ASPEN GROUP

When others see an old brick wall,
we see it as a gateway of possibilities.

Redefine Living

ANNUAL REPORT 2017

Aspen (Group) Holdings Limited (the "Company") was 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 annual report 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 annual report.

This annual report has not been examined nor approved by the SGX-ST. The Sponsor and the SGX-ST assume no responsibility for the contents of this annual report, including the accuracy, completeness or correctness of any of the information, statements or opinions made, or reports contained in this annual report.

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).

ASPEN (GROUP) HOLDINGS LIMITED
ANNUAL REPORT 2017

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Note: All illustrations and renderings shown in this report are artist’s impressions only.

VISION & MISSION

Vision

To be recognised as one of the key forces shaping the property development industry through quality and affordability.

Mission

To champion the empowerment of people by offering unequalled quality and affordable real estate for everyone.

MANIFESTO

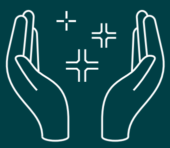
We share a vision at Aspen Group

To Redefine Living

Where others see an empty spot, we set it as a scene for growth. When a place seems exclusive to many, we design the catalysts for change. When most would run from an old brick wall, we transform it into a gateway of possibilities.

To Redefine Thinking

We believe that prime real-estate can be made accessible to everyone. We imagine how personal style and preferences can be developed on a big-scale. We know that powerful business partnerships are within reach of a young developer.



To Redefine Values

We embrace the courage to dare to be different. We enable the freedom to experiment with ideas that push beyond boundaries. We empower creativity to engineer smarter living solutions.

To Redefine Connection

We bring a fresh perspective to the relationship between people and their environment. We bridge the gap between current market trends and forward-thinking technology. We broaden our landscape from building affordable homes to innovating sustainable metropolises for communities of the future.

This is the vision that drives us to be exceptional in everything we do.
Redefine the starting point. Redefine the possibilities.
Aspen Group. Redefine Living.

CORE VALUES

These values define our culture, guide the way we treat each other, and how we run our business

Be A Catalyst For Positive Change

Our benchmark is to deliver products that elevate the standard of living. Before we embark on any work, we challenge ourselves with the question, "Will our actions spark positive change by making life better for people?". Every plan is thought through in detail and measured against this benchmark before proceeding. To be a catalyst for positive change is the mantra that shapes our attitude towards work and the way we relate to one another.

Collaborate To Innovate

Our business model is to deliver best-in-value solutions and services through new opportunities, smart ideas and strategic collaborations. To achieve our business model we innovate to breathe new life into what we have to work with and we encourage Aspenians to be innovative thinkers who challenge and redefine the status quo. This mentality, together with our business model, is the blueprint upon which we build our organisation and nurture our people.

Build On Relationships

We are committed to open communication and acting with integrity in all our relationships. With every customer we build a home for; every business partner and vendor we do business with; every Aspenian; and with people we have yet to meet, we do our best to ensure that every interaction builds into a loyal, long-term relationship that is mutually beneficial.

Be Community-Conscious

As a property developer, the work we do has a social impact that goes beyond building bricks and blocks. We are in a position to think of communities holistically and besides our plans to develop cities of the future to benefit the community, our Corporate Conscience Programme gives Aspenians the opportunity to reach out and connect to those that may be less fortunate or are in need of extra help. We coordinate activities through charitable campaigns, educational activities and contributions, as well as environmental and socio-cultural programmes that give us the privilege of serving the community as part of our work life.

Our people live by these core values, which enable us to focus on creating innovative products, making ethical decisions, building relationships with customers and business associates, and taking accountability for our actions.

MESSAGE FROM THE PRESIDENT & GROUP CHIEF EXECUTIVE OFFICER

Dear Fellow Shareholders,

I warmly welcome you as new shareholders of the Company. On behalf of the Board of Directors, I am pleased to present to you our maiden annual report for the financial year ended 31 December 2017.

Aspen Group has accomplished much in 2017, and these achievements will form a firm foundation for us to build upon in the ensuing years. Our work on a listing culminated in an IPO on the Singapore Exchange in July 2017. The IPO has deepened as well as broadened our capital base and this flexibility will serve the Group well as it seeks to capitalise on business opportunities in Malaysia and the region.

FY2017 Results Review

The Group had earlier reported a good set of results for FY2017. Group revenue rose 355% to RM453 million and we achieved a net profit attributable to shareholders of RM85.4 million, a record for the Group.

The four property projects that we have launched in Penang achieved strong sales in 2017, and progressive construction at three of these projects during the year permitted the Group to recognise substantial revenue. Notwithstanding higher expenses, the strong revenue growth enabled the Group to report record profit in FY2017.

Major Achievements in 2017

We have four ongoing projects in Penang with a combined gross development value (GDV) of approximately RM 2.2 billion and they generated impressive sales in 2017: Vervea and Vertu Resort in Aspen Vision City (AVC), a joint venture development with IKEA Southeast Asia at Batu Kawan next to the Penang Second Bridge and Tri Pinnacle and Beacon Executive Suites on Penang Island. The total sales value for the four ongoing projects as of 31 December 2017 amounted to RM1.6 billion.

Capitalising on the strong sales momentum of the ongoing projects, we have been working on another four property projects in the pipeline for launch in 2018 and 2019. With a combined GDV of approximately RM2.0 billion: Viluxe Designer Bungalows, the office suites at Vittoria Financial Centre and Vogue Lifestyle Residence, a mixed development, all which are at AVC whereas the fourth pipeline project, HH Park Residence a condominium with shop offices and retail is situated at Tanjung Bungah on Penang Island.

"Construction is progressing well at Aspen Vision City with the 186,563 sqm Vervea commercial precinct and the IKEA Store due for completion later in 2018. The IKEA Store will attract shoppers from a population base of over 6 million in the Northern Region and serve as an anchor of business activities to support a thriving community at AVC."

The construction of the IKEA Store in AVC has started in September 2017 and it is slated for opening in early 2019. This IKEA Store at AVC will be IKEA's fourth mega store in Malaysia and the first store in the Northern Region of Malaysia. The IKEA Store and other developments in AVC will benefit from the excellent RM6 billion infrastructure at and surrounding AVC. The Penang Second Bridge and the North South Highway has expanded the target market of the IKEA Store to more than 6 million potential shoppers in the Northern Region of Malaysia. We expect the IKEA Store to be an anchor of business activities supporting a thriving community at AVC.

AVC is a strategic land bank for the Group that is capable of supporting many developments for the next 10 years. In addition to AVC, the Group is actively seeking suitable land to acquire as we launch our property developments. Post IPO, the Group undertook three land acquisitions in Selangor; two of them are for residential developments within mature estates at Kajang and Seri Kembangan, and the third for an integrated logistic hub at Shah Alam. Having actively started development planning for our Selangor projects, the first launch could take place from 2019.

Reinforcing the Aspen Brand

We have been actively reinforcing the brand identity in the past 5 years. Today, we believe the Aspen Brand has the best recognition and is one of the leading property developers in Penang. Coupled with good internal prospect and external outlook, the Group will seek to capitalise on expansion opportunities in Southeast Asia. We will continue to invest time and effort to reinforce the Aspen Brand regionally. An important aspect of Aspen Brand reinforcement comes from our collaborative works with our partners like IKEA Southeast Asia, LG Electronics Inc. (LG), Columbia Asia and Telekom Malaysia Berhad.

In January 2018, the Group announced a strategic collaboration with LG to provide the latest in technology solutions, Internet of Things (IoT) enabled platform and innovative products and services for all Aspen Group's real estate developments in Malaysia and Southeast Asia, including Aspen Vision City. Vervea, the first phase of AVC will be installed with high-tech digital signages provided by LG to leverage on real-time data including human and vehicle traffic to maximise advertising potential. LG will work closely with the Group to innovate and incubate innovative ideas for the development of smart services, smart buildings and smart city. The Group also intends to redefine the smart home experience by employing LG's innovative smart home appliances and IoT enabled platform, Smart ThinQ Application in Viluxe Designer Bungalows.

