
Unaudited Financial Statement and Dividend Announcement
For the third quarter and the nine months ended 30 September 2017

Aspen (Group) Holdings Limited (the “**Company**”) was incorporated in the Republic of Singapore on 22 December 2016 under the Companies Act (Chapter 50) of Singapore as a private limited company. The Company and its subsidiaries (the “**Group**”) were formed pursuant to a restructuring exercise (the “**Restructuring Exercise**”) prior to the initial public offering and its listing on the Catalist of the Singapore Exchange Securities Trading Limited (“**SGX-ST**”) on 28 July 2017. The Restructuring Exercise was completed on 21 June 2017. Please refer to the Company’s Offer Document dated 19 July 2017 (the “**Offer Document**”) for further details on the Restructuring Exercise.

The combined financial statements of the Group for the financial year ended 31 December 2016 have been presented as if the Group had been in existence since then and the assets and liabilities of the combining entities are brought into the combined financial statements at their existing carrying amounts. The retained earnings recognised in the combined financial statements are the retained earnings of Aspen Vision All Sdn Bhd. Any difference between the consideration paid/transferred and the share capital of the subsidiary is reflected within the equity as merger reserve.

PART I – INFORMATION REQUIRED FOR ANNOUNCEMENT OF QUARTERLY (Q1, Q2 & Q3) AND NINE-MONTHS RESULTS

1(a)(i) An income statement and statement of comprehensive income, or a statement of comprehensive income (for the group) together with a comparative statement for the corresponding period of the immediately preceding financial year

	Note	Group		%	Group		%
		3 Months Ended	3 Months Ended		9 Months Ended	9 Months Ended	
		30.09.17	30.09.16	Change	30.09.17	30.09.16	Change
		RM'000	RM'000		RM'000	RM'000	
Revenue	8a(i)	137,920	22,817	504	245,948	55,513	343
Cost of sales	8a(ii)	(82,606)	(14,345)	476	(140,945)	(35,741)	294
Gross profit		<u>55,314</u>	<u>8,472</u>	553	<u>105,003</u>	<u>19,772</u>	431
Other income	8a(iii)	929	48	1,835	1,119	367	205
Administrative expenses	8a(iv)	(12,972)	(3,535)	267	(27,167)	(10,577)	157
Selling and distribution expenses	8a(v)	(2,008)	(2,465)	(19)	(7,211)	(8,675)	(17)
Other operating expenses	8a(vi)	(71)	-	100	(71)	-	100
Results from operating activities		<u>41,192</u>	<u>2,520</u>	1,535	<u>71,673</u>	<u>887</u>	7,980
Finance income	8a(vii)	1,050	342	207	1,746	994	76
Finance costs	8a(viii)	(489)	(1,023)	(52)	(1,335)	(2,675)	(50)
Net finance income/(costs)		<u>561</u>	<u>(681)</u>	182	<u>411</u>	<u>(1,681)</u>	124
Share of (loss)/profit of associates, net of tax		(3)	(243)	99	9	(255)	104
Profit/(Loss) before tax		<u>41,750</u>	<u>1,596</u>	2,516	<u>72,093</u>	<u>(1,049)</u>	6,973
Tax expense	8a(ix)	(12,203)	(291)	4,093	(20,517)	(1,001)	1,950
Profit/(Loss) for the period		<u>29,547</u>	<u>1,305</u>	2,164	<u>51,576</u>	<u>(2,050)</u>	2,616
Profit/(Loss) attributable to:							
Equity holders of the Company		24,947	1,076	2,218	43,441	(1,763)	2,564
Non-controlling interest		4,600	229	1,909	8,135	(287)	2,934
		<u>29,547</u>	<u>1,305</u>	2,164	<u>51,576</u>	<u>(2,050)</u>	2,616

