



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

UPDATE ON LEGAL PROCEEDINGS

The Board of Directors (the “**Board**”) of Aspen (Group) Holdings Limited (the “**Company**” and together with its subsidiaries, the “**Group**”) refers to its announcements dated 13 April 2022, 26 April 2022, 10 May 2022, 17 November 2022 and 19 July 2023 (the “**Announcements**”).

Unless otherwise defined, all capitalised terms used in this announcement shall bear the same meanings as ascribed to them in the Announcements.

1. **ADJUDICATION DECISION**

Further to the Announcements, the Board wishes to update that AGSB had, on 28 July 2023, received the Adjudication Decision pursuant to CIPAA 2012 dated 28 July 2023 in relation to Tialoc’s claim against AGSB (the “**Adjudication Decision**”).

According to the Adjudication Decision, AGSB shall within seven (7) days of receipt of the Adjudication Decision pay to Tialoc:-

- i) the sum of RM84,348,615.31;
- ii) financing charges of RM6,245,971.93 and continuing, compounded monthly on the amounts unpaid at the rate of BR + 3% until the date of full payment; and
- iii) cost amounting to RM94,289.00.

However, the financing charges of RM6,245,971.93 have already been included in the sum of RM84,348,615.31 based on Tialoc’s payment claim. Thus, the Adjudicator erred in awarding financing charges of RM6,245,971.93 under a separate head.

Based on legal advice from its solicitors, AGSB disputes the Adjudication Decision and intends to file an application to stay the Adjudication Decision under section 16 of CIPAA 2012 and to set aside the Adjudication Decision under section 15 of CIPAA 2012 premised on the above and other grounds (the “**Setting Aside and Stay Applications**”).

2. **FINANCIAL EFFECTS**

Assumptions

The pro forma financial effects have been prepared based on the most recent audited consolidated financial statements of the Group for financial year ended 2022 and under the following assumptions:

- i) that the Adjudication Decision had been issued on 1 January 2021 for the purposes of illustrating the financial effects on the Group’s earnings per share (“**EPS**”); and

- ii) that the Adjudication Decision had been issued 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 the Adjudication Decision nor a projection of the future financial performance or position of the Group after the issuance of the Adjudication Decision.

NTA per Share

	Before the Adjudication Decision	After the Adjudication Decision
NTA (RM'000)	384,471	374,466
Number of Shares ('000)	1,083,270	1,083,270
NTA per Share (RM cent)	35.49	34.57

EPS

	Before the Adjudication Decision	After the Adjudication Decision
Net profit attributable to shareholders after tax from continuing operations (RM'000)	(180,026)	(190,031)
Number of weighted average shares	1,083,270	1,083,270
Earnings per share (RM cent)	(16.62)	(17.54)

As a major portion of Tialoc's claim has already been taken into account in the Group's full year results for the financial year ended 30 June 2022, the estimated loss arising from the Adjudication Decision will be approximately RM10 million and an adverse impact is expected on the financial position of the Group for the financial year ending 30 June 2024 unless the Adjudication Decision is set aside or stayed pursuant to the Setting Aside and Stay Applications. The Company, however, has no contingent liabilities arising from the Adjudication Decision made against AGSB.

Furthermore, as disclosed in the Company's announcements dated 15 July 2023 and 21 July 2023, 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.

The Adjudication Decision and the Winding Up Petition would not affect the Company's ability to continue as a going concern.

3. REQUEST FOR ARBITRATION

The Board also wishes to update that AGSB had, on 25 July 2023, submitted a Request for Arbitration pursuant to Article 4 of the Rules of Arbitration of the International Chamber of Commerce (the "**Request for Arbitration**") in relation to AGSB's cross-claim against Tialoc.

Pursuant to the Request for Arbitration, AGSB is claiming an aggregate amount of RM149,278,827.92 against Tialoc for; (i) delay damages; and (ii) its failure to remedy the defective works in accordance with the terms of its contract with AGSB, and the direct loss suffered by AGSB as a result of the actions of its subcontractor.

4. 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.

BY ORDER OF THE BOARD

Aspen (Group) Holdings Limited

Dato' Murly Manokharan
President and Group Chief Executive Officer
1 August 2023