Prospects

The Malaysian economy is still growing at a healthy pace, expanded by 5.9% in Q4 2017 and housing interest rates remain relatively low. The recent Malaysian Budget 2018 is supportive of home ownership with its various schemes to assist first-time home buyers and encourage property ownership. We have to-date sold close to RM1.2 billion worth of properties at Vervea and Vertu Resort at AVC, and as development progresses, including the opening of the IKEA Store in early 2019, we will continue to register further sales.

With good sales, the progressive construction at three of our ongoing projects in FY2017 has enabled the Group to book successively higher revenue and profits each quarter in FY2017. Construction is now in progress at all four of our ongoing projects and we expect to hand over more than 1,600 completed units at Vervea and Tri Pinnacle to our buyers in late 2018. Business activities are relatively slower in 2018 due to the upcoming Malaysia election which is expected to be held in the first half of 2018. We expect business activities and sales momentum to pick-up post-election. With progressive construction and further sales of the ongoing projects, we expect to book higher revenue in FY2018 barring unforeseen circumstances.

A Word of Thanks

2017 was a successful year filled with many notable events, made possible by the combined efforts of all our management and co-workers. On behalf of our directors, I would like to thank our management and co-workers for their dedication and commitment, and I encourage all of you to strive for a better 2018. To my fellow directors, I appreciate your support and wise counsel.

Our appreciation is also extended to our customers, bankers, shareholders and business associates for their continuing support.

Dato' M. Murly
President & Group Chief Executive Officer

FINANCIAL HIGHLIGHTS

Revenue

RM453.07 million

Increased by 355% underpinned by further progress of Tri Pinnacle, Vervea and Vertu Resort and the completion of sale of a land for a private medical centre.

Net Profit Attributable to Equity Holders

RM85.41 million

Increased to RM85.41million contributed by the increase in operating profit.

Cash Position

RM139.99 million

Healthy cash position of RM139.99 million as at 31 December 2017, an increase of RM36.61 million from 31 December 2016.

Shareholders' Fund

RM286.28 million

Bolstered mainly by earnings for the year of RM85.41 million as well as the issuance of new shares pursuant to the IPO.

Net Asset Per Share

33.03 RM cents

Net asset per share increased from 5.90 RM cents in FY2016 to 33.03 RM cents in FY2017.

Earnings Per Share

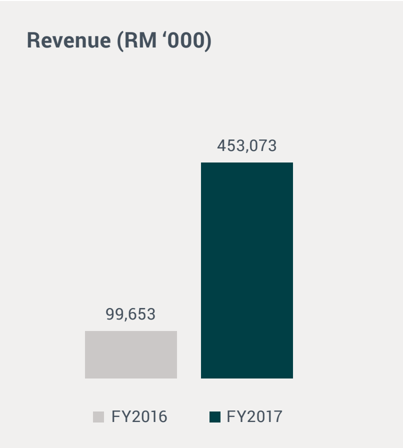
11.12 RM cents

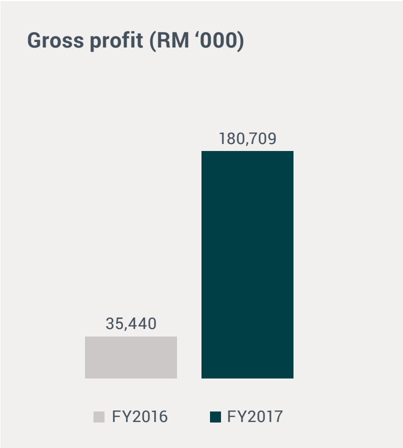
Earnings per share increased from a loss per share of 0.04 RM cents in FY2016 to an earnings per share of 11.12 RM cents in FY2017.

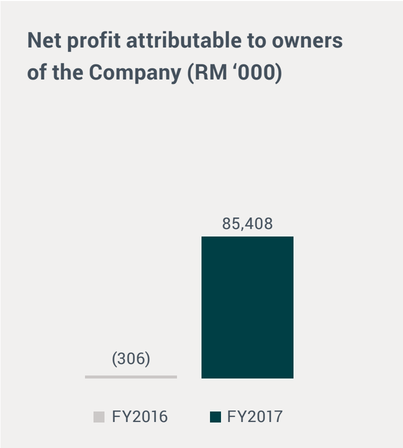
	FY2016	FY2017	% Change
Revenue (RM'000)	99,653	453,073	355%
Gross Profit (RM'000)	35,440	180,709	410%
GP Margin (%)	35.56%	39.89%	+4.33%
Net profit attributable to equity holders (RM'000)	(306)	85,408	N.A.
Earnings per share (RM cents)	(0.04)	11.12	N.A.

RM'000	FY2016	FY2017	% Change
Non-current assets	107,145	145,259	36%
Current assets	422,295	618,541	46%
Non-current liabilities	143,119	134,470	(6%)
Current liabilities	342,031	326,782	(4%)
Shareholders' fund	40,912	286,282	599%
Cash position	103,383	139,988	35%
Net asset per share (RM cents)	5.90	33.03	N.A.

FINANCIAL REVIEW







Income Statement

For FY2017, the Group's revenue and cost of sales increased by 355% and 324% respectively, underpinned by further progress of construction of on-going projects, Tri Pinnacle and Vervea and the commencement of construction of the Vertu Resort project. During the year, the Group has also completed the sale of a piece of land for a private medical centre.

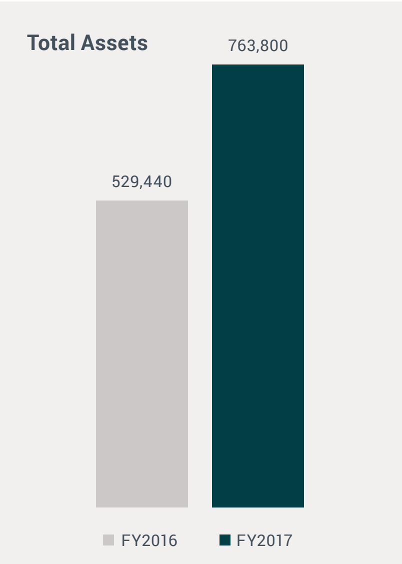
Gross profit for the year grew 410% to RM180.71 million whereas gross profit margin increased from 35.56% in FY2016 to 39.89% in FY2017.

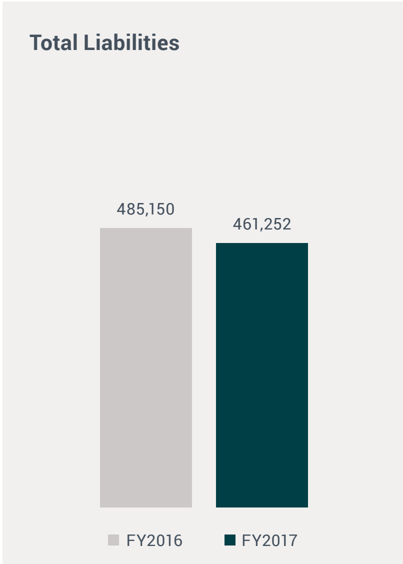
Higher administrative expenses were incurred in FY2017, with an increase of 87% to RM35.99 million in FY2017, due to the increase in manpower, the addition of office facilities from expansion initiatives and the IPO listing expenses. Selling and distribution expenses incurred were relatively higher in FY2017 as compared to FY2016 as a result of various marketing initiatives in FY2017.

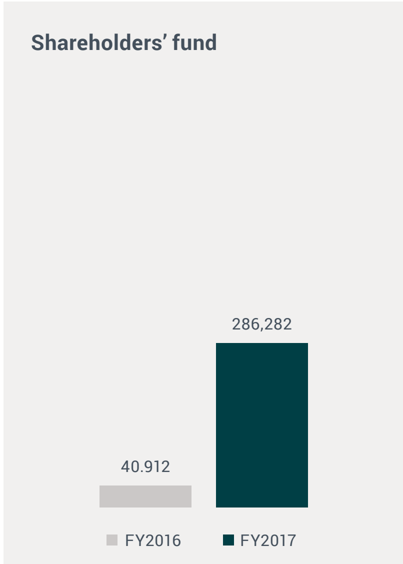
Finance cost has decreased by 58% to RM1.82 million in FY2017 from the restructuring of debt instrument for IPO purposes.