1(a)(ii) Notes to Consolidated Statement of Comprehensive Income

	Note	Group 3 Months Ended		Group 9 Months Ended	
		30.09.17 RM'000	30.09.16 RM'000	30.09.17 RM'000	30.09.16 RM'000
Profit before tax is arrived at:					
After crediting					
Interest income	8a(vii)	1,050	342	1,746	994
Gain on disposal of property, plant and equipment		-	-	85	-
Amortisation of deferred income	8a(ii)	8,381	3,635	18,921	6,897
And after charging:					
Depreciation of property, plant and equipment	8a(iv)	1,473	738	3,985	1,863
Interest expense	8a(viii)	489	1,023	1,335	2,675
Listing expenses	8a(iv)	7,031	-	7,031	-
Payroll expenses	8a(iv)	2,308	1,110	6,634	3,072
Unrealised loss from downstream income from Associate		24	-	24	-
Write off of property, plant and equipment	8a(vi)	71	-	71	-

1(b)(i) A statement of financial position (for the issuer and group), together with a comparative statement as at the end of the immediately preceding financial year

	Note	Group		Company	
		30.09.17 RM'000	31.12.16 RM'000	30.09.17 RM'000	31.12.16 RM'000
Non-current assets					
Property, plant and equipment		59,061	44,771	-	-
Land rights		30,196	30,782	-	-
Investment in subsidiary		-	-	78,809	44,598
Investment in associate		43,312	22,177	-	-
Deferred tax assets		13,618	9,415	-	-
	8b(i)	<u>146,187</u>	<u>107,145</u>	<u>78,809</u>	<u>44,598</u>
Current assets					
Development properties		206,072	193,787	-	-
Inventories		99,703	99,703	-	-
Trade and other receivables		83,007	25,422	107,778	-
Cash and cash equivalents		161,083	103,383	11,912	-
	8b(ii)	<u>549,865</u>	<u>422,295</u>	<u>119,690</u>	<u>-</u>
Total assets		<u><u>696,052</u></u>	<u><u>529,440</u></u>	<u><u>198,499</u></u>	<u><u>44,598</u></u>
Current liabilities					
Trade and other payables		137,263	125,099	2,706	-
Contract liabilities		138,580	139,439	-	-
Loans and borrowings		42,788	73,367	-	-
Current tax liabilities		16,011	4,126	-	-
		<u>334,642</u>	<u>342,031</u>	<u>2,706</u>	<u>-</u>
Non-current liabilities					
Loans and borrowings		26,009	45,339	-	-
Deferred income		65,765	84,686	-	-
Deferred tax liabilities		13,588	13,094	-	-
		<u>105,362</u>	<u>143,119</u>	<u>-</u>	<u>-</u>
Total liabilities	8b(iii)	<u>440,004</u>	<u>485,150</u>	<u>2,706</u>	<u>-</u>
Equity					
Share capital		168,566	46,272	168,566	46,272
Reserves		75,969	(5,360)	27,227	(1,674)
Equity attributable to owners of the Company		<u>244,535</u>	<u>40,912</u>	<u>195,793</u>	<u>44,598</u>
Non-controlling interests		11,513	3,378	-	-
Total equity		<u>256,048</u>	<u>44,290</u>	<u>195,793</u>	<u>44,598</u>
Total equity and liabilities		<u><u>696,052</u></u>	<u><u>529,440</u></u>	<u><u>198,499</u></u>	<u><u>44,598</u></u>

1(b)(iii) Aggregate amount of group's borrowings and debt securities**Amount repayable in one year or less, or on demand**

As at 30.09.17 Unaudited		As at 31.12.16 Audited	
Secured RM'000	Unsecured RM'000	Secured RM'000	Unsecured RM'000
42,788	-	73,367	-

Amount repayable after one year

As at 30.09.17 Unaudited		As at 31.12.16 Audited	
Secured RM'000	Unsecured RM'000	Secured RM'000	Unsecured RM'000
16,609	9,400	2,396	42,943

Details of any collateral

The loans and borrowings are secured by the freehold land, fixed and floating charges over certain subsidiaries' present and future assets and undertakings, fixed deposits placed by the subsidiaries, pledge of unquoted shares of a subsidiary, deed of assignment of benefits of certain contract proceeds, joint and several guarantee by certain directors of the subsidiaries.

1(c) A statement of cash flows (for the group), together with a comparative statement for the corresponding period of the immediately preceding financial year.

