

**PRESS RELEASE - FOR IMMEDIATE RELEASE**

## **Aspen Records Revenue Of RM54 Million In 3Q FY2019**

- *3Q FY2019 revenue derived mainly from Vertu Resort and Beacon Executive Suites following the completion of Tri Pinnacle and Vervea by early 2019*
- *Construction progressing well at Vertu Resort and Beacon Executive Suites, with both projects achieving high sales level*
- *The new IKEA Batu Kawan at Aspen Vision City is attracting high shopping traffic and serves as a strong anchor in building a vibrant community at Aspen Vision City*
- *Three new residential projects at Aspen Vision City: Vivo Executive Apartment, Vogue Lifestyle Residence and Viluxe are well received by purchasers. Their construction from early 2020 will expand the Group's revenue base to five projects in FY2020*
- *The Board declared an interim dividend of 0.342 Singapore cent per share*

**Singapore, 14 November 2019** – Aspen (Group) Holdings Limited (“Aspen” and together with its subsidiaries, the “Group”), co-developer of Aspen Vision City at Batu Kawan Penang with IKEA Southeast Asia, today announced its results for the third quarter ended 30 September 2019.

### **3Q FY2019 Results Review**

The Group reported a revenue of RM54.5 million in 3Q FY2019. Following the completion of Tri Pinnacle and Vervea by early 2019, the quarter's revenue was derived from the **Aspen Group**

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progressive construction of Vertu Resort and Beacon Executive Suites, as well as new sales at both developments during the quarter. Construction of Vertu Resort and Beacon Executive Suites is progressing on schedule and both projects have achieved a high level of sales. Incremental new sales at Tri Pinnacle and Vervea have also added to group revenue in 3Q FY2019. Depending on the number of ongoing projects, their sales and the pace of construction, revenue from property developments can vary from quarter to quarter.

Quarter on quarter, administrative expenses remained stable while higher selling and distribution expenses were incurred for increased advertisement and promotional activities as well as higher marketing and show house expenses for Viluxe, Vogue Lifestyle Residence and Vivo Executive Apartment. After deducting the minority interest of IKEA Southeast Asia, our co-developer of Aspen Vision City (AVC), net profit attributable to shareholders of the Company amounted to RM3.0 million in 3Q FY2019. The Group declared an interim dividend of 0.342 Singapore cent per share.

IKEA Batu Kawan is attracting high shopping traffic to Aspen Vision City (AVC). The IKEA Store is serving as a strong anchor in building a vibrant community at AVC, and this community will be well supported when residential projects at AVC are progressively completed and launched.

## **Prospects**

The Malaysian government has introduced new measures to stimulate the soft property market in the recent Budget 2020<sup>1</sup>. To enhance demand for residential properties, various schemes will be introduced to assist property buyers to secure housing loans. In addition, the foreign buyers threshold limit for condominiums and apartments for urban areas will be reduced from RM1,000,000 to RM600,000 in 2020. These government led house ownership measures should help to sustain the sales momentum in the near term.

To capitalise on overseas demand for Malaysian properties, the Group has expanded its sales activities to Hong Kong since September 2019. Vervea and Vertu Resort have been offered

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<sup>1</sup> <http://www.bnm.gov.my/documents/budget/bs2020.pdf>

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to the Hong Kong market and to-date, the response has been good. The Group intends to market Beacon Executive Suites, Vogue Lifestyle Residence and Viluxe in Hong Kong soon.

Well supported by excellent infrastructure, the success of IKEA Batu Kawan is focusing attention on AVC. The first phase of the integrated shopping centre, linked directly to the IKEA Store, is currently 95% leased with a total leasable area of more than 80,000 sf. It is expected to open on 12 December 2019 and will add to the vibrancy of the shopping destination. Also opening from end 2019 will be the Vervea Trade and Exhibition Centre (VTEC) and The Upper House hotel at Vervea. VTEC is a 38,000 sf exhibition centre comprising versatile event halls, function rooms, food preparation and service areas that can cater to large scale trade fairs and events. Supporting VTEC and the nearby high-tech industrial park is the 89-room hotel targeting business and leisure travellers. With the other tenants at Vervea expected to open for business over the next few months, AVC will be the destination of choice for working residents and visiting shoppers in the whole of Penang.

Based on the current construction schedule, both ongoing residential projects Vertu Resort and Beacon Executive Suites are expected to complete by end 2020. The completion of Vertu Resort is expected to welcome a few thousand new residents to AVC. The Group is capitalising on the increasingly vibrant community at AVC to begin the construction of three new residential projects there: Vivo Executive Apartment, Vogue Lifestyle Residence and Viluxe. These new projects have been well received by purchasers and their construction from early 2020 will expand the revenue base of the Group from two projects to five projects in FY2020.

The three new residential projects at AVC are designed with affordability in mind, averagely priced from RM400,000 is appealing to a broad spectrum of the population. To-date, the response from purchasers has been encouraging. The Group is preparing to launch Viio at AVC and Aspen Park Hills at Ayer Itam in FY2020. The medium price ranged apartments are expected to appeal to the first-time home buyers as well as upgraders living in older apartments in the vicinity.

Recent investments in the food & beverage industry is expected to contribute to revenue in the medium to long term. The Group will continue to leverage its financial strength and strong

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liquidity position to explore new investment opportunities for growth as well as review fund raising options to finance its strategic plans.

This press release should be read in conjunction with Aspen's 3Q FY2019 results announcement released on 14 November 2019 on the SGXNET.

### **About Aspen (Group) Holdings Limited**

Listed on the SGX-Catalist in 2017, Aspen (Group) Holdings Limited is a Malaysia-based property group developing residential and mixed development properties at strategic locations with good infrastructure and amenities at affordable price points. The Group's flagship project, Aspen Vision City, a 245-acres freehold mixed development project well-located in Bandar Cassia, Batu Kawan - Penang's third satellite city, is a joint-partnership with IKEA Southeast Asia. With a gross development value of over RM13 billion, of which the Group has launched over RM2.17 billion of properties; Aspen Vision City features the first IKEA Store in the Northern Region of Malaysia and a state-of-the-art regional integrated shopping centre. In addition, the Group also has several property developments in Penang Island and Central Region of Malaysia, which captured a total gross development value of over RM2.5 billion. Combining its vision and powered by a dynamic team, Aspen Group is poised to make a significant impact in the marketplace and soar to greater heights in the years to come. For more information about the Group and its projects, please visit <http://aspen.sg>.


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*This press release has been prepared by the Company and its contents have been reviewed by the Company's sponsor, PrimePartners Corporate Finance Pte. Ltd. (the "Sponsor") in accordance with Rules 226(2)(b) and 753(2) of the Singapore Exchange Securities Trading Limited (the "SGX-ST") Listing Manual Section B: Rules of Catalist.*

*This press release has not been examined or approved by the SGX-ST. The SGX-ST assumes no responsibility for the contents of this press release, including the correctness of any of the statements or opinions made or reports contained in this press release.*

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