In view of the above, the Group reported a healthy net profit attributable to owners of the Company of RM85.41 million in FY2017 compared to the loss of RM0.31 million in FY2016. Earnings per share based on the weighted average enlarged post-initial public offering share capital of 767.88 million shares for FY2017 has increased from a loss of 0.04 RM cents per share in FY2016 to an earnings of 11.12 RM cents per share in FY2017.

FINANCIAL POSITION (RM'000)







Balance Sheet

Non-current assets increased by RM38.11 million to RM145.26 million resulting from the additional capital investment attributable to the construction of a car park and the purchase of a sales gallery. Investment in associates increased by RM26.52 million being capital injection into two associates, namely Bandar Cassia Properties (SC Sdn. Bhd. and Global Vision Logistics Sdn. Bhd.. The Group has also recognised an additional deferred tax asset of RM1.13 million on unrealised profits. These are partially offset by the depreciation of property, plant and equipment of RM5.30 million.

Current assets rose to RM618.54 million as at 31 December 2017 as a result of the increase in development properties due to the acquisition of development lands for Aspen Vision City and HH Park Residence as well as property development costs incurred for the on-going projects. Increases in progress billings for on-going projects and deposits for the purchase of Parcel 5 plot in Batu Kawan and purchase of Semenyih freehold land contributed to the increase in trade and other receivables.

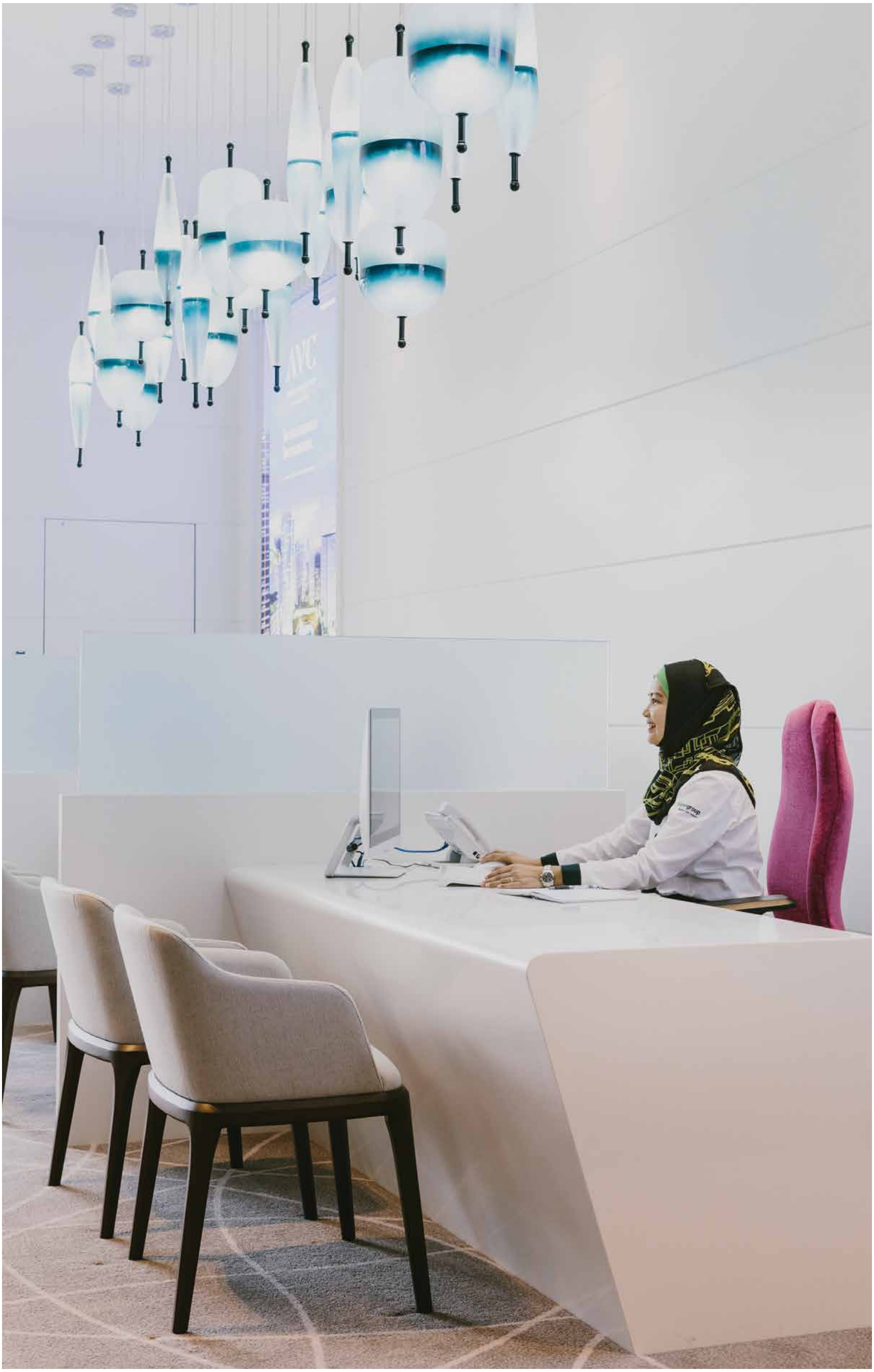
The Group's non-current liabilities decreased to RM134.47 million in FY2017 mainly due to the decrease in deferred income of RM36.12 million being amount on housing quota amortised to income statement based on the progress of project's development; offset against the increase in loans and borrowings due to the draw down of loans for current project development purposes.

Current liabilities decreased by RM15.25 million to RM326.78 million in FY2017 resulting from the decrease in loans and borrowings due to the repayment of borrowings and the restructuring of debt instrument in conjunction to the IPO. Contract liabilities, representing the progress billings in excess of the cost incurred and profits recognised, has decreased by RM80.29 million for both Tri Pinnacle and Vervea projects. These are partially offset against the increase in trade and other payables of RM92.36 million due to amounts owing to contractors for the on-going development projects.

Our financial position remains healthy with cash and cash equivalents of RM139.99 million as at 31 December 2017. Overall, the above has resulted in an increase in net assets from RM40.91 million as at 31 December 2016 to RM286.28 million as at 31 December 2017.

Statement of Cash Flows

In FY2017, the Group recorded net cash outflow from operating activities of RM59.62 million, comprising operating cash outflows after working capital changes of RM31.53 million, net finance income of RM0.62 million and tax payments of RM27.47 million. The operational outflow results mainly from the deposits paid for purchase of development lands amounting to RM77.44 million and the increase in progress billings for on-going projects. Net cash used in investing activities amounted to RM44.63 million mainly from additional investment in associates of RM27.15 million and additions of property, plant and equipment of RM20.63 million, offset against interest received of RM2.44 million and proceeds from disposal of property, plant and equipment of RM0.71 million. The Group recorded net cash inflow from financing activities of RM138.09 million mainly due to proceeds from issuance of new shares pursuant to the IPO and proceeds from loans and borrowings. This was partially offset by listing expenses and repayment of loans and borrowings. The year ended with an increase in net cash and cash equivalents by RM33.84 million in FY2017.



CORPORATE MILESTONES

JANUARY 2013

Humble Beginnings, Bold Dreams

With humble beginnings and bold dreams, the first subsidiary of the Group was set up with the vision to be more than just an ordinary developer.

OCTOBER 2013

Land acquisition for the development of Tri Pinnacle

Aspen Group acquired its first piece of land for the development of Tri Pinnacle, the Group's maiden development and Penang's first privately initiated affordable housing development.

DECEMBER 2013

Land acquisitions for the development of Beacon Executive Suites and HH Park

Aspen Group acquired a piece of land for the development of Beacon Executive Suites.

In addition, Aspen Group also entered into an agreement with Hong Hong Distribution Sdn. Bhd. for the development of HH Park.

Signing ceremony between Aspen Group and Malaysia Building Society Berhad

MAY 2014

Tri Pinnacle makes history

Aspen Group and Malaysia Building Society Berhad entered into an agreement for a RM 95.5 million Islamic financial facilities to fund the state's first privately initiated affordable housing project.