Consolidated Statement of Cash Flows

	Group 3 Months Ended		Group 9 Months Ended	
	30.09.17 RM'000	30.09.16 RM'000	30.09.17 RM'000	30.09.16 RM'000
Cash flows from operating activities				
Profit/(Loss) before tax	41,750	1,596	72,093	(1,049)
Adjustments for:				
Depreciation of property, plant and equipment	1,473	738	3,985	1,863
Gain on disposal of property, plant and equipment	-	-	(85)	-
Amortisation of deferred income	(8,381)	(3,635)	(18,921)	(6,897)
Interest expense	489	1,023	1,335	2,675
Interest income	(1,050)	(342)	(1,746)	(994)
Listing expenses	7,031	-	7,031	-
Share of results of equity-accounted investees	3	243	(9)	255
Unrealised loss from downstream income from Associate	24	-	24	-
Write off of property, plant and equipment	71	-	71	-
	<u>41,410</u>	<u>(377)</u>	<u>63,778</u>	<u>(4,147)</u>
Changes in development properties	16,607	(52,569)	(11,399)	(42,846)
Changes in trade and other receivables	(54,986)	(8,080)	(61,732)	(12,234)
Changes in trade and other payables	21,046	40,332	14,578	51,495
Changes in contract liabilities	(28,214)	(17,905)	(859)	43,219
Cash (used in)/ generated from operations	<u>(4,137)</u>	<u>(38,599)</u>	<u>4,366</u>	<u>35,487</u>
Tax paid	(3,701)	(1,822)	(8,194)	(5,710)
Net cash (used in)/ generated from operating activities	<u>(7,838)</u>	<u>(40,421)</u>	<u>(3,828)</u>	<u>29,777</u>
Cash flows from investing activities				
Acquisition of property, plant and equipment	(13,830)	(670)	(18,058)	(7,160)
Proceeds from disposal of property, plant and equipment	-	-	362	-
Interest received	1,050	342	1,746	994
Additions of investment in associates	(17,400)	(5,100)	(21,150)	(5,700)
Net cash used in investing activities	<u>(30,180)</u>	<u>(5,428)</u>	<u>(37,100)</u>	<u>(11,866)</u>

Consolidated Statement of Cash Flows

	Group		Group	
	3 Months Ended		9 Months Ended	
	30.09.17	30.09.16	30.09.17	30.09.16
	RM'000	RM'000	RM'000	RM'000
Cash flows from financing activities				
Proceeds from issuance of shares	128,418	-	128,418	-
Listing expenses	(11,224)	-	(11,224)	-
Fixed deposit pledged to a financial institution	(1,395)	(856)	(2,576)	(902)
Proceeds from drawdown of revolving credit	-	-	21,000	-
Proceeds from drawdown of term loans and bridging loans	28,718	12,075	34,960	12,075
Repayment of term loans and bridging loans	(34,090)	(5,117)	(56,431)	(46,074)
Repayment of finance lease liabilities	(191)	(153)	(898)	(422)
Repayment of revolving credit	(6,225)	-	(15,570)	(6,230)
Interest paid	(481)	(257)	(1,627)	(1,545)
Net cash from/(used in) financing activities	103,530	5,692	96,052	(43,098)
Net increase/(decrease) in cash and cash equivalents	65,512	(40,157)	55,124	(25,187)
Cash and cash equivalents at the beginning of financial period	90,034	72,524	100,422	57,554
Cash and cash equivalents at end of the financial period	155,546	32,367	155,546	32,367

Cash and cash equivalents included in the statement of cash flows comprise the following statement of financial position amounts:

	Group	
	30.09.17	30.09.16
	RM'000	RM'000
Cash and cash equivalents	161,083	36,142
Less: Fixed deposits pledged to financial institutions	(5,537)	(3,775)
	155,546	32,367

1(d)(i) A statement (for the issuer and group) showing either (i) all changes in equity or (ii) changes in equity other than those arising from capitalisation issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year

