(283,777)	(147,938)
Number of weighted average shares ('000)	1,083,270	1,083,270
Earnings per share (RM cent)	(26.20)	(13.66)

Based on the Group's most recently audited consolidated financial year ended 30 June 2022, the net liability value attributable to the subsidiary is approximately RM32.3 million (RM135.8 million after taking into consideration both the Deed of Mutual Termination and Lease Agreement). After the winding up, the expected gain on derecognition of the subsidiary for the Group due to loss of control will be approximately RM32.3 million (RM135.8 million after taking into consideration both the Deed of Mutual Termination and Lease Agreement).

5. FURTHER ANNOUNCEMENT

The Company will make further announcements to update the shareholders via SGXNET as and when there are any material updates in relation to the above.

Shareholders and potential investors are advised to exercise caution when dealing or trading in the securities of the Company. Shareholders and potential investors are advised to read this announcement and any further announcements by the Company carefully. When in doubt as to the action they should take, shareholders and potential investors should consult their stockbrokers, bank managers, solicitors, accountants or other professional advisers.

BY ORDER OF THE BOARD

Aspen (Group) Holdings Limited

Dato' Murly Manokharan
President and Group Chief Executive Officer
15 July 2023

² Adjusted Pro forma is the figures based on most recently audited consolidated financial statements of the Group, after taking into consideration both the Deed of Mutual Termination and Lease Agreement.