

**Aspen (Group) Holdings Limited**  
**And its Subsidiaries**  
**Registration Number: 201634750K**

Condensed Interim Financial Statements  
For the six months and twelve months ended 30 June 2023

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

	Note	Group		%	Group		%
		6 months ended			12 months ended	18 months ended	
		30.06.23	30.06.22	Change	30.06.23	30.06.22	Change
		Unaudited	Unaudited		Unaudited	Unaudited	
		RM'000	RM'000		RM'000	RM'000	
<b>Continuing operations</b>							
Revenue	4	122,372	182,189	(33)	270,043	352,595	(23)
Cost of sales		(97,988)	(152,801)	(36)	(220,571)	(289,972)	(24)
<b>Gross profit</b>		24,384	29,388	(17)	49,472	62,623	(21)
Other income		2,959	1,709	73	5,414	12,107	(55)
Administrative expenses		(27,027)	(42,445)	(36)	(48,841)	(86,648)	(44)
Selling and distribution expenses		(2,592)	(6,206)	(58)	(6,661)	(16,307)	(59)
Other operating expenses		(90,039)	(51)	176,447	(90,048)	(1,677)	5,270
<b>Results from operating activities</b>		(92,315)	(17,605)	424	(90,664)	(29,902)	203
Finance income		120	96	25	289	957	(70)
Finance costs		(13,909)	1,789	(877)	(15,490)	(2,203)	603
<b>Net finance costs</b>		(13,789)	1,885	(832)	(15,201)	(1,246)	1,121
Share of results of equity-accounted investees, net of tax		235	15,054	(98)	(900)	(2,106)	(57)
<b>Loss before tax</b>	6	(105,869)	(666)	15,796	(106,765)	(33,254)	221
Tax expense	7	(4,604)	(1,799)	156	(7,207)	(15,097)	(52)
<b>Loss for the period from continuing operations</b>		(110,473)	(2,465)	4,382	(113,972)	(48,351)	136
<b>Discontinued operation</b>							
Loss from discontinued operations	8	(136,224)	(131,632)	3	(125,539)	(164,731)	(24)
<b>Total loss for the period</b>		(246,697)	(134,097)	86	(239,511)	(213,082)	12
Other comprehensive income, net of tax							
<b>Items that are or may be reclassified subsequently to profit or loss</b>							
Foreign currency translation differences for foreign operations		(318)	(10)	3,080	(214)	119	(280)
Other comprehensive income, net of tax		(318)	(10)	3,080	(214)	119	(280)
<b>Total comprehensive loss for the period</b>		(247,015)	(134,107)	84	(239,725)	(212,963)	13

**Loss for the period attributable****to:**

Owners of the Company	(208,956)	(104,580)	100	(205,020)	(180,145)	14
Non-controlling interests	<u>(37,741)</u>	<u>(29,517)</u>	28	<u>(34,491)</u>	<u>(32,937)</u>	5
	<u>(246,697)</u>	<u>(134,097)</u>	84	<u>(239,511)</u>	<u>(213,082)</u>	12

Loss for the period attributable to equity holders of the Company relates to:

Loss from continuing operations	(110,525)	(4,069)	2,616	(108,813)	(56,367)	93
Loss from discontinued operations	<u>(98,431)</u>	<u>(100,511)</u>	(2)	<u>(96,207)</u>	<u>(123,778)</u>	(22)
	<u>(208,956)</u>	<u>(104,580)</u>	100	<u>(205,020)</u>	<u>(180,145)</u>	14

**Total comprehensive loss for the period attributable to:**

Owners of the Company	(209,274)	(104,590)	100	(205,234)	(180,026)	14
Non-controlling interests	<u>(37,741)</u>	<u>(29,517)</u>	28	<u>(34,491)</u>	<u>(32,927)</u>	5
	<u>(247,015)</u>	<u>(134,107)</u>	84	<u>(239,725)</u>	<u>(212,963)</u>	13

Basic loss per share (cents)

From continuing operations	10	<u>(10.20)</u>	<u>(0.38)</u>	<u>(10.04)</u>	<u>(5.20)</u>
From discontinued operation	10	<u>(9.09)</u>	<u>(9.28)</u>	<u>(8.88)</u>	<u>(11.43)</u>

Diluted loss per share (cents)

From continuing operations	10	<u>(10.20)</u>	<u>(0.38)</u>	<u>(10.04)</u>	<u>(5.20)</u>
From discontinued operation	10	<u>(9.09)</u>	<u>(9.28)</u>	<u>(8.88)</u>	<u>(11.43)</u>

## B. Condensed interim statements of financial position

	Note	Group		Company	
		30.06.23	30.06.22	30.06.23	30.06.22
		Unaudited RM'000	Audited RM'000	Unaudited RM'000	Audited RM'000
<b>Non-current assets</b>					
Property, plant and equipment	12	115,823	343,103	-	-
Intangible assets	13	-	1,786	-	-
Subsidiaries		-	-	118,141	223,632
Associate	14	-	96,357	-	-
Joint venture		-	-	1	-
Development properties		375,748	369,586	-	-
Trade and other receivables		1,115	7,926	-	-
Deferred tax assets		29,353	37,171	-	-
		<u>522,039</u>	<u>855,929</u>	<u>118,142</u>	<u>223,632</u>
<b>Current assets</b>					
Development properties		336,418	425,141	-	-
Contract costs		20,927	29,028	-	-
Contract assets		45,550	60,013	-	-
Tax recoverables		6,918	5,590	-	-
Inventories		261	15,025	-	-
Trade and other receivables		79,832	86,856	266	167
Cash and cash equivalents		28,988	31,807	595	416
		<u>518,894</u>	<u>653,460</u>	<u>861</u>	<u>583</u>
Disposal group and assets classified as held for sales					
Assets of disposal group classified as held-for-sale	8	5,545	-	-	-
Asset held-for-sale	14	32,851	-	-	-
		<u>557,290</u>	<u>653,460</u>	<u>861</u>	<u>583</u>
<b>Total assets</b>		<u>1,079,329</u>	<u>1,509,389</u>	<u>119,003</u>	<u>224,215</u>
<b>Current liabilities</b>					
Loans and borrowings	15	83,873	182,477	2,696	4,732
Trade and other payables		307,656	472,986	4,538	2,562
Contract liabilities		20,876	31,872	-	-
Current tax liabilities		9,509	10,872	-	-
		<u>421,914</u>	<u>698,207</u>	<u>7,234</u>	<u>7,294</u>
Liabilities directly associated with disposal group classified as held-for-sale					
	8	143,637	-	-	-
		<u>565,551</u>	<u>698,207</u>	<u>7,234</u>	<u>7,294</u>
<b>Non-current liabilities</b>					
Loans and borrowings	15	137,774	221,227	-	-
Trade and other payables		150,400	114,365	-	-
Non-current tax liabilities		15,776	22,736	-	-
Deferred tax liabilities		7,189	10,490	-	-
		<u>311,139</u>	<u>368,818</u>	<u>-</u>	<u>-</u>
<b>Total liabilities</b>		<u>876,690</u>	<u>1,067,025</u>	<u>7,234</u>	<u>7,294</u>

<b>Equity</b>					
Share capital	16	316,786	316,786	316,786	316,786
Reserves		(135,763)	69,471	(205,017)	(99,865)
<b>Equity attributable to owners of the Company</b>		<u>181,023</u>	<u>386,257</u>	<u>111,769</u>	<u>216,921</u>
Non-controlling interests		21,616	56,107	-	-
<b>Total equity</b>		<u>202,639</u>	<u>442,364</u>	<u>111,769</u>	<u>216,921</u>
<b>Total equity and liabilities</b>		<u>1,079,329</u>	<u>1,509,389</u>	<u>119,003</u>	<u>224,215</u>