Statement of Changes in Equity

Group	Share capital RM'000	Other reserves RM'000	Merger reserves RM'000	(Accumulated losses)/ Retained earnings RM'000	Total RM'000	Non- controlling interests RM'000	Total equity RM'000
At 1 January 2017	46,272	1,228	(1,674)	(4,914)	40,912	3,378	44,290
Profit for the period representing total comprehensive income for the period	-	-	-	5,126	5,126	1,295	6,421
At 31 March 2017	46,272	1,228	(1,674)	212	46,038	4,673	50,711
Profit for the period representing total comprehensive income for the period	-	-	-	13,368	13,368	2,240	15,608
Adjustment pursuant to restructuring exercise	(1,931)	(1,228)	39,116	-	35,957	-	35,957
At 30 June 2017	44,341	-	37,442	13,580	95,363	6,913	102,276
Profit for the period representing total comprehensive income for the period	-	-	-	24,947	24,947	4,600	29,547
Issuance of New Shares pursuant to IPO	128,418	-	-	-	128,418	-	128,418
Capitalisation of listing expenses	(4,193)	-	-	-	(4,193)	-	(4,193)
At 30 September 2017	168,566	-	37,442	38,527	244,535	11,513	256,048

Statement of Changes in Equity

Group	Share capital RM'000	Other reserves RM'000	Merger reserves RM'000	(Accumulated losses)/ Retained earnings RM'000	Total RM'000	Non- controlling interests RM'000	Total equity RM'000
At 1 January 2016	36,272	1,228	(1,674)	(4,608)	31,218	3,470	34,688
Loss for the period representing total comprehensive income for the period	-	-	-	(2,088)	(2,088)	(156)	(2,244)
At 31 March 2016	36,272	1,228	(1,674)	(6,696)	29,310	3,314	32,444
Loss for the period representing total comprehensive income for the period	-	-	-	(751)	(751)	(360)	(1,111)
At 30 June 2016	36,272	1,228	(1,674)	(7,447)	28,379	2,954	31,333
Profit for the period representing total comprehensive income for the period	-	-	-	1,076	1,076	229	1,305
At 30 September 2016	36,272	1,228	(1,674)	6,371	29,455	3,183	32,638

Statement of Changes in Equity

Company	Share capital RM'000	Merger reserves RM'000	Accumulated losses RM'000	Total equity RM'000
At 1 January 2017/31 March 2017	46,272	(1,674)	-	44,598
Loss for the period representing total comprehensive income for the period	-	-	(7)	(7)
Adjustment pursuant to restructuring exercise	(1,931)	36,142	-	34,211
At 30 June 2017	44,341	34,468	(7)	78,802
Loss for the period representing total comprehensive income for the period	-	-	(7,234)	(7,234)
Issuance of New Shares pursuant to IPO	128,418	-	-	128,418
Capitalisation of listing expenses	(4,193)	-	-	(4,193)
At 30 September 2017	168,566	34,468	(7,241)	195,793

Company	Share capital RM'000	Merger reserves RM'000	Accumulated losses RM'000	Total equity RM'000
At 1 January 2016/31 March 2016/30 June 2016/30 September 2016	36,272	(1,674)	-	34,598

1(d)(ii) Details of any changes in the company's share capital arising from rights issue, bonus issue, share buy-backs, exercise of share options or warrants, conversion of other issues of equity securities, issue of shares for cash or as consideration for acquisition or for any other purpose since the end of the previous period reported on. State the number of shares that may be issued on conversion of all the outstanding convertibles, if any, against the total number of issued shares excluding treasury shares and subsidiary holdings of the issuer, as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year. State also the number of shares held as treasury shares and the number of subsidiary holdings, if any, and the percentage of the aggregate number of treasury shares and subsidiary holdings held against the total number of shares outstanding in a class that is listed as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year.

Share Capital – Ordinary Shares

	No. of issued shares	Issued and paid-up capital RM
Balance as at 30 June 2017	13,000,000	44,340,731
Share split	689,000,000	44,340,731
Issue of New Shares to Sponsor	4,347,900	3,118,853
Issue of New Shares pursuant to IPO	173,270,000	125,298,988
Capitalisation of listing expenses	-	(4,193,047)
Balance as at 30 September 2017	<u>866,617,900</u>	<u>168,565,525</u>

The Company did not have any outstanding options, convertibles or treasury shares as at 30 September 2017 and 30 September 2016. There were no subsidiary holdings as at 30 September 2017 and 30 September 2016.