SEPTEMBER 2014

The rise of an intelligently integrated city

A dual signing ceremony with IKEA Southeast Asia and Penang Development Corporation was concluded. The agreement with Penang Development Corporation was for the purchase and development of 245 acres of Freehold land in Batu Kawan, Penang and a joint venture partnership was also signed with IKEA Southeast Asia to jointly develop Aspen Vision City in Batu Kawan, Penang.

JUNE 2015

Dual signing ceremony with OCBC Bank and Columbia Asia Group

OCBC Bank is now the financier for the development of Aspen Vision City, and Columbia Asia Medical Centre will open its full fledged healthcare and medical facilities in Aspen Vision City in Batu Kawan, Penang.

Signing ceremony between Aspen Group, IKEA Southeast Asia and Penang Development Corporation

CORPORATE MILESTONES (CONTINUE)

JANUARY 2016

Official opening of Aspen House and Green Mark Gold Award Certification by the Building and Construction Authority, Singapore

The Group officially opened the doors to our Corporate Headquarters, Aspen House. Also, Aspen House achieved another milestone as being the First Heritage Building in Malaysia to receive the Green Mark Gold Award Certification by the Building and Construction Authority, Singapore.

APRIL 2016

The opening ceremony of Aspen Vision City Sales Gallery in Batu Kawan, and signing of a strategic partnership with Teka Küchentechnik (Malaysia) Sdn. Bhd.

The Aspen Vision City Sales Gallery in Batu Kawan was officially opened. To double up the joy, the Group also formed a strategic partnership with Teka Küchentechnik (Malaysia) Sdn. Bhd. to provide home and kitchen appliances for Vertu Resort.

AUGUST 2016

The signing of a strategic collaboration with Telekom Malaysia Berhad

This collaboration will see Telekom Malaysia Berhad providing the knowledge, services and expertise in laying the ICT infrastructure to make Aspen Vision City a viable and sustainable Smart City in the long run.

Opening ceremony of the Aspen Vision City Sales Gallery

The signing of a strategic collaboration with Telekom Malaysia Berhad

DECEMBER 2016

Signing ceremony with Antah Schindler Sdn. Bhd.

Antah Schindler will be supplying smart mobility solutions via their elevators and escalators in the developments of Aspen Group, starting from the first phase of Aspen Vision City, Vervea Commercial Precinct.

APRIL 2017

Forming of Strategic Partnership with LG Electronics Inc. (LG)

The strategic partnership between Aspen Group and LG Electronics Inc. will allow LG to showcase and demonstrate its array of products and services to enhance the vision of inclusivity of smart appliances and the 'Internet of Things' ("IoT") to Aspen Group's current and future developments.

JULY 2017

Public Listing on the Catalist Board of the SGX

Aspen (Group) Holdings Limited was successfully listed on the Catalist Board of the Singapore Exchange and it was the first stepping stone for the Group to expand its footprint regionally.

Aspen (Group) Holdings Limited was successfully listed on the Catalist Board of the SGX on 28 July 2017

CORPORATE MILESTONES (CONTINUE)

AUGUST 2017

Signing ceremony between Aspen Group and Kerjaya Prospek

Through a signing ceremony that was held at the Aspen Vision City Sales Gallery in Batu Kawan, Penang; Kerjaya Prospek (M) Sdn. Bhd., a subsidiary company of Kerjaya Prospek Group Berhad was officially awarded the contract as the main contractor for Vertu Resort amounting to a sum of RM442 million.

SEPTEMBER 2017

The ground breaking ceremony of the IKEA store in Aspen Vision City

The first IKEA store in the Northern Region of Malaysia breaks ground at Aspen Vision City in Batu Kawan, Penang and is slated for opening in Q1 of 2019.

Land acquisition in Kajang, Selangor

Aspen Group acquired a piece of land in Kajang, Selangor for the purposes of developing a mixed development comprising residential and commercial components.

NOVEMBER 2017

Land acquisition in Shah Alam, Selangor

Aspen Group via its associate company acquired a piece of land in Shah Alam, Selangor to leverage on the emerging of e-commerce and digital free trade zone in the country. The proposed development components of this piece of land include a logistic hub, warehouses and distribution centre for FMCG.

The first IKEA store in the Northern Region of Malaysia breaks ground at Aspen Vision City, Batu Kawan, Penang

Customer Experience Centre of HH Park development located at Tanjung Bungah, Penang


IKEA
Home furnishings
EXHIBITION CENTER

OUR PARTNERSHIPS

JOINT VENTURE PARTNER

IKEA Southeast Asia

IKEA SOUTHEAST ASIA

Developer, Owner and Operator of IKEA Stores and Shopping Centres

The IKEA vision is to create a better everyday life for the many people. IKEA offers a wide range of well designed, functional home furnishing products at prices so low that as many people as possible will be able to afford them.

IKEA Southeast Asia operates in Singapore, Malaysia and Thailand and have an ambitious expansion plan to bring a little bit of Sweden to new markets in the region. It is part of the Ikano Group of companies and is the only IKEA franchisee owned by the Kamprad family.

IKEA Southeast Asia also develop, own, and operate shopping centres that are anchored by IKEA, and create walkable communities by including residential, office and other types of real estate in their development plans.

Aspen Vision City is a mega-scaled mixed development jointly developed by Aspen Group and IKEA Southeast Asia. This is among the first mixed use investments made by IKEA Southeast Asia in property development in Southeast Asia. Aspen Vision City comprises mixed residential and commercial properties, including a regional integrated shopping centre and the very first IKEA store in the Northern Region of Malaysia.

In Aspen Vision City masterplan, IKEA Southeast Asia owns 20% equity in the mixed development and Aspen Group owns 30% equity in the regional integrated shopping centre development.

IKEA Global Facts & Figures Sept 2016-Aug 2017

Source:
The global IKEA franchisor,
Inter IKEA Systems B.V.

IKEA retail sales:
38.3 billion Euro
(excluding consumption tax)

IKEA website visits:
2.3 billion

IKEA store visits:
936 million

IKEA store worldwide:
403 stores

IKEA co-workers:
194,000

COLLABORATION PARTNERS

We have formed extraordinary partnerships with global industry leaders who share our vision for our projects

LG ELECTRONICS INC.

Home Electronics Provider

LG Electronics Inc. (LG) is a multinational electronics company headquartered in Seoul. Employing more than 80,000 employees working in 119 subsidiaries worldwide, LG comprises four business units: home entertainment, mobile communications, home appliance and air solution, and vehicle components. With an array of expertise and a vast business model, LG is one of the world's leaders in smart electrical and electronic home appliances.

With both corporations placing importance on the experiences of their clientele, LG and Aspen Group will introduce ways to integrate its smart products and devices with the technology that is being offered within the developments of Aspen Group.

COLUMBIA ASIA GROUP

Advanced Healthcare Provider

Columbia Asia Group is an international private healthcare company, with the vision to be the preferred healthcare service provider of choice for families and businesses. At Columbia Asia, a combination of best practices of architecture, technology and human proficiency result in the efficiency of patient care, which is what Columbia Asia strives for. With a highly skilled team of committed medical staff, Columbia Asia set themselves apart to accommodate to every patient's needs.

Columbia Asia Medical Centre provides an array of medical services through the operation of hospitals as well as clinics across the region in countries such as India, Malaysia, Vietnam and Indonesia; with a view to expand their market by developing a few more hospitals such as in Batu Kawan, Johor, and in Klang – all of which are situated in Malaysia.

Columbia Asia Medical Centre will be located in Aspen Vision City, and is the only private healthcare provider in Batu Kawan.

OCBC BANK BERHAD

Project Financier

OCBC Bank is the longest established Singapore bank, formed in 1932 from the merger of three local banks, the oldest of which was founded in 1912. It is now the second largest financial services group in Southeast Asia by assets, and one of the world's most highly-rated banks. Recognised for its financial strength and stability, OCBC Bank is consistently ranked among the world's strongest and safest banks by leading market research firms and publications.

OCBC Bank Berhad is the project financier for the Aspen Vision City development.

ANTAH SCHINDLER SDN. BHD.

Smart Mobility Provider

Antah Schindler Sdn. Bhd. is the wholly owned subsidiary of the partnership between Syarikat Persaka Antah Sdn. Bhd. and Jardine Schindler Pacific BV. Today, it is an authorised distributor and service provider for Schindler elevators and escalators for the whole of Malaysia.