C. Condensed interim statements of changes in equity

Group	Share capital RM'000	Translation reserve RM'000	Reserve for own shares RM'000	Merger reserve RM'000	Retained earnings/ (Accumulated losses) RM'000	Total RM'000	Non-controlling interests RM'000	Total equity RM'000
<b>At 1 July 2022</b>	316,786	89	(21)	37,442	31,961	386,257	56,107	442,364
Loss for the period	-	-	-	-	(205,020)	(205,020)	(34,491)	(239,511)
Other comprehensive loss, net of tax	-	(214)	-	-	-	(214)	-	(214)
<b>Total comprehensive loss for the period</b>	-	(214)	-	-	(205,020)	(205,234)	(34,491)	(239,725)
<b>At 30 June 2023</b>	316,786	(125)	(21)	37,442	(173,059)	181,023	21,616	202,639
Group	Share capital RM'000	Translation reserve RM'000	Reserve for own shares RM'000	Merger reserve RM'000	Retained earnings RM'000	Total RM'000	Non-controlling interests RM'000	Total equity RM'000
<b>At 1 January 2021</b>	316,786	(30)	(21)	37,442	212,106	566,283	61,776	628,059
Loss for the period	-	-	-	-	(180,145)	(180,145)	(32,937)	(213,082)
Other comprehensive income, net of tax	-	119	-	-	-	119	-	119
<b>Total comprehensive loss for the period</b>	-	119	-	-	(180,145)	(180,026)	(32,937)	(212,963)
Acquisition of subsidiary with non-controlling interests	-	-	-	-	-	-	27,268	27,268
<b>Total transactions with owners</b>	-	-	-	-	-	-	27,268	27,268
<b>At 30 June 2022</b>	316,786	89	(21)	37,442	31,961	386,257	56,107	442,364

<b>Company</b>	<b>Share capital RM'000</b>	<b>Reserve for own shares RM'000</b>	<b>Accumulated losses RM'000</b>	<b>Total equity RM'000</b>
<b>At 1 July 2022</b>	316,786	(21)	(99,844)	216,921
Total comprehensive loss for the period	-	-	(105,152)	(105,152)
<b>At 30 June 2023</b>	316,786	(21)	(204,996)	111,769

<b>Company</b>	<b>Share capital RM'000</b>	<b>Reserve for own shares RM'000</b>	<b>Accumulated losses RM'000</b>	<b>Total equity RM'000</b>
<b>At 1 January 2021</b>	316,786	(21)	(9,057)	307,708
Total comprehensive loss for the period	-	-	(90,787)	(90,787)
<b>At 30 June 2022</b>	316,786	(21)	(99,844)	216,921



#### D. Condensed interim consolidated statement of cash flows

	Group	
	12 months ended 30.06.23 Unaudited RM'000	18 months ended 30.06.22 Unaudited RM'000
<b>Cash flows from operating activities</b>		
Loss before tax from continuing operations	(106,765)	(33,256)
Loss before tax from discontinued operation	(125,539)	(164,729)
	(232,304)	(197,985)
Adjustments for:		
Depreciation of property, plant and equipment	17,251	28,786
Amortisation of intangible assets	261	348
Finance costs	33,466	55,940
Finance income	(331)	(1,000)
Property, plant and equipment written off	110,098	938
Impairment loss on property, plant and equipment	8,024	98,417
Impairment loss on inventories	14,151	6,641
Impairment loss on intangible assets	1,583	-
Impairment loss on receivables	6,935	-
Deposit forfeited	(22,365)	-
Loss/(Gain) on disposal of property, plant and equipment	10,909	(151)
Share of results of associate and joint venture	901	2,106
Fair value loss of asset held-for-sale recognised	62,606	-
Loss on disposal of associate	-	10,723
Unrealised gain on foreign exchange	-	152
	11,185	4,915
Changes in:		
- development properties	83,174	92,016
- contract costs	8,101	(17,066)
- contract assets	14,463	37,135
- trade and other receivables	3,830	(9,181)
- trade and other payables	34,880	146,824
- contract liabilities	(10,996)	29,438
<b>Cash generated from operations</b>	144,637	284,081
Tax paid	(12,375)	(22,990)
<b>Net cash generated from operating activities</b>	132,262	261,091
<b>Cash flows from investing activities</b>		
Acquisition of property, plant and equipment	(1,336)	(239,800)
Acquisition of intangible assets	-	(238)
Proceeds from sale of property, plant and equipment	61,962	173
Interest received	331	1,000
Proceeds from sale of associate	-	40,472
Additional investment in subsidiary	-	(3,950)
Additional investment in associates	-	(2,310)
Additional investment in joint venture	(1)	-
<b>Net cash generated from/(used in) investing activities</b>	60,956	(204,653)

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

	<b>Group</b>	
	<b>12 months ended 30.06.23 Unaudited RM'000</b>	<b>18 months ended 30.06.22 Unaudited RM'000</b>
<b>Cash flows from financing activities</b>		
Changes in fixed deposit pledged	(116)	(2,343)
Proceeds from loans and borrowings	25,733	180,773
Repayment of loans and borrowings	(182,104)	(251,747)
Payment of lease liabilities	(7,006)	(27,558)
Capital contribution by non-controlling interests	-	5,700
Issuance of redeemable preference shares to non-controlling interest	-	25,518
Advances from non-controlling interests	-	5,185
Interest paid	(30,039)	(48,529)
<b>Net cash used in financing activities</b>	<b>(193,532)</b>	<b>(113,001)</b>
<b>Net decrease in cash and cash equivalents</b>	<b>(314)</b>	<b>(56,563)</b>
Effect of exchange rate changes on cash and cash equivalents	(214)	(538)
Cash and cash equivalents at 1 July	26,687	83,788
<b>Cash and cash equivalents at 30 June</b>	<b>26,159</b>	<b>26,687</b>
Cash and bank balances		
- Continuing operations	26,097	17,595
- Discontinued operation	62	9,092
Cash and cash equivalents in the consolidated cash flow statement	26,159	26,687

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

	<b>Group</b>	
	<b>30.06.23 Unaudited RM'000</b>	<b>30.06.22 Audited RM'000</b>
Cash and cash equivalents	31,393	31,807
Less: Fixed deposits pledged to financial institutions	(5,234)	(5,120)
	<b>26,159</b>	<b>26,687</b>

## **E. Notes to the condensed interim consolidated financial statements**

### **1. Domicile and activities**

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

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

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

The condensed interim financial statements of the Group as at and for the six months and twelve months ended 30 June 2023 comprise the Company and its subsidiaries (together referred to as the “**Group**”) and the Group’s interest in equity-accounted investees.

### **2. Basis of preparation**

The unaudited condensed interim financial statements for the six months and twelve months ended 30 June 2023 have been prepared in accordance with Singapore Financial Reporting Standards (International) (“**SFRS(I)**”) 1-34 Interim Financial Reporting issued by the Accounting Standards Council Singapore. The condensed interim financial statements do not include all the information required for a complete set of financial statements. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Group’s financial position and performance of the Group since the last annual financial statements for the year ended 30 June 2022.

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

The financial statements of the Group are made up for a period of 12 months from 1 July 2022 to 30 June 2023. The comparative figures which were prepared for the 18-month period from 1 January 2021 to 30 June 2022 are therefore not comparable.

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

#### **2.1 New and amended standards adopted by the Group**

During the current financial period, the Group and the Company have adopted the following amendments to SFRS(I)s which took effect from the financial year beginning 1 July 2022:

- 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*

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

## **2.2 Use of estimates and judgements**

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

The significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements as at and for the year ended 30 June 2022.

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

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

Note 4 – Revenue recognition - Measurement of stage of property development

### **Measurement of fair values**

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

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

Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

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

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

Note 5 – financial instruments

### 3. Seasonal operations

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

### 4. Segment and revenue information

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

In accordance with SFRS(I) 5 *Non-current Assets Held for Sale and Discontinued Operations*, the performance of Aspen Glove Sdn. Bhd., as a separate reportable operating segment, excluding certain out-of-scope assets, are presented as discontinued operation for the period, with comparative information re-presented accordingly. Refer to Note 8 for further details.