1(d)(iii) To show the total number of issued shares excluding treasury shares as at the end of the current financial period and as at the end of the immediately preceding year

	30.09.17	31.12.16
Total number of issued shares (excluding treasury shares)	<u>866,617,900</u>	<u>10</u>

There were no treasury shares as at 30 September 2017 and 31 December 2016.

1(d)(iv) A statement showing all sales, transfers, cancellation and/or use of treasury shares as at the end of the current financial period reported on.

Not applicable. There were no treasury shares during and as at the end of the current financial period reported on.

1(d)(v) A statement showing all sales, transfers, cancellation and/or use of subsidiary holdings as at the end of the current financial period reported on.

Not applicable. There were no subsidiary holdings during and as at the end of the current financial period reported on.

2. Whether the figures have been audited or reviewed, and in accordance with which auditing standard or practice

The figures have not been audited or reviewed by the auditors of the Company.

3. Where the figures have been audited or reviewed, the auditors' report (including any qualifications or emphasis of a matter)

Not applicable.

4. Whether the same accounting policies and methods of computation as in the issuer's most recently audited annual financial statements have been applied

Except as disclosed in paragraph 5 below, the accounting policies and methods of computation adopted in the financial statements for the current reporting period are consistent with those disclosed in the audited combined financial statements for the financial year ended 31 December 2016 as set out in the Offer Document.

5. If there are any changes in the accounting policies and methods of computation, including any required by an accounting standard, what has changed, as well as the reasons for, and the effect of, the change

The Group has adopted all the applicable new and revised Financial Reporting Standards ("FRS") and Interpretations of Financial Reporting Standards ("INT FRS") in Singapore that are mandatory for the accounting periods beginning on or after 1 January 2017. The adoption of these new and revised FRS and INT FRS did not result in any substantial change to the Group's and the Company's accounting policies and has no significant impact on the financial statements for the current financial reporting period.

6. Earnings per ordinary share of the group for the current period reported on and the corresponding period of the immediately preceding financial year, after deducting any provision for preference dividends

	Group 3 Months Ended		Group 9 Months Ended	
	30.09.17	30.09.16	30.09.17	30.09.16
Profit/(Loss) attributable to equity holders of the Company (RM'000)	24,947	1,076	43,441	(1,763)
Weighted average number of ordinary shares ('000) ⁽¹⁾	302,846	302,846	302,846	302,846
Basic and diluted earnings/(loss) per share (RM cents) ⁽²⁾	8.24	0.36	14.34	(0.58)

Notes:

1) For comparative purposes, the EPS for the respective financial periods have been computed based on share capital of 302,845,603 shares assuming the Restructuring Exercise has been completed as at 1 January 2016.

2) The basic and diluted earnings/(loss) per share are the same as the Company did not have any potentially dilutive instruments for the respective financial periods.

7. **Net asset value (for the issuer and group) per ordinary share based on the total number of issued shares excluding treasury shares of the issuer at the end of the**
(a) Current period reported on; and
(b) Immediately preceding financial year

	Group		Company	
	30.09.17	31.12.16	30.09.17	31.12.16
Net asset value (RM'000)	244,535	40,912	195,793	44,598
Number of ordinary shares in issue ('000) ⁽¹⁾	866,618	693,348	866,618	693,348
Net asset value per ordinary share (RM cents) ⁽¹⁾	28.22	5.90	22.59	6.43

Note:

- 1) For comparative purposes, the net asset value per share for the financial periods ended 30 September 2017 and 31 December 2016 are presented based on the post initial public offering ("IPO") and pre-IPO share capital of 866,617,900 and 693,347,900 ordinary shares respectively.

8. **A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. The review must discuss:-**
(a) any significant factors that affected the turnover, costs, and earnings of the group for the current financial period reported on, including (where applicable) seasonal or cyclical factors; and

Review for the performance of the Group for the 3 months ended 30 September 2017 ("3Q FY2017") as compared to the previous corresponding quarter ended 30 September 2016 ("3Q FY2016").