Smart Digital Solutions are a cornerstone of Schindler's pioneering equipment; and encompass remote monitoring, advanced analytics, intelligent elevator dispatching for optimum traffic performance, personalised passenger services, and smartphone building access and mobility technology, among others.

The signing of a strategic collaboration serves as a framework for cooperation and information exchange between the parties on the design, engineering, supply, delivery, installation, testing and commissioning of both mobility systems and Smart Digital Solutions for all Aspen Group developments. The partnership between Aspen Group and Schindler will see the implementation of smart digital urban mobility solutions in Aspen Group's developments, starting with the Vervea shop offices in Aspen Vision City.

TELEKOM MALAYSIA BERHAD

Smart Technology Provider

Telekom Malaysia Berhad is Malaysia's Convergence Champion and the No. 1 Converged Communications Service Provider in Malaysia. Telekom Malaysia is known for offering a comprehensive range of communications services and solutions in broadband, data and fixed-line.

Through this collaboration with Telekom Malaysia, we are able to leverage on their extensive global connectivity, infrastructure and collective expertise, and will be able to propel Aspen Vision City to become the ideal Smart City that is not only conducive, but also sustainable in the long run.

We will work with Telekom Malaysia in its aim to transform into a new generation communications provider, to deliver an enhanced and integrated digital lifestyle to all – through connection, communication, and collaboration.

TEKA KÜCHENTECHNIK (MALAYSIA) SDN. BHD.

Home And Kitchen Appliances Provider

The Teka Group is a multinational company founded in Germany in 1924 and is one of the leaders in the manufacture and commercialisation of kitchen and bath products, ceramic glazes, industrial containers, and professional kitchens.

Teka currently boasts 25 factories that are spread across three continents, and therefore enables them to share their products to people in over 110 countries, and to more than 100 million consumers.

The partnership will see the use of Teka home and kitchen appliances for Vertu Resort, the first residential development in Aspen Vision City.


ASPEN GROUP

MEET THE BOARD OF DIRECTORS

President and Group Chief Executive Officer

Dato' M. Murly

Early in his career, **Dato' M. Murly** accomplished the feat of being appointed as one of the youngest Executive Director and COOs in the history books of Malaysia's Public Listed Companies. Now he holds the prime position in the company which he co-founded, managing everything from being the face of Aspen Group to inspiring the company's vision and implementing long-term business strategies.

Dato' Murly is a man driven by passion in what he does. His passion, coupled with foresight, creativity and innovation, is what propels Aspen Group forward and sets it apart from all its competitors today.

Armed with solid industrial knowledge from managing design and construction executions, and a holistic sense of community building from his town and urban master planning days, Dato' Murly is an insightful strategist when it comes to building the Group's business model. He has a compelling humane vision and desire that drives his every business decision - to improve the lives of people. A firm believer that one should constantly learn and grow, Dato' Murly has amassed knowledge in other fields beyond his profession, in order to stay ahead and be relevant.

To the outside world he is known for his penchant for revolutionary thinking and to those who work with him – he is an esteemed leader who leads with passion, action and by example.

Group Executive Director

Dato’ Seri Nazir Ariff Bin Mushir Ariff

Dato’ Seri Nazir Ariff is the co-founder of the Group, with over 40 years of business experience and has spent more than a decade on the forefront of the property sector. Dato’ Seri Nazir Ariff is not only a revered expert in the Malaysian commerce and commodities sectors, but also a veteran in the property development industry. He has had a remarkable and multi-faceted career, taking on key leadership roles in trade and playing an important part in developing areas of public interest.

From acting as an independent director in public listed companies, to trading in the tin smelting market, managing financial assets to managing football clubs, championing animal rights to fostering youth scholarships programmes, Dato’ Seri Nazir Ariff has more than a few feathers in his cap and his all-rounder abilities have proven to be invaluable to establishing the roots of Aspen Group.

Leveraging on his wide-ranging experience, business acumen and mentoring spirit, Aspen Group is well-positioned to effectively navigate the ever-changing corporate environment and accomplish greater success.

Chairman and Independent Non-Executive Director

Cheah Teik Seng

Mr. Cheah Teik Seng has held senior management positions in various top international investment banks including Chase Manhattan Bank, BNP Paribas, UBS, Goldman Sachs and Merrill Lynch. He has held extensive directorships in the banking and finance industry, including an independent non-executive directorship with a company listed on the Australian Securities Exchange.

With a long career track record covering multiple regions such as Malaysia, Singapore, Hong Kong and London, Mr. Cheah brings to the Board an unmatched degree of global perspective as well as a great depth of banking and financial expertise.

Non-Independent Non-Executive Director
Dr. Lim Su Kiat

Dr. Lim Su Kiat has held senior positions in Investment Management and Capital Transactions across various Real Estate Funds and Asset Management firms in Asia and Australia including Allco Finance, Frasers Centrepoint Group, Rockworth Capital Partners and Firmus Capital. Dr Lim has extensive experience in the area of direct investments, real estate capital markets and REITs in real estate markets of Asia including Japan. He holds and has held directorships in the Property Funds and Asset Management firms.

Dr Lim's multi-jurisdictional experience in the Real Estate Investment and Asset Management industry brings to the Board an in-depth perspective of the real estate markets in the region.

Independent Non-Executive Director
Dato' Alan Teo

Dato' Alan Teo has served in top and executive roles in various prestigious organisations including AIA Berhad, Great Eastern Life, and Genting Group. A specialist in the areas of Human Resources, Operations, Organisational Design and Business Process Management, Dato' Alan has worked in various management consulting capacities with renowned clients such as Exxon Mobil, Maxis, Ansel, Beiersdorf, Dairy Farm, HSBC, and many more.

Dato' Alan's consulting experience and operational expertise brings a different dimension to the Board's makeup, and allows Aspen Group to thrive in more areas of operations both internally and externally.

PROFILES OF KEY MANAGEMENT

Group Chief Operating Officer

Ir. Anilarasu Amaranazan

Ir. Anilarasu Amaranazan joined our Group in June 2015 as Operations Director, before becoming our Chief Operating Officer. In his role, Ir. Anilarasu is responsible for the company's overall performance including its annual sales target, profitability and timely delivery of products, quality and services. Prior to this, he was the Head of the Technical Department in EcoWorld Berhad for the period from July 2014 to June 2015, where he was responsible for the overall project management, project planning, implementation, design and construction review. Prior to that, he was a Project Engineer and Head of the Technical Department in S P Setia Berhad (Penang) from June 2006 to July 2014. He started his career as a Site Engineer with TNH Construction Sdn. Bhd. in May 2005.

Ir. Anilarasu obtained his Bachelor of Engineering (Civil) in August 2005 and a Masters of Science (Construction Management) in March 2011, both from the University Teknologi Malaysia, and has been admitted as a member of the Institute of Engineering Malaysia since May 2009, and has been accredited as a professional member of the Board of Engineers Malaysia since September 2012.

Executive Director
Ir. Woo Kok Weng

Ir. Woo Kok Weng joined our Group in January 2014 as a General Manager, and was promoted to the position of Executive Director. Prior to joining our Group, Ir. Woo was the Regional General Manager (Northern Region) of the Mah Sing Group from April 2011 to December 2013, where he was responsible for the operations of the Company. Prior to that, he was an Assistant General Manager at Sunway City Berhad from June 2008 to March 2011, and at Sunway City Ipoh from March 2006 to May 2008. Ir. Woo started his career at the Public Works Department in May 1979 as a Technical Assistant and was promoted to a Senior Assistant Director in October 1985.

Ir. Woo obtained his Diploma in Civil Engineering in the University of Technology Malaysia in September 1979. He obtained a Bachelor of Science (Honours) (Civil Engineering) in July 1985 from the University of Glasgow. Ir. Woo also obtained his Master of Science (International Construction Management and Engineering) from the University of Leeds in September 1998. He has been a member of the Institute of Engineers Malaysia since January 1992 and was accredited as a professional member of the Board of Engineers Malaysia since September 1992.