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 (discontinued)
Others	Include sales of food and beverages and investment holdings

#### 4.1. Reportable segments

	Property development RM'000	Others RM'000	Total for continuing operations RM'000	Elimination RM'000	Total RM'000	Healthcare (Discontinued) RM'000	Consolidation RM'000
<b>1 January 2023 to 30 June 2023</b>							
External revenue	115,971	6,401	122,372	-	122,372	21	122,393
Inter-segment revenue	1,731	14,185	15,916	(15,916)	-	-	-
Interest income	108	12	120	-	120	42	162
Interest expenses	(23,108)	(4,200)	(27,308)	13,399	(13,909)	(3,851)	(17,760)
Depreciation and amortisation	(2,309)	(4,444)	(6,753)	151	(6,602)	(1,963)	(8,565)
Impairment of property, plant and equipment	-	(8,130)	(8,130)	-	(8,130)	106	(8,024)
Segment (loss)/profit before tax	(31,904)	(126,257)	(158,161)	52,292	(105,869)	(139,034)	(244,903)
Share of profit of equity- accounted investees	-	235	235	-	235	-	235
Reportable segment assets	1,162,341	1,142,583	2,304,924	(1,231,140)	1,073,784	5,545	1,079,329
Equity-accounted investees	-	1	1	(1)	-	-	-
Capital expenditure	403	3,801	4,204	(10)	4,194	106	4,300
Reportable segment liabilities	959,731	529,016	1,488,747	(755,694)	733,053	143,637	876,690

#### 4.1. Reportable segments (cont'd.)

	Property development RM'000	Others RM'000	Total for continuing operations RM'000	Elimination RM'000	Total RM'000	Healthcare (Discontinued) RM'000	Consolidation RM'000
<b>1 January 2022 to 30 June 2022</b>							
External revenue	176,743	5,446	182,189	-	182,189	12,261	194,450
Inter-segment revenue	902	10,705	11,607	(11,607)	-	-	-
Interest income	50	46	96	-	96	8	104
Interest expenses	(1,707)	(2,667)	(4,374)	6,163	1,789	(4,012)	(2,223)
Depreciation and amortisation	(2,423)	(5,000)	(7,423)	335	(7,088)	(6,737)	(13,825)
Impairment of property, plant and equipment	-	-	-	-	-	(98,417)	(98,417)
Segment loss before tax	5,296	(84,174)	(78,878)	78,212	(666)	(131,632)	(132,298)
Share of profit of equity- accounted investees	-	15,054	15,054	-	15,054	-	15,054
Reportable segment assets	1,256,611	1,432,985	2,689,596	(1,412,029)	1,277,567	231,822	1,509,389
Equity-accounted investees	-	96,357	96,357	-	96,357	-	96,357
Capital expenditure	168	935	1,103	920	2,023	(14,248)	(12,225)
Reportable segment liabilities	1,009,540	488,484	1,498,024	(704,244)	793,780	273,245	1,067,025

#### 4.1. Reportable segments (cont'd.)

	Property development RM'000	Others RM'000	Total for continuing operations RM'000	Elimination RM'000	Total RM'000	Healthcare (Discontinued) RM'000	Consolidation RM'000
<b>1 July 2022 to 30 June 2023</b>							
External revenue	257,621	12,422	270,043	-	270,043	179	270,222
Inter-segment revenue	2,940	26,913	29,853	(29,853)	-	-	-
Interest income	272	17	289	-	289	42	331
Interest expenses	(25,084)	(7,293)	(32,377)	16,887	(15,490)	(5,934)	(21,424)
Depreciation and amortisation	(4,153)	(8,822)	(12,975)	302	(12,673)	(4,839)	(17,512)
Impairment of property, plant and equipment	-	(8,130)	(8,130)	-	(8,130)	106	(8,024)
Segment (loss)/profit before tax	(26,226)	(132,247)	(158,473)	51,708	(106,765)	(125,539)	(232,304)
Share of loss of equity-accounted investees	-	(900)	(900)	-	(900)	-	(900)
Reportable segment assets	1,162,341	1,142,583	2,304,924	(1,231,140)	1,073,784	5,545	1,079,329
Equity-accounted investees	-	1	1	(1)	-	-	-
Capital expenditure	456	12,004	12,460	(73)	12,387	428	12,815
Reportable segment liabilities	959,731	529,016	1,488,747	(755,694)	733,053	143,637	876,690



#### 4.1. Reportable segments (cont'd.)

	Property development RM'000	Others RM'000	Total for continuing operations RM'000	Elimination RM'000	Total RM'000	Healthcare (Discontinue d) RM'000	Consolidation RM'000
<b>1 January 2021 to 30 June 2022</b>							
External revenue	338,385	14,210	352,595	-	352,595	26,955	379,550
Inter-segment revenue	1,755	56,136	57,891	(57,891)	-	-	-
Interest income	881	76	957	-	957	43	1000
Interest expenses	(4,142)	(9,356)	(13,498)	11,295	(2,203)	(7,306)	(9,509)
Depreciation and amortisation	(6,640)	(14,942)	(21,582)	456	(21,126)	(8,008)	(29,134)
Impairment of property, plant and equipment	-	-	-	-	-	(98,417)	(98,417)
Segment loss before tax	(8,964)	(14,536)	(23,500)	(9,754)	(33,254)	(164,731)	(197,985)
Share of loss of equity-accounted investees	-	(2,106)	(2,106)	-	(2,106)	-	(2,106)
Reportable segment assets	1,256,611	1,432,985	2,689,596	(1,412,029)	1,277,567	231,822	1,509,389
Equity-accounted investees	-	96,357	96,357	-	96,357	-	96,357
Capital expenditure	875	4,711	5,586	(92)	5,494	240,272	245,766
Reportable segment liabilities	1,009,540	488,484	1,498,024	(704,244)	793,780	273,245	1,067,025

#### 4.2 Disaggregation of revenue

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

	Group					Group				
	1 January 2023 to 30 June 2023					1 January 2022 to 30 June 2022				
	Property development RM'000	Others RM'000	Total for continuing operations RM'000	Healthcare (Discontinued) RM'000	Total RM'000	Property development RM'000	Others RM'000	Total for continuing operations RM'000	Healthcare (Discontinued) RM'000	Total RM'000
<b>Geographical location</b>										
Malaysia	115,971	-	115,971	21	115,992	176,743	-	176,743	12,261	189,004
Singapore	-	6,401	6,401	-	6,401	-	5,446	5,446	-	5,446
	115,971	6,401	122,372	21	122,393	176,743	5,446	182,189	12,261	194,450
<b>Timing of recognition</b>										
Over time (properties under development)	77,749	-	77,749	-	77,749	71,662	-	71,662	-	71,662
At a point in time (mainly completed units)	38,222	-	38,222	-	38,222	105,081	-	105,081	-	105,081
Sale of food and beverages	-	6,401	6,401	-	6,401	-	5,446	5,446	-	5,446
Sale of gloves	-	-	-	21	21	-	-	-	12,261	12,261
	115,971	6,401	122,372	21	122,393	176,743	5,446	182,189	12,261	194,450

#### 4.2 Disaggregation of revenue (cont'd)

	Group					Group				
	1 July 2022 to 30 June 2023					1 January 2021 to 30 June 2022				
	Property development RM'000	Others RM'000	Total for continuing operations RM'000	Healthcare (Discontinued) RM'000	Total RM'000	Property development RM'000	Others RM'000	Total for continuing operations RM'000	Healthcare (Discontinued) RM'000	Total RM'000
<b>Geographical location</b>										
Malaysia	257,621	-	257,621	179	257,800	338,385	-	338,385	26,955	365,340
Singapore	-	12,422	12,422	-	12,422	-	14,210	14,210	-	14,210
	257,621	12,422	270,043	179	270,222	338,385	14,210	352,595	26,955	379,550
<b>Timing of recognition</b>										
Over time (properties under development)	147,263	-	147,263	-	147,263	190,761	-	190,761	-	190,761
At a point in time (mainly completed units)	110,358	-	110,358	-	110,358	147,624	-	147,624	-	147,624
Sale of food and beverages	-	12,422	12,422	-	12,422	-	14,210	14,210	-	14,210
Sale of gloves	-	-	-	179	179	-	-	-	26,955	26,955
	257,621	12,422	270,043	179	270,222	338,385	14,210	352,595	26,955	379,550