**Consolidated Statement of Comprehensive Income
3Q FY2017 compared to 3Q FY2016**

- (i) **Revenue**
The Group recorded revenue of RM137.92 million for 3QFY2017, an improvement of 504% as compared to the previous corresponding quarter. This is due to further progress of our ongoing projects, Tri Pinnacle and Vervéa. In addition, the completion of sale of land for a private medical centre as announced on 3 August 2017 and the construction of the Vertu Resort project which commenced in the current quarter have also contributed to the higher revenue.
- (ii) **Cost of sales**
Cost of sales increased by 476% to RM82.61 million in 3Q FY2017 as a result of the increase in construction activities for the Tri Pinnacle, Vervéa and Vertu Resorts projects and the completion of sale of land for a private medical centre. Deferred income on housing quotas are amortised to profit or loss based on the construction progress of the Tri Pinnacle project.
- (iii) **Other income**
Other income increased by 1,835% to RM0.93 million in 3Q FY2017. This is mainly due to the increase in project management fees of RM0.71 million coupled with the unrealised foreign exchange gain of RM0.15 million recognised in 3QFY2017.

- (iv) Administrative expenses
Administrative expenses increased by 267% to RM12.97 million in 3Q FY2017 mainly due to the increase in manpower costs and expansion of office facilities from expansion initiatives. Depreciation cost has increased resulting from the additions of office equipment and renovation of sales galleries. The listing exercise completed in the current quarter has also resulted in listing expenses incurred of RM7.03 million.
- (v) Selling and distribution expenses
Selling and distribution expenses decreased by 19% to RM2.01 million in 3Q FY2017 as higher costs were incurred in 3Q FY2016 for sales and marketing initiatives for Vertu project.
- (vi) Other operating expenses
Other operating expenses incurred in the current quarter consist of the write-off of office equipment which are no longer in use.
- (vii) Finance income
Finance income increased by 207% to RM1.05 million in 3Q FY2017 due to higher interest income arising from the higher average balance of deposit in financial institutions in 3Q FY2017 as compared to 3Q FY2016. The Group has deposited IPO proceeds which are yet to be utilised in deposits to generate interest income.
- (viii) Finance costs
Finance costs decreased by 52% to RM0.49 million in 3Q FY2017 due to the restructuring of debt instrument in the previous quarter for the purposes of IPO. The settlement of revolving credit amounting to RM6.23 million during the current quarter also contributed to the reduction in finance costs.
- (ix) Tax expense
In 3Q FY2017, a higher tax expense is accounted as the Group achieved higher taxable profits.
- (b) any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on**

Consolidated Statement of Financial Position

- (i) Non-current assets
The Group's non-current assets increased by RM39.04 million from RM107.15 million as at 31 December 2016 to RM146.19 million as at 30 September 2017, primarily due to the following:
- increase in property, plant and equipment of RM14.29 million mainly due to additions of RM18.63 million attributable to the construction in progress of a carpark, the purchase of a sales gallery and additions to office equipment and furniture and fittings, net against depreciation of RM3.99 million, disposal of a motor vehicle at RM0.28 million and write off of office equipment at RM0.07 million;
 - additional capital investment of RM21.15 million into an associate; and
 - recognition of deferred tax assets of RM4.20 million on unrealised profits.

(ii) Current assets

The Group's current assets increased by RM127.57 million from RM422.30 million as at 31 December 2016 to RM549.87 million as at 30 September 2017, primarily due to the following:

- increase in development properties of RM12.28 million due to the acquisition of development land in Aspen Vision City and property development costs for on-going projects;
- increase in trade and other receivables of RM57.59 million contributed by the increase in progress billings for on-going projects. Deposits have also increased as RM19.67 million has been paid as 20% deposit for the purchase of Parcel 5 plot in Batu Kawan and RM6.67 million paid as 10% deposit for the purchase of Semenyih freehold land; and
- increase in cash and cash equivalents resulted mainly from the net proceeds from issuance of Shares pursuant to IPO of RM117.19 million, offset by the utilisation of such proceeds for the purchase of land, repayment of borrowings and for working capital purposes during the financial period.