Executive Director
Ting Tai Theam

Mr. Ting Tai Theam joined our Group as our Chief Operating Officer in September 2014, overseeing our Group's Sales and Marketing, Finance and Business Development departments, before being appointed as the Executive Director. Prior to this, he was the General Manager at Tropicana Ivory Sdn. Bhd. from April 2013 to September 2014, where he was responsible for overseeing the Penang World City Development, and the Technical Head at S P Setia Berhad from October 2008 to March 2013. Between March 2003 to September 2008, he was the Senior Project Manager at Prima Prai Group, and a Senior Project Manager at Glenn Construction from February 1999 to March 2003. He started his career in January 1993 as a Site Engineer and was promoted to Engineer, Project Manager and thereafter Director at various construction companies and property developers.

Mr. Ting obtained his bachelor's degree in Civil Engineering (First Class Honours) from the University of Wollongong (New South Wales, Australia) in May 1988.

Chief Financial Officer
Christopher Looi

Mr. Christopher Looi joined our Group in October 2014 and is our Chief Financial Officer. He oversees the accounting and finance function of our Group and has overall responsibility for the framework and implementation of finance-related activities including management and control, compliance, accounting, taxation, cash management and treasury, strategies and risks.

Prior to joining the Aspen Group, Mr. Looi was the Branch Representative at The Royal Bank of Scotland Berhad, and had overall branch responsibility including management, operations and marketing for the full range of corporate banking products. Prior to that, he was in Citibank Berhad, where he was a Team Leader of the Global Subsidiaries Group from May 2007 to January 2009, the Head of Account Management Unit from May 2003 to April 2007, the Head of General Corporate Industry from March 2001 to April 2003, a Senior Relationship Manager from November 1996 to February 2001, a Senior Analyst from January 1996 to October 1996 and a Compliance Officer from July 1994 to December 1995. Prior to joining Citibank Berhad, he was a Financial Controller at The Zoom Production Co. Ltd. from October 1991 to April 1994. Mr. Looi started his career as an auditor at Porter Gee & Co. in April 1988.

Mr. Looi was admitted as a Member, and later as a Fellow of the Association of Chartered Certified Accountants in February 1997 and in February 2002 respectively.

Chief Accounts and Credit Officer
Chong Meng Fong

Ms. Chong Meng Fong joined our Group as a Management Accountant in our Accounts department in February 2014, and was subsequently promoted to Chief Accounts and Credit Officer in September 2014. She is in charge of the accounts and credit controls of our Group. Prior to joining our Group, she was the Group Accountant at Hunza Properties Berhad from June 2006 to February 2014, and a Finance Manager at Thong Sin group of companies from April 2001 to February 2006 where she was responsible for the accounting, financial reporting, treasury and taxation functions of the group. Prior to that, she was an Accountant at Eng Hardware Engineering Sdn. Bhd. from February 1999 till April 2001. She started her career as an Auditor at Saw & Company from February 1995 to February 1999.

Ms. Chong obtained a Master of Business Administration from the Universiti Sains Malaysia in August 2007. Prior to that, she has already been admitted by the Malaysian Institute Accountants as a Public Accountant in July 1999 and a Chartered Accountant in June 2001. Ms. Chong was also admitted as an Associate of the Association of Chartered Certified Accountants in November 1998, and subsequently a Fellow in November 2003.

Executive Director
Zainun Binti Abdul Rahman

Head of Legal and Corporate Affairs
Rowena Radha Nair

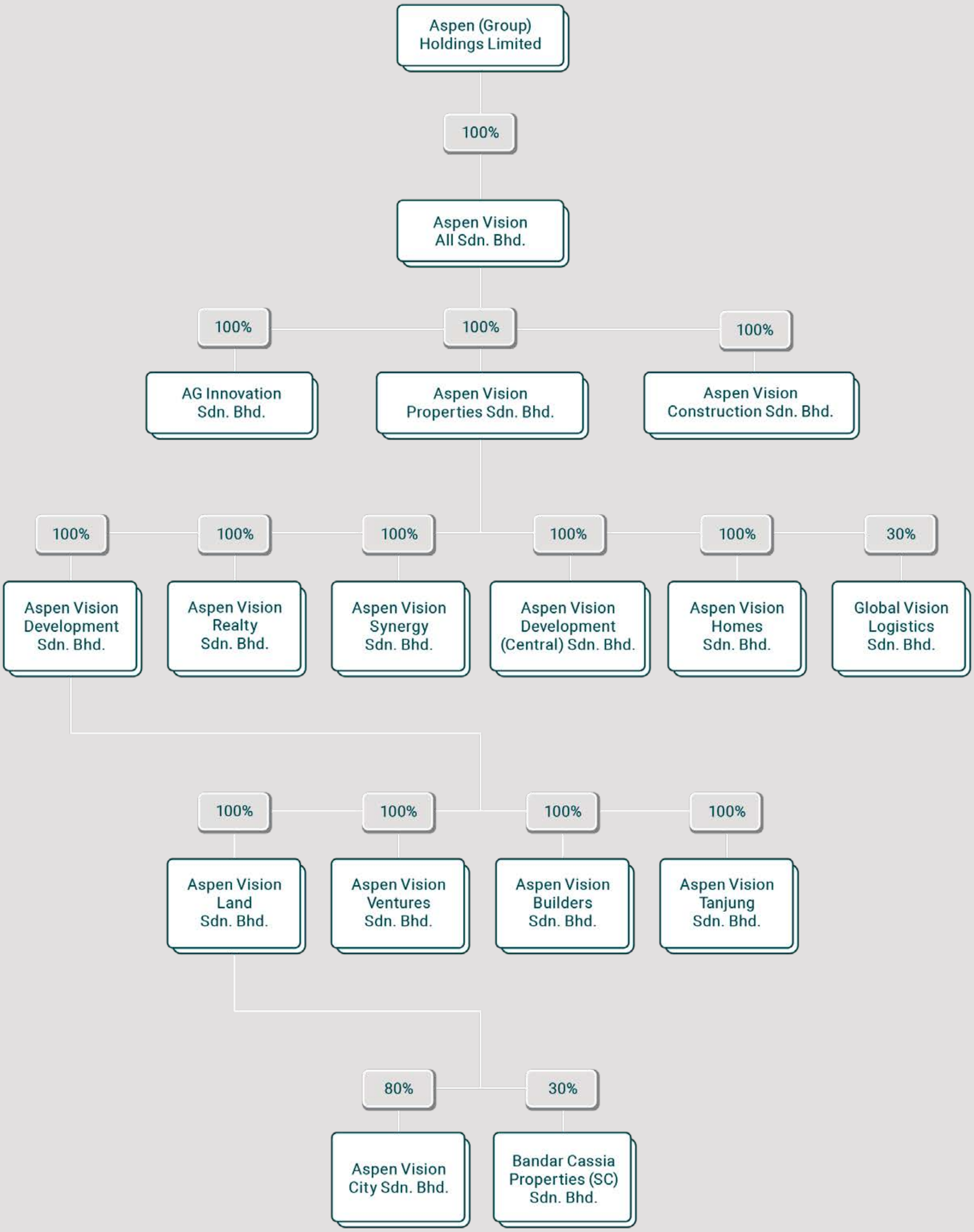
Pn. Zainun Binti Abdul Rahman joined our Group as an Executive Director in January 2015, and is in charge of corporate structuring, strategic collaboration and business portfolio creation and development. She joined Penang Development Corporation (PDC) as a Legal Officer in August 1998, and was appointed to numerous positions such as Unit Head, and thereafter as a Manager. Prior to joining our Group, Pn. Zainun was previously a Senior Manager at PDC from October 2004 to January 2015, where she formulated and executed legal principles and business practices for various complex state project developments.

Pn. Zainun holds a Bachelor of Law from the University of Malaya, which she obtained in September 1998. In February 2000, she obtained a Diploma in Management from the Malaysian Institute of Management. Pn. Zainun has received several awards from the Penang State Government namely the Pingat Jasa Kebaktian in July 1994, the Pingat Kelakuan Terpuji in July 2002, and Bintang Cemerlang Negeri in July 2008.