## 5. Financial assets and financial liabilities

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

Group	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
<b>30 June 2023</b>							
<b>Financial assets not measured at fair value</b>							
Trade and other receivables*							
- Continuing operations	75,273	-	75,273				
- Discontinued operation	2,830	-	2,830				
Deposit	1,115	-	1,115	-	946	-	946
Cash and cash equivalents							
- Continuing operations	28,988	-	28,988				
- Discontinued operation	2,405	-	2,405				
	<u>110,611</u>	<u>-</u>	<u>110,611</u>				
<b>Financial liabilities not measured at fair value</b>							
Trade and other payables^							
- Continuing operations	-	(458,057)	(458,057)				
- Discontinued operation	-	(142,127)	(142,127)				
Loans and borrowings							
- Term loans and bridging loans	-	(149,560)	(149,560)	-	(169,093)	-	(169,093)
- Revolving credit	-	(12,000)	(12,000)	-	(12,000)	-	(12,000)
- Redeemable preference shares	-	(38,140)	(38,140)	-	-	(44,446)	(44,446)
- Bank overdraft	-	(4,984)	(4,984)	-	-	(3,875)	(3,875)
	<u>-</u>	<u>(804,868)</u>	<u>(804,868)</u>				

\* Excluding prepayments and non-current deposits.

^ Excluding booking fee received and provision for reinstatement costs.

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

	Carrying amount			Fair value			
	Amortised costs	Other financial liabilities	Total	Level 1	Level 2	Level 3	Total
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
<b>Group</b>							
<b>30 June 2022</b>							
<b>Financial assets not measured at fair value</b>							
Redeemable preference shares – associates	22,485	-	22,485	-	-	25,430	25,430
Trade and other receivables*	88,471	-	88,471				
Deposit	936	-	936	-	856	-	856
Cash and cash equivalents	31,807	-	31,807				
	<u>143,699</u>	<u>-</u>	<u>143,699</u>				
<b>Financial liabilities not measured at fair value</b>							
Trade and other payables^	-	(587,351)	(587,351)				
Loans and borrowings							
- Term loans and bridging loans	-	(306,973)	(306,973)	-	(330,649)	-	(330,649)
- Revolving credit	-	(12,000)	(12,000)	-	(12,000)	-	(12,000)
- Redeemable preference shares	-	(38,140)	(38,140)	-	-	(42,685)	(42,685)
- Bank overdraft	-	(3,875)	(3,875)	-	-	(3,875)	(3,875)
	<u>-</u>	<u>(948,339)</u>	<u>(948,339)</u>				

\* Excluding prepayments and non-current deposits.

^ Excluding booking fee received and provision for reinstatement costs.

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

	Carrying amount			Fair value			
	Amortised costs RM'000	Other financial liabilities RM'000	Total RM'000	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	Total RM'000
<b>Company</b>							
<b>30 June 2023</b>							
<b>Financial assets not measured at fair value</b>							
Trade and other receivables*	266	-	266				
Cash and cash equivalents	595	-	595				
	<u>861</u>	<u>-</u>	<u>861</u>				
<b>Financial liabilities not measured at fair value</b>							
Trade and other payables	-	(4,538)	(4,538)				
Term loan	-	(2,696)	(2,696)	-	-	(2,696)	(2,696)
	<u>-</u>	<u>(7,234)</u>	<u>(7,234)</u>				
<b>Company</b>							
<b>30 June 2022</b>							
<b>Financial assets not measured at fair value</b>							
Trade and other receivables*	167	-	167				
Cash and cash equivalents	416	-	416				
	<u>583</u>	<u>-</u>	<u>583</u>				
<b>Financial liabilities not measured at fair value</b>							
Trade and other payables	-	(2,562)	(2,562)				
Term loan	-	(4,732)	(4,732)	-	-	(4,732)	(4,732)
	<u>-</u>	<u>(7,294)</u>	<u>(7,294)</u>				

\* Excluding prepayments.

## 6. Loss before taxation

### 6.1. Significant items

The following items have been included in arriving at loss before tax for the six months and twelve/eighteen months ended:

	Group		Group	
	6 months ended	12 months ended	18 months ended	
	30.06.23	30.06.22	30.06.23	30.06.22
	RM'000	RM'000	RM'000	RM'000
<u>Continuing operations</u>				
Audit fees paid to:				
- Auditors of the Company	251	(169)	477	433
- Other member firms of the auditors	80	37	158	158
Depreciation of property, plant and equipment	6,367	7,015	12,412	20,778
Amortisation of intangible asset	148	74	261	348
Impairment loss on property, plant and equipment	8,130	-	8,130	-
Impairment loss on intangible assets	1,583	-	1,583	-
Impairment loss on inventories	14,151	-	14,151	-
Loss/(Gain) on disposal of property, plant and equipment	-	-	-	(151)
Property, plant and equipment written off	-	938	-	938
Government grant income	(185)	(373)	(185)	(1,415)
Fair value loss of asset held-for-sale recognised	62,606	-	62,606	-
Loss on disposal of associate	-	4,511	-	10,723
Employee benefit expense*:				
Salaries, bonus and other costs	6,142	5,088	11,603	13,293
Contributions to defined contribution plans	804	833	1,576	2,571

\* Employee benefit expense excluding directors' remuneration.

## 6.2. Related party transactions

Transactions with key management personnel comprised:

	Group		Group	
	6 months ended		12 months	18 months
	30.06.23	30.06.22	ended	ended
	RM'000	RM'000	30.06.23	30.06.22
			RM'000	RM'000
<b>Progress billings</b>				
Key management personnel	-	-	72	281
Companies in which directors and key management personnel have substantial interests	-	31	1,468	236
	-	31	1,540	236
<b>Finance cost</b>				
Companies in which directors and key management personnel have substantial interests	185	-	430	-

## 7. Taxation

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

	Group		Group	
	6 months ended		12 months	18 months
	30.06.23	30.06.22	ended	ended
	RM'000	RM'000	30.06.23	30.06.22
			RM'000	RM'000
<b>Current income tax expense</b>	429	41	2,691	41,932
<b>Deferred tax expense</b>				
Origination and reversal of temporary differences	830	28,979	1,171	94
Changes in estimates related to prior years	3,345	(27,221)	3,345	(26,929)
	4,175	1,758	4,516	(26,835)
<b>Total tax expense</b>	4,604	1,799	7,207	15,097

## 8. Disposal group classified as held-for-sale

During the year, the Company decided to discontinue of its subsidiary Aspen Glove Sdn. Bhd. ("AGSB"), comprising its entire healthcare segment. The entire assets and liabilities related to AGSB was presented as a discontinued operation classified held-for-sale as at 30 June 2023, and the entire results from AGSB was presented separately on the statement of comprehensive income as 'Discontinued operation' for the financial year ended 30 June 2023. The discontinued operation was previously presented under the 'healthcare' reportable segment of the Group.