(iii) Liabilities

The Group's liabilities decreased by RM45.15 million from RM485.15 million as at 31 December 2016 to RM440.00 million as at 30 September 2017, primarily due to the following:

- decrease in loans and borrowings of RM49.91 million due to the repayment of borrowings amounting to RM72.90 million and the restructuring of debt instruments of RM32.98 million, net against the drawdown of loans and borrowings of RM55.96 million for current project development purposes;
- decrease in contract liabilities of both Tri Pinnacle and Vervéa projects amounting to RM0.86 million. Contract liabilities represent the progress billings in excess of the cost incurred and profits recognised; and
- decrease in deferred income of RM18.92 million consistent with the amount amortised on housing quota to profit or loss based on the progress of project's development; offset against
- increase in trade and other payables of RM12.16 million mainly due to amounts owing to contractors of on-going development projects;

Consolidated Statement of Cash Flows

The Group recorded net cash outflow from operating activities of RM7.84 million, which comprised operating cash outflows after working capital changes of RM3.58 million, net finance income of RM0.56 million and tax payments of RM3.70 million. The operational outflow in 3Q FY2017 resulted mainly from the deposits paid for the purchases of development land amounting to RM26.34 million during the current quarter and the increase in progress billings of on-going projects.

Net cash used in investing activities amounted to RM30.18 million due to the additional investment in an associate of RM17.40 million and the acquisition of property, plant and equipment of RM13.83 million.

Net cash inflow generated from financing activities amounted to RM103.53 million mainly contributed by the net proceeds from issuance of shares pursuant to IPO of RM117.19 million, drawdown of loans and borrowings of RM28.72 million, off set against the repayment of loans and borrowings of RM40.51 million, RM1.14 million fixed deposit pledged to financial institutions and interest paid on loans and borrowings of RM0.48 million.

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

Not applicable. No forecast or prospect statement has been previously disclosed to shareholders.

10. 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 reporting period and the next 12 months.

The Malaysia economy has improved, with a GDP growth of 5.7% in the first half of 2017 as compared to the GDP growth of 4.5% for the year 2016. Based on the aforesaid, the Malaysia economy is expected to remain resilient which suggests that the property market has started to bottom out.

These positive indications have been further boosted by government initiatives through the recent release of Malaysia's Budget 2018. Among government's efforts to increase first home-ownership are the Pr1MA Skim Pembiayaan and the MyDeposit programme which will lighten the burden of first-time home buyers in paying deposits or instalments when purchasing a home. Other positive measures are the 50% tax exemption for rental income on residential properties and the reduction in income tax rates for low and middle-income taxpayers which will encourage property investment.

At state level, the Penang State Government has been promoting the Batu Kawan Industrial Park by attracting high-technology and skill-intensive industries to the area to create more job opportunities, which in turn increases the population around Batu Kawan. On 12 September 2017, Ikano had held a ground breaking ceremony, marking the commencement of construction of the IKEA Store at Aspen Vision City. Slated to open in Q1 2019, the IKEA Store is expected to create employment opportunities and also attract many shoppers from the Northern Region of Peninsula Malaysia, hence increasing the exposure of our mixed development project at Aspen Vision City in Batu Kawan.

With the right products at strategic locations, the Group has achieved strong sales, with Vervéa, the commercial property project, recorded 88.51% of units sold; Vertu Resort, the 5 block residential project in Batu Kawan recorded 64.61% of units sold and affordable homes development, Tri Pinnacle, recorded 82.69% of units sold as at 30 September 2017. The Group is confident to achieve commendable sales for its upcoming project launches.

We will continue to seek opportunities to acquire new land banks, expand regionally with our strategic partners and focus on mass market residential and mixed developments and leverage on our developments to expand into new business segments capable of generating streams of annuity income. In line with our plans, the Group has entered into an agreement to purchase a land in Semenyih on 28 September 2017, being our attempt to penetrate into the Central Region of Peninsula Malaysia.

Based on the above, barring any unforeseen circumstances, the Group expects to continue its growth in revenue and deliver satisfactory performance in 2017 underpinned by total unbilled sales of RM1,015.48 million as at 30 September 2017.

11. 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 immediate preceding financial year.

(c) Date payable:

Not applicable.

(d) Books closure date:

Not applicable.

12. If no dividend has been declared/recommended, a statement to that effect

No dividend has been declared or recommended for the third quarter ended 30 September 2017.

13. If the group has obtained a general mandate from shareholders for interested person transactions ("IPT"), 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 Group does not have an existing general mandate from shareholders for IPT.

