



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

**RESPONSES TO QUESTIONS FROM SHAREHOLDERS IN RELATION TO THE
COMPANY'S ANNUAL GENERAL MEETING TO BE HELD ON 31 OCTOBER 2023**

The Board of Directors (the “**Board**”) of Aspen (Group) Holdings Limited (the “**Company**”, and together with its subsidiaries. “**Aspen**”) refers to:

- (i) the annual report of the Company for the financial year ended 30 June 2023 (the “**2023 Annual Report**”);
- (ii) the notice of Annual General Meeting (“**AGM**”) issued by the Company on 16 October 2023 informing shareholders that the Company’s AGM will be convened and held on at Orange Grove Room, Level 5, RELC International Hotel, 30, Orange Grove, Singapore 258352 on Tuesday, 31 October 2023 at 2:30 p.m. (Singapore time); and
- (iii) the letter to shareholders dated 16 October 2023 regarding the AGM of the Company to be held on 31 October 2023 setting out, *inter alia*, the alternative arrangements for shareholders’ participation at the AGM, in particular, the invitation for shareholders to submit questions in advance of the AGM.

The Company has received questions from its shareholders in respect of the 2023 Annual Report and the Board is pleased to provide the Company’s responses to these questions as set out below:

Question 1.

With all the divestments made in the FY, what will be the main revenue driver of the Company going forward?

Company’s Response:

The strategic divestment of Aspen’s non-core assets during the financial year had improved its cash position and enabled Aspen to refocus its resources and attention on its core property development business which will be the main revenue driver moving forward.

Aspen is on track for the completion of Phase 1 of its project, Viluxe, in the last quarter of 2023. Furthermore, Aspen has successfully launched another prominent project known as Versa in July 2023. Additionally, there are significant projects, including the development of a commercial hub and the scheduled launch of Phase 2 of Viluxe in 2024. These three projects collectively carry a substantial gross development value (GDV) of approximately RM600 million.

Aspen’s portfolio includes land banks at Batu Kawan, Tanjung Tokong and Tanjung Bungah in Penang and in Kajang, Selangor with a projected GDV of RM7.37 billion.

Furthermore, in relation to Aspen's flagship development, Aspen Vision City ("AVC") at Batu Kawan, Penang, Malaysia:

- (i) the acquisition of the AVC land has been completed (as announced by the Company on 3 October 2019) and the purchase price for the said land has been fully settled;
- (ii) all infrastructure works for the entire 247-acre development in AVC are completed through internal funding without reliance on external loans; and
- (iii) there is only an aggregate amount of approximately RM94 million of term loans granted by financial institutions remaining to be settled as of 25 October 2023. Aspen is on track to fully settle the term loans in accordance with the repayment schedules with the completion of its Viluxe (Phase 1), Vivo, Versa, Viluxe (Phase 2) and the commercial hub projects. These factors would improve Aspen's cash flow.

The low gearing, completed infrastructure works in AVC and expected increase in psf prices for its undeveloped land parcel in light of the growing demand in the property sector, would contribute positively towards earnings moving forward.

In addition, Aspen also wishes to highlight the Company's subsidiary, KHTP Assets Sdn. Bhd.'s recurring income of RM9.6 million per annum, subject to yearly increments from the 3rd year, via its entry to a sub-lease agreement for a tenure of up to 20 years as announced by the Company on 6 June 2023. This provides an additional source of steady revenue contributor to Aspen.

Aspen acknowledges the inherent sensitivity to market conditions and external factors, and remains vigilant and adaptable, particularly in the face of global economic volatility and the ongoing conflicts in Europe. Nevertheless, Aspen's low gearing reflects its financial prudence to mitigate potential risks and continue its path to sustained growth.

Question 2.

Should directors' fees be cut since the shareholders are also not getting any dividends?

Company's Response:

The Directors' fees are in relation to their exercise of oversight and diligence as well as the commitment and efforts expended by the Directors and where applicable as Board committee members. The Company wishes to highlight that there has been no increase to the Directors' fees since their respective appointments to the Board, notwithstanding the increasing responsibilities and duties of the Directors arising from more governance, regulatory and listing compliances. The Company had determined, in consultation with the Remuneration Committee, to retain the Directors' fee as is, taking into account the following:

- (i) the experience, expertise, background of the directors and their past & present contributions;
- (ii) management's assessment of the financial position of the Company;
- (iii) industry benchmarks; and
- (iv) the additional time spent, leadership and guidance provided by the Directors to steer Aspen through the significant challenges and uncertain economic conditions caused by the Covid-19 pandemic.

Subject to the performance of the Company in the upcoming financial year, appropriate review will be conducted and adjustment to the Director's fees may be taken where necessary, which has been agreed by the Board.

With regards to dividend payout, the Board will assess, *inter alia*, the Company's cash reserves and funds required for its operations and investment for its projects before considering any possible dividend payout. The Company currently does not have a fixed dividend policy. The form, frequency and amount of dividends that the Board may recommend or declare in respect of any particular financial year or period are subject to various other factors including the level of cash and retained earnings of the Company.

Question 3.

Why are the Directors' fees so much? Reasons?

Company's Response:

Please refer to the Company's Response to Question 2.

BY ORDER OF THE BOARD

Aspen (Group) Holdings Limited

Dato' Murly Manokharan
President and Group Chief Executive Officer
26 October 2023