Ms. Rowena Radha Nair joined our Group in June 2014 as a Manager in our Legal and Corporate Affairs department and was subsequently promoted to Head of Legal and Corporate Affairs in September 2014. In her role as Head of Legal and Corporate Affairs, she is responsible in overseeing the legal and corporate affairs of the Group. Prior to this, Ms. Nair was a Legal Assistant at M/s K. Ahmad & Yong between March 2009 to May 2014 and a pupil in chambers at M/s Ghazi & Lim from January 2008 to November 2008.

Ms. Nair obtained a Bachelor of Laws (Honours) from the University of London (External) in August 2006 and a Certificate of Legal Practice from the Legal Profession Qualifying Board, Malaysia in September 2007. She was admitted to the Malaysian Bar as an advocate and solicitor in January 2009.

CORPORATE STRUCTURE



CORPORATE INFORMATION

BOARD OF DIRECTORS	Dato' M. Murly (Executive Director, President and Group Chief Executive Officer) Dato' Seri Nazir Ariff bin Mushir Ariff (Group Executive Director) Mr Cheah Teik Seng (Chairman and Independent Non-Executive Director) Dr Lim Su Kiat (Non-Independent Non-Executive Director) Dato' Alan Teo Kwong Chia (Independent Non-Executive Director)
AUDIT COMMITTEE	Mr Cheah Teik Seng (Chairman) Dato' Alan Teo Kwong Chia Dr Lim Su Kiat
NOMINATING COMMITTEE	Dato' Alan Teo Kwong Chia (Chairman) Mr Cheah Teik Seng Dato' M. Murly
REMUNERATION COMMITTEE	Mr Cheah Teik Seng (Chairman) Dato' Alan Teo Kwong Chia Dr Lim Su Kiat
JOINT COMPANY SECRETARIES	Ms Pan Mi Keay, ACIS Ms Ong Bee Choo, ACIS
REGISTERED OFFICE	80 Robinson Road #02-00 Singapore 068898 Tel: +65 6236 3333 Fax: +65 6236 4399 Email: investorrelations@aspen.com.my Website: aspen.sg
PRINCIPAL PLACE OF BUSINESS	Aspen House 300 Jalan Macalister 10450 George Town Penang Malaysia Tel: +604 227 5000 Fax: +604 227 5005
SHARE REGISTRAR	Tricor Barbinder Share Registration Services (a division of Tricor Singapore Pte. Ltd.) 80 Robinson Road #11-02 Singapore 068898
AUDITORS	KPMG LLP Public Accountants and Chartered Accountants 16 Raffles Quay #22-00 Hong Leong Building Singapore 048581 Partner-in-Charge: Ms Karen Lee Shu Pei Date of Appointment: 16 March 2017
SPONSOR	PrimePartners Corporate FInance Pte. Ltd. 16 Collyer Quay #10-00 Income at Raffles Singapore 049318
PRINCIPAL BANKERS	CIMB Bank Berhad Malayan Banking Berhad Malaysia Building Society Berhad OCBC Bank (M) Berhad

DEVELOPMENT PROJECTS

ABOUT BATU KAWAN

The Next Metropolis in the Northern Region of Malaysia

Earmarked by the government to be developed as Penang's third satellite city, Batu Kawan is one of the fastest developing area in the Northern Region of Malaysia with ever-increasing numbers of large multi-national organisations and industries opting to establish their presence within its vicinity.

Strategically connected via billion-Ringgit infrastructure such as the Penang Second Bridge, North-South Highway and a diverse network of roads, Batu Kawan is poised to emerge as the next metropolis representing the ultimate meeting point between the north and the rest of Peninsular Malaysia.

ASPEN VISION CITY

Flagship Development

Defining the Future

Aspen Group was the first to answer the call to spearhead the realisation of this vision to create an intelligent and self-sustaining metropolis designed for living in the future, today

HIGHLIGHTS

- Freehold
- A RM10 billion master development jointly developed by Aspen Group and IKEA Southeast Asia
- Full-fledged smart city masterplan
- Transforming retail, shopping and entertainment experiences
- World class healthcare and medical facilities
- Masterfully planned to be a bustling hub

Hinterland. Quiet backwater. Plantation country.

These were the views once held of the land in Bandar Cassia, Batu Kawan, before Penang Development Corporation cast its call for visionary developers that could transform it into the third satellite city of Penang. Aspen Group was the first to answer the call and to spearhead the realisation of this vision to create an intelligent and self-sustaining metropolis designed for living in the future, today.

Recognising the catalytic potential of this opportunity and driven by the challenge to completely redefine this area of the country, Aspen Group together with its joint-venture partner IKEA Southeast Asia invested in 245 acres of freehold land in Batu Kawan with a vision to develop the land into an iconic hub of the Northern Region of Malaysia.

This flagship development with a gross development value of RM10 billion quickly became known throughout the nation as Aspen Vision City, the first smart city in the making. Masterfully planned to attract the attention of investors both locally and internationally, Aspen Vision City will feature a state-of-the-art regional integrated shopping centre and the first IKEA lifestyle furniture store in the north.

As an integrated development with first-class infrastructure and amenities, Aspen Vision City comprises an eclectic mix of residential and commercial components ranging from luxurious designer homes to the region's future Central Business District, international business hotel, international school, office towers, serviced residences, transport hub, and will feature a green oasis in the form of a 25-acre Central Island Park at its heart.

With the first and second phases of development successfully launched, works for Vervea Commercial Precinct, Vertu Resort condominium, IKEA store, Columbia Asia Medical Centre, and the Central Island Park has begun.

To develop Aspen Vision City to be the most advanced city in Malaysia and a model state for smart living, Aspen Group formed powerful partnerships with global industry leaders to provide the best in services and solutions that would meet the multi-faceted needs of end-users. Pioneering collaborations with tech-giants such as Telekom Malaysia Berhad and LG Electronics Inc., Aspen Vision City will boast levels of smart city infrastructure that is unmatched by any other development in the country.

Aspen Vision City is envisaged to spur a culture of innovation by establishing the platform to enable new business models to emerge and provide a holistic environment in which urban technopreneurs can live, work, and play. As an integrated city that is designed for the future, Aspen Vision City will introduce a comprehensive cloud infrastructure platform supported by the deployment of high-speed converged ICT and next generation smart services, while preparing to incorporate the development of infrastructure driven by the 'Internet of Things'.

These are just the tip of the iceberg for the many plans in which Aspen Group will leverage on to transform what was once considered a desolate piece of land, into a world-class smart metropolis. One that will remarkably redefine the way developers build for a sustainable and innovative future and redefine living for all.

IKEA STORE & REGIONAL INTEGRATED SHOPPING CENTRE

The Northern Region's first and only IKEA store at Aspen Vision City is the subject of a RM600 million investment from IKEA Southeast Asia and comprises a built-up area of over 40,000 sqm. Slated for opening in the first quarter of 2019, the store will be wholly owned and operated by IKEA Southeast Asia. It is the anchor of the Regional Integrated Shopping Centre, a 92,903 sqm shopping paradise featuring an exciting mix of retail, food and beverage, entertainment and many more.

The highly popular Swedish furniture chain will bring an extensive range of modern and affordable home furnishings to the region, in addition to a variety of job opportunities and economic spin-offs for the surrounding communities and businesses. Its strategic location in the heart of Batu Kawan also means the IKEA store will serve a population of over 6 million in the Northern Region of Malaysia, ensuring a uniquely vibrant, ever bustling commercial landscape in Aspen Vision City.

The IKEA store fronts the main intersection of Bandar Cassia. Together with the Regional Integrated Shopping Centre and Vervea, the IKEA store will be among the first destinations greeting thousands of visitors daily.

HIGHLIGHTS

- First IKEA store in the Northern Region
- World's largest home furnishing retailer
- A RM1.6 billion investment
- Serving a population of more than 6 million in the Northern Region

GROSS FLOOR AREA:

158,081 sqm

COLUMBIA ASIA MEDICAL CENTRE

At Aspen Vision City, you don't have to look far for top healthcare facilities and services. Columbia Asia, a renowned international hospital chain with medical facilities all across Asia, forms an integral part of Aspen Vision City's masterplan.

A RM185 million investment by Columbia Asia Sdn Bhd, the medical facility will occupy a site measuring approximately 3 acres. Equipped with 150 beds, it will be the only full-service Columbia Asia Medical Centre in Penang and the second in the Northern Region.