(a) The results of the discontinued operation are as follow:

	<b>Group</b>	
	<b>12 months ended 30.06.23 RM'000</b>	<b>18 months ended 30.06.22 RM'000</b>
Revenue	179	26,955
Expenses	(125,718)	(191,866)
Loss before tax from discontinued operation	(125,539)	(164,731)
<b>Tax</b>	-	-
Loss after tax from discontinued operation	(125,539)	(164,731)

(b) The impact of the discontinued operation on the cash flows of the Group was as follows:

	<b>Group</b>	
	<b>12 months ended 30.06.23 RM'000</b>	<b>18 months ended 30.06.22 RM'000</b>
Operating cash (outflows)/inflows	(10,841)	69,555
Investing cash inflows/(outflows)	62,953	(227,222)
Financing cash outflows	(58,798)	150,008
Total cash outflows	(6,686)	(7,659)

(c) Details of the assets of discontinued operation classified as held-for-sale are as follows:

	<b>Group 30.06.23 RM'000</b>
Property, plant and equipment	36
Current tax assets	34
Trade and other receivables	3,070
Cash and bank balances	2,405
	<u>5,545</u>

(d) Details of the liabilities of discontinued operation classified as held-for-sale are as follows:

	<b>Group 30.06.23 RM'000</b>
Lease liabilities	1,510
Trade and other payables	142,127
	<u>143,637</u>

## 9. Dividends

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

## 10. Loss per share

	Group		Group	
	6 months ended		12 months ended	18 months ended
	30.06.23	30.06.22	30.06.23	30.06.22
Loss attributable to equity holders of the Company (RM'000)				
- from continuing operations	(110,525)	(4,069)	(108,813)	(56,367)
- from discontinued operation	(98,431)	(100,511)	(96,207)	(123,778)
Weighted average number of ordinary shares ('000) <sup>(1)</sup>	1,083,270	1,083,270	1,083,270	1,083,270
Basic and diluted loss per share ("LPS") (RM cents) <sup>(2)</sup>				
- from continuing operations	(10.20)	(0.38)	(10.04)	(5.20)
- from discontinued operation	(9.09)	(9.28)	(8.88)	(11.43)

Notes:

- 1) LPS have been computed based on the weighted average share capital of 1,083,269,594 shares for the respective six months and twelve/eighteen months ended 30 June 2023 and 30 June 2022.
- 2) The diluted loss per share for six months and twelve/eighteen months ended 30 June 2023 and 30 June 2022 are the same as the basic loss per share.

## 11. Net asset value

	Group		Company	
	30.06.23	30.06.22	30.06.23	30.06.22
Net asset value (RM'000)	181,023	386,257	111,769	216,921
Number of ordinary shares in issue ('000)	1,083,270	1,083,270	1,083,270	1,083,270
<b>Net asset value per ordinary share (RM cents)</b>	16.71	35.66	10.32	20.02

## 12. Property, plant and equipment

During the twelve months ended 30 June 2023, the Group acquired assets amounting to RM12,815,000 (30 June 2022: RM239,954,000) and disposed and written off assets amounting to RM6,452,000 (30 June 2022: RM6,767,000).

### 13. Intangible assets

	<b>Group RM'000</b>
<b>Cost</b>	
<b>At 1 July 2022</b>	2,361
Effect of movement in exchange rate	213
<b>At 30 June 2023</b>	<u>2,574</u>
<b>Accumulated Amortisation</b>	
<b>At 1 July 2022</b>	575
Amortisation charge	261
Impairment	1,583
Effect of movement in exchange rate	155
<b>At 30 June 2023</b>	<u>2,574</u>
Carrying amounts at 30 June 2023	<u>-</u>
<b>At 30 June 2022</b>	
Cost	2,361
Accumulated amortisation	(575)
Carrying amount	<u>1,786</u>

#### Amortisation

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

### 14. Associate

	<b>Group</b>	
	<b>30.06.23</b>	<b>30.06.22</b>
	<b>RM'000</b>	<b>RM'000</b>
Interest in associates	-	73,872
Redeemable preference shares	-	22,485
	-	<u>96,357</u>

On 24 March 2023, the Company announced that its indirect subsidiary, Aspen Vision Properties Sdn. Bhd. ("**AVP**") had entered into a sale and purchase agreement with Hartamas Mentari Sdn. Bhd. ("**HMSB**") and Swift Haulage Bhd. ("**SHB**") for the sale of its entire shareholding of 30% of the issued and paid-up share capital in Global Vision Logistics Sdn. Bhd. ("**GVL**"). Under Rule 1014 of the Listing Manual, the sale of shares was made subject to the approval of the shareholders of the Company by way of an ordinary resolution. The Company obtained the shareholders' approval for the sale of shares at an extraordinary general meeting convened on 24 July 2023 and the sale was completed on 2 August 2023, after the reporting period. Accordingly, the investment in associate is classified as asset held-for-sale.

## 15. Borrowings

	Group	
	30.06.23 RM'000	30.06.22 RM'000
<b>Amount repayable in one year or less, or on demand</b>		
Secured	81,177	177,745
Unsecured	2,696	4,732
<b>Amount repayable after one year</b>		
Secured	99,634	183,087
Unsecured	38,140	38,140

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

## 16. Share capital

	Company			
	30.06.23		30.06.22	
	Number of shares '000	Amount RM'000	Number of shares '000	Amount RM'000
Beginning of interim period (excluding treasury shares) At 1 July 2022/30 June 2023	1,083,270	316,786	1,083,270	316,786

### Treasury Shares

The Company had 47,800 treasury shares as at 30 June 2023 and 30 June 2022. The treasury shares held constitute 0.004% and 0.004% of the total number of ordinary shares outstanding as at 30 June 2023 and 30 June 2022 respectively.

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

## 17. Subsequent events

On 24 March 2023, the Company announced that its indirect subsidiary, AVP had entered into a sale and purchase agreement with HMSB and SHB for the sale of its entire shareholding of 30% of the issued and paid-up share capital in GVL. Under Rule 1014 of the Listing Manual, the sale of shares was made subject to the approval of the shareholders of the Company by way of an ordinary resolution.

The Company obtained the shareholders' approval for the sale of shares at an extraordinary general meeting convened on 24 July 2023 and sale was completed on 2 August 2023. Accordingly, the investment in associate will be disposed during the next financial year.

On 14 July 2023, the Company's subsidiary, AGSB 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.

## F. Other information required by Appendix 7.2 of the Listing Rules

### 1. Review

The condensed consolidated statement of financial position of Aspen (Group) Holdings Limited and its subsidiaries as at 30 June 2023 and the related interim condensed consolidated statement of profit or loss and other comprehensive income, interim condensed consolidated statement of changes in equity and interim condensed consolidated statement of cash flows for the six months and twelve months period then ended and certain explanatory notes have not been audited or reviewed.

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

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

Not applicable.

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

Not applicable.

### 2. Review of the performance of the Group

A breakdown of revenue as follows:

	Property development RM'000	Others RM'000	Total for continuing operations RM'000	Elimination RM'000	Total RM'000	Healthcare (Discontin- ed) RM'000	Consolidation RM'000
<b>1 July 2022 to 30 June 2023</b>							
External revenue	257,621	12,422	270,043	-	270,043	179	270,222
Segment profit/(loss) before tax	(26,226)	(148,447)	(174,673)	67,908	(106,765)	(125,539)	(232,304)
<b>1 January 2021 to 30 June 2022</b>							
External revenue	338,385	14,210	352,595	-	352,595	26,955	379,550
Segment loss before tax	(8,964)	(14,536)	(23,500)	(9,754)	(33,254)	(164,731)	(197,985)

	<b>Group</b>	
	<b>30.6.23</b>	<b>30.6.22</b>
	<b>RM'000</b>	<b>RM'000</b>
Sales reported for:		
First half year (1H)	147,671	120,430
Second half year (2H)	122,372	49,976
Third half year (3H)	-	182,189
From continuing operations	<u>270,043</u>	<u>352,595</u>
2H vs 1H / 3H vs 1H	(17%)	51%
3H vs 2H	-	265%
Profit/(Loss) after tax before deducting non-controlling interests reported for:		
First half year (1H)	7,290	(5,403)
Second half year (2H)	(247,015)	(73,453)
Third half year (3H)	-	(134,107)
From continuing operations	<u>(239,725)</u>	<u>(212,963)</u>
2H vs 1H / 3H vs 1H	(3,288%)	(2,382%)
3H vs 2H	-	(83%)

### **Consolidated Statement of Comprehensive Income**

#### **Continuing operations**

The Group recorded revenue of RM122.4 million and a gross profit of RM24.4 million in six months period ended June 2023 (“**2H FY2023**”) representing decrease of 33% and 17% respectively as compared to the six months period ended June 2022 (“**3H FY2022**”). The Group’s revenue was contributed primarily by the property development segment from progressive construction of the Group’s ongoing projects namely VIVO EXECUTIVE APARTMENT and VILUXE Phase 1, and the sale of completed projects namely VERTU RESORT and BEACON EXECUTIVE SUITES. The property development segment revenue decrease as a result of lower sales achieved for completed projects due to low inventory (almost fully sold).