Other than the interested person transactions as disclosed on pages 196 to 201 of the Offer Document, IPTs exceeding S\$100,000 and above during the financial period under review are disclosed as below:

Our President & Group Chief Executive Officer, Dato' Murly and Group Executive Director, Dato Seri Nazir Afiff have provided personal guarantees for a loan obtained by a subsidiary from Maybank Islamic Banking with limit of RM10.4 million for the purchase of the Group's Glenmarie office in Selangor, Malaysia. There is no value at risk to the Company arising from the personal guarantees provided.

14. Use of IPO proceeds

The Company refers to the net proceeds amounting to S\$36.72 million (excluding listing expenses of approximately S\$3.13 million) raised from the IPO on the Catalist of the SGX-ST on 28 July 2017.

As at the date of this announcement, the status on the use of the IPO net proceeds is as follows:

Use of IPO Net Proceeds	Amount allocated S\$'000	Amount utilised S\$'000	Balance S\$'000
Acquisition of land banks and future developments	25,000	(14,747) ⁽¹⁾⁽²⁾	10,253
Repayment of bank borrowings from CIMB Islamic Bank Berhad	2,000	(2,000)	-
Working capital ⁽¹⁾	9,720	(6,687) ⁽³⁾	3,033
Total	36,720	(23,655)	13,065

Notes:

- (1) S\$5.52 million utilised for the payment of 80% of Parcel 4 land purchase price by an associate, Bandar Cassia Properties Sdn Bhd, S\$6.59 million for the payment of 20% of Parcel 5 land purchase price by subsidiary, Aspen Vision Land Sdn Bhd as announced on 30 August 2017, S\$2.13 million for the payment of 10% deposit for purchase of the freehold land located in Semenyih by subsidiary Aspen Vision Development (Central) Sdn Bhd as announced on 28 September 2017 and S\$0.51 million for payment of planning stage expenses for the Beacon and HH Residence projects. The exchange rate used is RM3.1520: S\$1.00.
- (2) The decrease in amount utilised as compared to that disclosed in the previous quarter was due to the lower deposit of S\$2.13 million paid for the purchase of Semenyih freehold land subsequent to the revocation of the purchase of Kajang land (as announced on 28 September 2017) which requires a deposit of S\$2.86 million.
- (3) S\$6.69 million utilised for working capital consist of payroll payment of S\$1.35 million, tax payment of S\$3.81 million, repayment of revolving credit interest amounting to S\$0.09 million and S\$1.44 million for general operational and administrative expenses. The exchange rate used is RM3.1520: S\$1.00.

The above utilisations are in accordance with the intended use of the IPO net proceeds and percentage allocated, as stated in the Offer Document.

The Board will continue to update in periodic announcements on the utilisation of the balance of the proceeds from the IPO as and when the proceeds are materially disbursed and provide a status report on such use in its annual report and its quarterly and full year financial results announcements.

15. Confirmation that the issuer has procured undertakings from all its directors and executive officers (in the format set out in Appendix 7H) under Rule 720(1)

The Company confirms that it has procured undertakings from all of its directors and executive officers in the required format.

16. Negative Confirmation by the Board Pursuant to Rule 705(5)

To the best of the Board of Directors' knowledge, nothing has come to their attention which may render the unaudited financial results for the third quarter and nine months financial period ended 30 September 2017 to be false or misleading in any material aspect.

BY ORDER OF THE BOARD

Dato' Murly Manokharan

President & Group Chief Executive Officer

10 November 2017

*Aspen (Group) Holdings Limited (the "**Company**") is listed on Catalist of the Singapore Exchange Securities Trading Limited (the "**SGX-ST**") on 28 July 2017. The initial public offering of the Company was sponsored by PrimePartners Corporate Finance Pte. Ltd. (the "**Sponsor**").*

This announcement has been prepared by the Company and its contents have been reviewed by the Sponsor for compliance with the SGX-ST Listing Manual Section B: Rules of Catalist. The Sponsor has not verified the contents of this announcement. This announcement has not been examined nor approved by the SGX-ST. The Sponsor and the SGX-ST assume no responsibility for the contents of this announcement, including the accuracy, completeness or correctness of any of the information, statements or opinions made, or reports contained in this announcement.

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