ASPEN GROUP

Redefine Living

Aspen's revenue grows 246% year-on-year in 2Q FY2017; formalises dividend policy for the Group

- **Bolstered by strong revenue growth of 246% to RM70.0 million, mainly due to Tri Pinnacle and Vervéa**
- **Dividend policy of not less than 20% of the Group's annual consolidated profit after tax and non-controlling interest approved by the Board of Directors**
- **Aspen Vision City progressing on track, with take up rates underpinned by healthy macroeconomic factors**
- **Outlook remains positive, with growth expected to be boosted by its total unbilled sales of RM1 billion as of June 2017**

SINGAPORE, 7 September 2017 – **Aspen (Group) Holdings Limited** ("**Aspen**" and together with its subsidiaries, the "**Group**"), a Malaysia-based property development group focused on developing affordable residential and mixed development properties at strategic locations with quality infrastructure and amenities which target middle-income mass market purchasers, today announced it had achieved net profit attributable to shareholders of RM13.4 million for the three months ending 30 June 2017 ("**2Q FY2017**"), a reversal from the net loss position a year ago.

Revenue grew 246% year-on-year to RM70.0 million, mainly due to advance progress of its on-going projects, Tri Pinnacle and Vervéa. Tri Pinnacle, Aspen's first affordable homes development, has received good response since it was launched, with 82.3% of units sold as at 30 June 2017. Vervéa, the first phase of the Group's flagship development, Aspen Vision City, has recorded 83.5% of units sold as at 30 June 2017.

In view of its objective of delivering shareholder returns on a consistent basis, the Board today approved a dividend policy of annual dividend payouts of not less than 20% of the Group's annual consolidated profit after tax and non-controlling interest, commencing in FY2018.

Commenting on the results, Dato' M. Murly, President and Group Chief Executive Officer said, "The Group's strong performance over the past two years are paying off. We are greatly encouraged by our results this quarter, and we are poised to take on new challenges. The Group will continue to strive towards fulfilling our commitment of delivering quality residential and mixed-developments at affordable prices, to enrich lives and enhance lifestyles.

In line with increased revenue, 2Q FY2017 gross profit was higher at RM32.6 million. Gross profit margin improved from 35.4% in 2Q FY2016 to 46.6% in 2Q FY2017, as construction of the projects progressed.

Operating expenses in 2Q FY2017 was RM11.1 million, mainly due to higher administrative expenses, partially offset by lower selling and distribution expenses. The Group incurred higher administrative expenses mainly due to the increase in manpower and office facilities in order to facilitate expansion initiatives. Selling and distribution expenses were lower in 2Q FY2017 as the Group had rolled out more sales and marketing initiatives in 2Q FY2016 relating to the launch of its Vertu Resort and Beacon Executive Suites projects.

Net profit attributable to shareholders was RM13.4 million in 2Q FY2017, compared with a net loss of RM0.8 million in 2Q FY2016.

Financial Position

The financial position of the Group remains healthy. Aspen's net assets was RM95.4 million as at 30 June 2017, compared with RM40.9 million as at 31 December 2016. This translated into net asset value per share of 11.0 RM cents as at 30 June 2017.

Non-current assets amounted to RM118.9 million as at 30 June 2017, mainly comprising property, plant and equipment of RM46.8 million, land rights of RM30.2 million and investment in associate of RM25.9 million. Current assets amounted to RM445.1 million, comprising mainly development properties of RM222.7 million and cash and cash equivalents of RM94.2 million. Development properties increased by RM28.9 million during the period mainly due to the acquisition of development land in Aspen Vision City and the increase in property development costs for on-going projects.

Non-current liabilities as at 30 June 2017 amounted to RM104.5 million, comprising mainly deferred income of RM74.1 million and loans and borrowings of RM16.6 million. Current liabilities amounted to RM357.3 million, comprising mainly contract liabilities of RM166.8 million and trade and other payables of RM116.2 million. Contract liabilities represent the progress billings in excess of the cost incurred and profits recognised.

Business Outlook

As at 30 June 2017, the Group has total unbilled sales amounting to RM1 billion. Outlook remains positive, underpinned by continued growth in the Malaysian economy. Coupled with an increasing population, growing workforce, low unemployment and an expanding middle-income group, demand for housing from the lower- to middle-income group is expected to remain robust. To alleviate the shortage of affordable homes and promote affordable home ownership, the Malaysian Government has introduced several policies. The Group believes that it stands to benefit from such initiatives, given its focus on providing affordable homes in strategic growth areas with quality infrastructure and amenities in its upcoming new launches.

On top of that, Aspen Vision City is located in Batu Kawan, which is earmarked as the third satellite township of Penang. Construction of Vervéa, which comprises commercial units, a boutique hotel, a multi-storey carpark, drive-through and petrol stations, continues to progress as planned, with handover to purchasers expected to take place in 3Q FY2018. Vertu Resort, consisting of five residential blocks, was launched in December 2016 and has recorded 59.7% of units sold as at 30 June 2017. Vertu Resort is slated for completion in 4Q FY2020.

The key highlights at Aspen Vision City include the Northern Region's first IKEA store, a regional integrated shopping centre and Columbia Asia Medical Centre. The construction of the IKEA store commenced early this year and is set for operation in 1Q FY2019. Columbia Asia Medical Centre has also commenced its preliminary construction and is expected to complete in 4Q FY2018.

The Group will continue to seek opportunities to acquire new land banks and carry out new developments, expand regionally with its strategic partners, focus on mass market residential and mixed developments, as well as leverage on existing developments to expand into new business segments which generate streams of annuity income.

~~ End ~~

This media release is to be read in conjunction with the Company's announcement posted on the website of the SGX-ST on 7 September 2017.

Issued on behalf of **Aspen (Group) Holdings Limited** by:

Waterbrooks Consultants Pte Ltd
Tel: +65 6100 2228
Lynette Tan (M): +65 9687 2023 lynette@waterbrooks.com.sg
Angeline Cheong (M): +65 9666 0977 angeline@waterbrooks.com.sg

---

Aspen Group
Aspen House, 300, Jalan Macalister, 10450 George Town, Penang
Tel: +604- 227 5000 Fax: +604- 227 5000 aspen.com.my | aspen.sg
E: corporate@aspen.com.my / myaspengroup / aspengroup.my

The contact person for the Sponsor is Ms. Jennifer Tan, Senior Manager (Mailing Address: 16 Collyer Quay, #10-00 Income at Raffles, Singapore 049318, and e-mail: sponsorship@ppcf.com.sg).