The Group’s operating activities recorded a loss of RM92.3 million in 2H FY2023 as compared to RM17.6 million in 3H FY2022. Increase in other operating expenses is mainly due to loss suffered from impairment of property, plant and equipment, intangible assets and inventory (amounting to RM8.1 million, RM1.6 million and RM14.2 million respectively) and fair value loss of asset held-for-sale, GVL (amounting to RM62.6 million). The increase in other income is due to the higher rental income received (amounting to RM0.9 million) as compared to 3H FY2022. Administrative expenses were lower in 2H FY2023 due to absent of loss on disposal of associate amounting to RM16.9 million. Selling and distribution expenses were also lower in 2H FY2023 compared to 3H FY2022 due to lesser cost incurred for promotion in tandem with low inventory level.

Finance cost amounting to RM13.2 million has increased mainly because there was no expenditure in respect of the Group’s vacant lands in 2H FY2023. According to accounting standards, finance cost capitalised shall be charged out to profit and loss when vacant land ceases to be a qualifying asset.

Share of results of equity-accounted investees incurred a profit, which was due to share of profit by RM0.2 million.

### Discontinued operation

The Company announced that its subsidiary, AGSB has completely ceased operations and exited the glove business. AGSB has also submitted a winding-up petition to the High Court of Penang on 14 July 2023. Subsequently, the consolidated statement of profit or loss and other comprehensive income will be presented separately as discontinued operation. The loss from discontinued operation will be distributed amongst the equity owners of the Group.

As a result of the above, the Group recorded a loss for the period.

## **Consolidated Statement of Financial Position**

### Non-current assets

The Group's non-current assets decreased by RM333.9 million from RM855.9 million as at 30 June 2022 to RM522.0 million as at 30 June 2023, resulting from disposal and write off property, plant and equipment by RM208.9 million due to discontinued operation of AGSB. Food and beverage sector contributed RM9.7 million loss from impairment of property, plant and equipment and intangible assets. The decrease also attributed to depreciation of property, plant and equipment (amounting to RM12.7 million) and reversal of deferred tax asset by RM7.8 million derived from the tax liabilities. Proposed divestment in associate, GVL, contributed a reduction of RM96.4 million and advances to associate being reclassified to current assets by RM7.1 million. These were offset against development properties by RM6.2 million due to development cost incurred.

### Current assets

The Group's current assets decreased by RM96.2 million from RM653.5 million as at 30 June 2022 to RM557.3 million as at 30 June 2023, primarily due to the net impact of the property sold and slower construction progress contributed a total decrease of RM96.8 million in both development properties and contract costs. Inventories reduced by RM14.8 million, which was mainly due to impairment of quota from property development segment. The decrease in contract assets of RM14.5 million was due to the increase in progress billings, whilst decrease in trade and other receivables was due to better collection. These were offset against asset held-for-sale of GVL shares by RM32.9 million being reclassified from investment in associate (Refer Note 14), increase in tax recoverables contributed by higher tax payment and discontinued operation of AGSB, which presented the consolidated statement of financial position as held-for-sale by RM5.5 million.

### Current liabilities

The Group's current liabilities decreased by RM132.6 million primarily due to full settlement of AGSB's loan by RM46.2 million and reversal of lease liabilities by RM15.3 million (Deed of Mutual Termination with Kulim Technology Park Corporation Sdn. Bhd.). The decrease is also attributable to repayment of loans and borrowings under continuing operations. Besides, contract liabilities recorded a decrease of RM11.0 million due to sales being recognised as revenue. Trade and other payables contributed a decrease by RM165.3 million, which was mainly the net impact of AGSB's outstanding classified under 'liabilities directly associated with disposal group' by RM142.1 million.

### Non-current liabilities

The Group's non-current liabilities decreased by RM57.7 million mainly due to re-classification of loans and borrowings by RM83.4 million and tax liabilities by RM6.9 million (both of which are due to be paid within one year) to current liabilities. This is offset against trade and other payables where the payment term was extended due to the instalment plan agreed by other creditor amounting to RM36.0 million (payment of which is stretched out over more than one year).

### Equity

The decrease in non-controlling interests from RM56.1 million to RM21.6 million is mainly due to loss incurred for the year.

The Group reported a negative working capital of RM8.3 million as at 30 June 2023. The working capital has improved compared to negative working capital of RM44.7 million as at 30 June 2022. The improvement was attributable to non-current asset in healthcare segment being monetarised to reduce the liabilities.

On 14 July 2023, the Company's subsidiary, AGSB 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.

### Consolidated Statement of Cash Flows

The Group recorded net cash generated from operating activities of RM132.3 million for twelve months ended 30 June 2023, which comprised operating cash inflows after working capital changes of RM144.6 million and tax payments of RM12.4 million. The net cash inflow from operations was mainly due to increase in progress billings from sales of projects.

Net cash generated from investing activities amounted to RM61.0 million, was primarily due to proceeds from sale of property, plant and equipment and offset by acquisition of property, plant and equipment.

Net cash used in financing activities amounted to RM193.5 million being repayment of loans and borrowings and lease liabilities of RM189.1 million and interest expense paid to financial institution of RM30.0 million. These were offset by proceeds from loans and borrowings of RM25.7 million.

### **3. Material litigation**

#### (i) Tialoc Malaysia Sdn. Bhd

In April 2022, the Company's indirect subsidiary, 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 to adjudication under the Construction Industry Payment & Adjudication Act 2012 ("**CIPAA 2012**"). AGSB subsequently filed an originating summons ("**OS**") and notice of application in the Sungai Petani High Court against Tialoc for inter alia, (i) a declaration that Tialoc's reference of the payment dispute to adjudication pursuant to the CIPAA 2012 is in breach of the contract entered into between the parties and is null and void, (ii) a specific execution order that the alleged payment dispute be referred to the Dispute Avoidance and Adjudication Board, and (iii) an interim injunction to restrain Tialoc from proceeding with the adjudication proceedings pursuant to CIPAA 2012 until the full and final determination of the OS (the "**Said Proceedings**").

Tialoc has filed an application to strike out the Said Proceedings and the Sungai Petani High Court has, in November 2022, allowed Tialoc's striking out application (the "**Sungai Petani High Court's Decision**"). AGSB has filed an appeal against the Sungai Petani High Court's Decision to the Court of Appeal and an application to the Court of Appeal to stay the CIPAA 2012 proceedings pending the appeal.



In July 2023, the Court of Appeal dismissed AGSB's application for stay of the CIPAA 2012 proceedings. In August 2023, the Adjudicator delivered the decision pursuant to CIPAA 2012 in favour of Tialoc ("**Adjudication Decision**"). AGSB disputes the Adjudication Decision and has filed applications in the Sungai Petani High Court to stay and set aside the Adjudication Decision.

AGSB has also commenced arbitration proceedings against Tialoc in July 2023 for an aggregate amount of RM149,278,827.92 for (i) delay damages; and (ii) Tialoc's 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. The matter is currently still pending in court.

(ii) Multipurpose Metal Tech Sdn. Bhd.

In June 2022, Multi Purpose Metal Tech Sdn. Bhd. ("**MPMT**") served a statutory notice under s466 of the Companies Act 2016 (the "**Notice**") on AGSB. The Notice sets out, inter alia, that MPMT is seeking payment from AGSB for a sum of RM29,348,000 ("**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 to make the payment, MPMT shall proceed to commence winding-up proceedings against AGSB. In June 2022, AGSB filed an originating summons and a notice of application (the "**said Proceedings**") 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 filling a winding up petition against AGSB. In October 2022, the Klang High Court dismissed the said Proceedings and subsequently, AGSB filed a Notice of Appeal to the Court of Appeal against the decision of the Klang High Court while MPMT filed a winding up petition in Shah Alam High Court for a winding up order against AGSB ("**Winding Up Petition**").

In November 2022, AGSB commenced arbitration proceedings against MPMT to challenge its claim under the Notice and to claim for the losses and damages sustained by AGSB, estimated to be RM448,948,854, and filed an application to stay the Winding Up Petition.

In July 2023, the Shah Alam High Court dismissed AGSB's application to stay the Winding Up Petition (the "**Shah Alam High Court's Decision**"), following which, AGSB has, in the same month, filed an appeal against the Shah Alam High Court's Decision to the Court of Appeal. The matter is currently still pending in court.

(iii) JR Engineering and Medical Technologies (M) Sdn. Bhd. ("**JR**")

(a) JR's Third Party Application

In October 2022, AGSB received a notice of application by JR to issue a third party notice against AGSB ("**JR's Third Party Application**") in relation to a legal suit between JR and SRAM & MRAM Technologies Limited and 4 others (the "**Defendants**"). A counterclaim has been brought by the Defendants against JR to claim for reliefs, including among others, refund of monies paid by the Defendants to JR for the supply of gloves, and other costs incurred for an aggregate sum of approximately RM26.7 million, interests, costs and other reliefs (the "**Counterclaims**"). JR claims against AGSB as third party, for reliefs including indemnity in the event any of the Counterclaims are granted in favour of the Defendants, based on alleged breach of an agreement entered into between AGSB and JR for sale and purchase of gloves ("**Agreement**").

In March 2023, the Kuala Lumpur High Court found in favour of AGSB and dismissed JR's ThirdParty Application ("**Kuala Lumpur High Court's Decision**"). Subsequently, JR filed an appeal

in the Court of Appeal of Malaysia against the Kuala Lumpur High Court's Decision in April 2023. The matter is currently still pending in court

(b) JR's Claim Against AGSB

In November 2022, JR served a statutory notice under s466 of the Companies Act 2016 on AGSB ("**the Notice**") which sets out JR's claim against AGSB amounting to a sum of RM22,363,243.07 allegedly as balance sum paid by JR to AGSB and that JR shall proceed to commence winding-up proceedings in the event no payment is made.

In December 2022, AGSB's solicitors filed an originating summons and a notice of application in the Shah Alam High Court against JR, seeking for, amongst others, a declaration that the Notice is null and void and that JR shall be restrained by an injunction from acting on the Notice including filing a winding-up petition against AGSB.

AGSB has also received a court order in relation to JR's ex-parte application for an interim injunction ("**Ex-parte Order**") essentially, amongst others, for the preservation of the sum of RM22,363,423.07 until the disposal of JR's counterclaim filed in the originating summons proceedings brought by AGSB against JR. In response, AGSB filed an application to (i) set aside the Ex-parte Order, and (ii) suspend compliance with the Ex-parte Order pending the hearing and disposal of AGSB's setting aside application.

In February 2023, the High Court of Malaya found in favour of AGSB and declared that the Notice is null and void and dismissed JR's Ex-parte Order ("**High Court's Decision**"). In March 2023, AGSB received notices of appeal filed by JR in the Court of Appeal of Malaysia against the High Court's Decision. The matter is currently still pending in court.

(c) AGSB's Writ of Summons Against JR

In January 2023, AGSB issued a writ of summons ("**Writ**") in the High Court of Malaya at Selangor Darul Ehsan against JR. In the Writ, AGSB has claimed, inter alia, an aggregate sum of RM173,980,146.90 against JR for losses and damages sustained by AGSB as a result of JR's breach of the Agreement.

In February 2023, JR filed a defence and counterclaim ("**Defence and Counterclaim**") against AGSB and/or Dato' Murly Manokharan, President and Group Chief Executive Officer ("**Dato' Murly**") for, inter alia, the sum of RM22,363,243.07 allegedly as balance deposit paid by JR to AGSB under the Agreement. . AGSB, together with Dato' Murly, is contesting JR's Defence and Counterclaim. The matter is currently still pending in court.

(d) AGSB's Defamation Suit Against JR and Ganeson A/L Subramaniam

In April 2023, AGSB filed a Writ of Summons in the High Court of Malaya at Shah Alam against JR and one of its directors and shareholders, Ganeson A/L Subramaniam (the "**Defendants**"), seeking, inter alia, damages in the sum of RM10,000,000.00 against the Defendants for libel in relation to false, malicious and defamatory statements of and concerning AGSB stated in a letter dated 23 December 2022 sent by the Defendants to the landowner from which AGSB leases the land where its factory building is erected thereon. The matter is currently still pending in court.

#### (iv) Penang Development Corporation

In April 2021, Penang Development Corporation (“PDC”) filed a Writ of Summons (the “1st Writ”) against the Company’s indirect subsidiaries, Aspen Vision Land Sdn. Bhd. (“AVL”) and Aspen Vision City Sdn. Bhd. (“AVC”) in the High Court of Malaya at Penang. Pursuant to the 1st Writ, PDC is claiming, inter alia, a sum of RM1,761,156.58 against AVL and/or AVC for progressive claim for infrastructure construction work in connection with the purchase and development of land in Batu Kawan.

In October 2021, AVL and AVC filed a defence and counterclaim (the “Defence and Counterclaim”) in response to the 1st Writ for, inter alia, damages amounting to a total of RM161,617,507.85 for the losses incurred by AVL and AVC as a result of misrepresentations and/or breaches of agreements between the parties.

In February 2023, PDC filed a Writ of Summons (the “2nd Writ”) in the High Court of Malaya against AVL and AVC in relation to the construction of ingress (“Junction A”) leading into various parcels of land in Batu Kawan (“Land”) in connection with the purchase and development of the said Land. Pursuant to the 2nd Writ, PDC is seeking, inter alia, (i) a declaration that the obligation to construct Junction A has been frustrated or impossible to perform; and (ii) the refund of a sum amounting to RM15,000,000.00 paid by PDC to AVL and/or AVC for the construction of Junction A.

In March 2023, AVL and AVC reached a settlement with PDC by way of executing a settlement agreement (“Settlement Agreement”). Following the execution of the Settlement Agreement, the parties withdrew their respective legal suits against each other with no order as to costs.

#### (v) A Group of Purchasers of Aspen Vision City Sdn Bhd’s Development Properties

In February 2022, the Company’s indirect subsidiary, Aspen Vision City Sdn. Bhd. (“AVC”) received a Writ of Summons endorsed with a Statement of Claim (the “Writ”) filed by a group of purchasers of AVC’s development properties (the “Plaintiffs”) in the High Court of Malaya at Penang (the “Suit”). Pursuant to the Writ, the Plaintiffs are claiming, inter alia, a sum of RM7,289,223.21 for alleged late delivery of vacant possession of development properties under the sale and purchase agreements previously entered into between AVC and the Plaintiffs. AVC denies the alleged late delivery and confirms it has delivered the vacant possession in accordance with the timeline stipulated by the Housing Controller and Ministry of Local Government Development of Malaysia (“KPKT”). Based on this, AVC has a strong legal defence, and as such has been vigorously defending the Suit. The matter is currently still pending in court.

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

In the Company’s Annual Report for the financial year ended 30 June 2022 under the Message from the President & Group CEO section (“Annual Report FY2022”), it was stated that the Group intends to launch three new projects with an estimated total GDV of RM725 million, namely VERSA, V-EIGHT (formerly referred to as VIIO) and VILUXE Phase 2 and Phase 3, catering to a wide spectrum of the community. VERSA had officially launched in July 2023. The Group remains on schedule to launch other projects, V-EIGHT and VILUXE Phase 2 within financial year 2024.

It was further stated in the Annual Report FY2022 that the Company's subsidiary, Aspen Glove Sdn. Bhd. ("AGSB") will adopt an asset-light business model which will confer greater flexibility, reduce operational costs and risk, and focus on value creation. As announced on 6 June 2023, the Lease Land and Factory Buildings were surrendered to Kulim Technology Park Corporation Sdn. Bhd. ("KTPC") pursuant to the Deed of Mutual Termination between AGBS and KTPC ("**Deed of Mutual Termination**"). Following the termination of the lease and surrender of the Lease Land and Factory Buildings to KTPC, AGBS had completely ceased operations and exited the healthcare business.

It was also stated in the Annual Report FY2022 that in relation to 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. With the easing of the Covid-19 pandemic restrictions, there has been a significant increase in people dining and patronising Kanada-Ya outlets in Singapore. This prospect statement has been met as the sales of the Group's food & beverage sector has improved.

The Company had issued a profit guidance whereby the Group is expected to report a consolidated net loss in respect of the financial year ended 30 June 2023 which was announced on 21 August 2023. The Group's financial results for the full year ended 30 June 2023 is in line with the profit guidance.

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

The recovery in the residential property market is expected to continue in 2023, albeit at a slower pace amid rising borrowing costs and growing inflationary pressure. In June 2023, the Ministry of Finance Malaysia had announced that the Malaysian Home Ownership Initiative ("**i-Miliki Initiative**") which offers stamp duty exemption to first-time homebuyers will be extended until the end of year 2023<sup>1</sup>. The objective of the i-Miliki Initiative was to stimulate the property market by encouraging home ownership among first-time home buyers during a time of rising borrowing cost and growing inflationary pressure.

Despite the headwinds facing the property sector, there has been a strong and continuing interest to buy the Group's development properties, especially the affordably priced properties at Aspen Vision City, Batu Kawan. The demand for property in Penang, Malaysia has improved, as underpinned by low level of inventory during the 2022 year end sales, 2023 Chinese New Year sales and 2023 mid year sales. As a result, the Group has managed to clear almost all inventories of completed projects and currently has an extremely low level of inventory.

In addition, the delivery of vacant possession of Vertu Resort and Beacon Executive Suites in financial year 2022 has significantly brought down the Group's gearing and stabilised the cash position of the group.

The Group's flagship development Aspen Vision City township has matured alongside rapid development in Batu Kawan as per the state government's strategic plan to establish Batu Kawan as

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<sup>1</sup> [https://www.mof.gov.my/portal/en/news/press-citations/first-time-house-buyers-to-continue-enjoying-stamp-duty-exemption-mof#:~:text=KUALA%20LUMPUR%2C%20June%209%20\(Bernama,the%20Finance%20Ministry%20\(MoF\)](https://www.mof.gov.my/portal/en/news/press-citations/first-time-house-buyers-to-continue-enjoying-stamp-duty-exemption-mof#:~:text=KUALA%20LUMPUR%2C%20June%209%20(Bernama,the%20Finance%20Ministry%20(MoF))

a catalyst of growth for Seberang Perai, Penang<sup>2</sup>. The Group will take advantage of the current market sentiment to gear up numerous new launches and is also expecting the completion of Viluxe Phase 1 in the 1<sup>st</sup> half of FY2024. Besides, the Group has launched Versa in July 2023 while other pipeline new projects, namely V-Eight and Viluxe Phase 2 are slated to be launched in FY2024, as scheduled.

As for the healthcare sector, following the termination of the lease and surrender of the Lease Land and Factory Buildings to KTPC, AGSB has completely ceased operations and exited the healthcare business.

Moving forward after divestment of the Group's non-core business, the Group will focus primarily on the property development segment which is expected to contribute positively to the earnings of the Group in FY2024.

## **6. Dividend**

### **(a) Current Financial Period Reported On:**

**Any dividend declared for the current financial period reported on?**

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

### **(b) Corresponding Period of the Immediately Preceding Financial Year:**

**Any dividend declared for the corresponding period of the immediately preceding financial year?**

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

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

Not applicable.

### **(d) Date payable:**

Not applicable.

### **(e) Books closure date:**

Not applicable.

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

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

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<sup>2</sup> <https://www.malaymail.com/news/malaysia/2022/06/03/batu-kawan-launchpad-for-growth-in-seberang-perai-says-penang-cm/10474>

**6.2 A breakdown of the total annual dividend (in dollar value) for the issuer's latest full year and its previous full year.**

Not applicable

**7. If the Group has obtained a general mandate from shareholders for Interested Person Transactions (“IPTs”), the aggregate value of such transactions as required under Rule 920(1)(a)(ii). If no IPT mandate has been obtained, a statement to that effect.**

The Company did not obtain any general mandate from shareholders of IPTs. The aggregate value of interested person transactions entered into during FY2023 are as follows:

Name of interested person	Nature of Relationship	Aggregate value of all interested person transaction during the financial period under review (excluding transactions less than S\$100,000 and transactions conducted under shareholders' mandate pursuant to Rule 920)	Aggregate value of all interested person transactions conducted under shareholders' mandate pursuant to Rule 920 (excluding transactions less than S\$100,000)
Vyramid Electrical Sdn. Bhd. (“ <b>Vyramid</b> ”) Sale of two property units	Vyramid is deemed an interested person as 51.0% interest in the issued share capital of Vyramid is held by Kumar a/l Manokharan, the brother of Dato' Murly a/l Manokharan, the Group's President and Group Chief Executive Officer.	<b>1. L21-10, Beacon Executive Suites</b> <u>Sale price</u> RM698,000.00 <u>Rebate/Discount</u> RM69,800.00 (10% rebate on Sale Price)  <b>2. L10-07, Beacon Executive Suites</b> <u>Sale price</u> RM770,000.00 <u>Rebate/Discount</u> RM77,000.00 (10% rebate on Sale Price)	-
Dato' Murly a/l Manokharan (“ <b>Dato' Murly</b> ”) and Datin Lee Ke Sin (“ <b>Datin Lee</b> ”)	Dato' Murly is deemed an interested person as he is an executive director and	<b>1. L27-5, Beacon Executive Suites</b> <u>Sale price</u> RM718,670.00 <u>Rebate/Discount</u>	-

Sale of two property units	Substantial shareholder of the Company and the Group's President and Group Chief Executive Officer. Datin Lee, who is the spouse of Dato' Murly, is deemed an interested person by virtue of her relationship with Dato' Murly.	RM71,867.00 (10% rebate on Sale Price)  <b>2. L27-06, Beacon Executive Suites</b> <u>Sale price</u> RM739,780.00 <u>Rebate/Discount</u> RM73,978.00 (10% rebate on Sale Price)	
Firmus Opportunity Fund VCC ("Firmus")	Dr Lim Su Kiat, the Non-Independent Non-Executive Director of the Company, is also a director of Firmus.	RM430,336.50, which is the interest of 10% per annum (net of any withholding tax or tax gross up) payable on an unsecured loan in the principal sum of \$1,500,000 granted by Firmus to the Company. <sup>(1)</sup>	-

<sup>(1)</sup> As at to-date, the loan has been fully repaid.

**8. Disclosure of person occupying a managerial position in the issuer or any of its principal subsidiaries who is a relative of a director or chief executive officer or substantial shareholder of the issuer pursuant to Rule 704(13)**

Name	Age	Family relationship with any director and/or substantial shareholder	Current position and duties, and the year the position was first held	Details of changes in duties and position held, if any, during the year
Dr. Prabakaran A/L Manokharan ("Dr. Prabakaran")	34	Dr. Prabakaran is the brother of Dato' Murly Manokharan (Executive Director, President, Group Chief Executive Officer and substantial shareholder of the Company).	Chief Operating Officer of Aspen Glove Sdn. Bhd. (Appointed on 10 September 2021), until cessation on 31 May 2023.	-

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

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

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

The Company had entered into subscription cum shareholders' agreement between KTPC and KHTP Assets Sdn. Bhd. during the six months ended 30 June 2023. The details can be found in the Company's announcement released on the date as stated.

No.	Joint venture	Date of announcement	Announcement Reference
1.	KHTP Assets Sdn. Bhd. (formerly known as Dynamic Tune Sdn. Bhd.)	6 June 2023	SG230606OTHR5BVX

Other than stated above, there were no acquisitions and realisation of shares during the six months ended 30 June 2023.

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

On behalf of the Board of Directors of the Company, we, the undersigned, hereby confirm to the best of our knowledge that nothing has come to the attention of the Board of Directors of the Company which may render the condensed interim financial statements for the six months and twelve months ended 30 June 2023 to be false or misleading in any material aspect.

**On behalf of the Board of Directors**

Dato' Seri Nazir Ariff Bin Mushir Ariff  
Executive Director

Dato' Murly Manokharan  
President & Group Chief Executive Officer

29 August 2023