HIGHLIGHTS

- Leading healthcare establishment with 29 hospitals across Asia
- 150 beds
- Fully equipped with state-of-the-art facilities
- Integrated with Vittoria Financial Centre

GROSS FLOOR AREA:

36,790 sqm

25-ACRE CENTRAL ISLAND PARK

Awe-inspiring zones, magnificent structures and thematic experiences will transform every visit to the Central Island Park into a spectacular experience.

Breathtaking fountains that shoots up to the sky, higher than you could imagine, thrilling skywalks that gives you a stunning view of the whole park and astonishing landscapes that transport you into a wondrous world. These are just the highlights, with so much more to be explored and experienced.

The Central Island Park is a sprawling land area measuring 25 acres and is conceptualised as Aspen Group's commitment to creating a conducive and sustainable living environment in Aspen Vision City. Envisioned as a one-of-a-kind modern community park, the Central Island Park is designed to seamlessly merge nature with urban elements to create a uniquely harmonious recreational space.

The park will be zoned into 3 phases, each with its own captivating mix of recreational offerings. Equipped with a wide range of amenities and community-centric facilities, the Central Island Park is the ideal backdrop for an abundance of activities ranging from community events and family activities to various recreational pursuits.

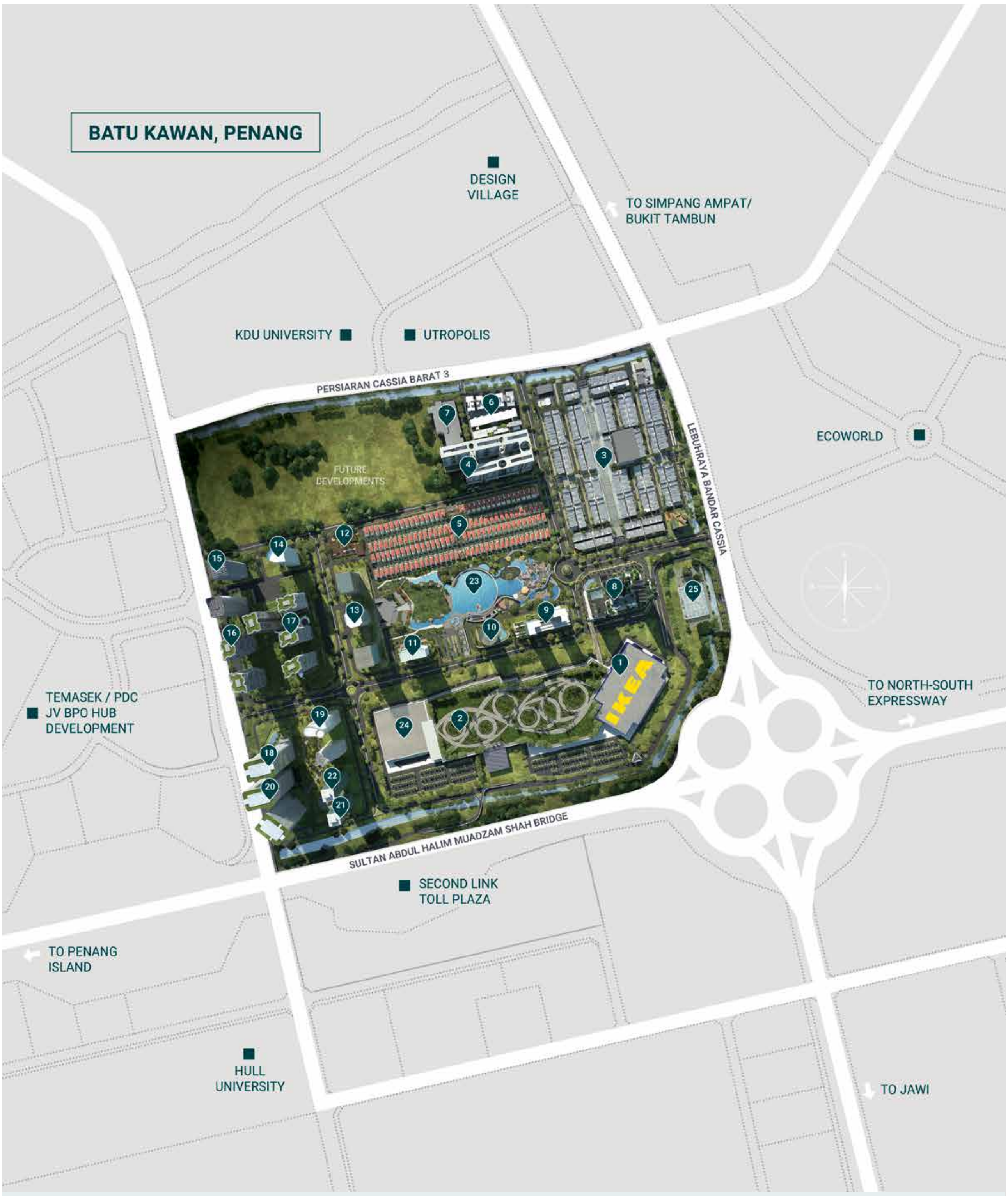
HIGHLIGHTS

- Central blue lagoon with a 55m-height water jet
- Variety of thematic gardens and creative landscaping
- Comprehensive community amenities
- Contemporary landmark sculptures creating a distinctive sense of place

GROSS FLOOR AREA:

101,171 sqm

MASTER PLAN OF ASPEN VISION CITY



1	IKEA Store	**9**	Retail & Residential	**18**	Retail / Office & Residential
2	Regional Integrated Shopping Centre	**10**	Retail & Residential	**19**	Retail / Office & Residential
3	Vervea Shop Offices	**11**	Retail & Residential	**20**	Medical Centre & Healthcare Facilities
4	Vertu Resort	**12**	International School	**21**	Retail / Office & Residential
5	Viluxe Designer Bungalows	**13**	Retail / Office & Residential	**22**	Retail / Office & Residential
6	Vittoria Financial Centre	**14**	Residential	**23**	25-acre Central Island Park
7	Columbia Asia Medical Centre	**15**	Residential	**24**	Transportation Hub
8	Vogue Lifestyle Residence, Hotel, Office Suites & Retail	**16**	Retail / Office & Residential	**25**	Auto Hub
		17	Retail / Office & Residential		

DEVELOPMENT COMPONENTS OF ASPEN VISION CITY

Developments/ Projects Names	Components	Approximately No. of Units	GDV (RM)	Land Area (SQM)	GFA (SQM)
Developments Undertaken by Partners/ Associate Company					
IKEA Store Regional Integrated Shopping Centre Transportation Hub & Auto Hub	Commercial	–	1.6 billion	303,514	158,081
Columbia Asia Medical Centre	Medical Facilities	–	185 million	12,140	36,790
Ongoing					
Central Island Park		–	30 million	101,171	101,171
Vervea	3&4 storey Shop Offices Trade & Exhibition Centre and Multi-storey Car Park Petrol Station and Drive-through F&B Outlet Boutique Hotel	434 1 Block 1 Plot 1 Block	845.2 million	141,640	186,563
Vertu Resort	Condominium	1,246	661.7 million	29,461	131,331
In the Pipeline					
Vittoria Financial Centre	Bungalow Office Blocks Office Suites	5 230	238 million	23,512	57,321
Viluxe Designer Bungalows	Bungalows	133	346 million	71,629	48,373
Vogue	Lifestyle Residence 4-star Business Hotel Office Suites Retail Shops	627 1 81 18	794.4 million	26,790	108,346
Future *					
Retail & Residential	Condominium Retail Shops	385 170	404.2 million	13,071	75,344
Retail & Residential	Condominium Retail Shops	302 85	285.1 million	10,157	48,756
Retail & Residential	Condominium Retail Shops	313 88	295.5 million	10,481	53,791
International School	Education Facilities	–	533.2 million	18,534	98,477
Retail/Office & Residential	Retail Shops Condominium	225 1,430	1.2 billion	30,634	219,437
Residential	Condominium	885	593.5 million	20,315	109,626
Residential	Condominium	935	627.5 million	21,327	115,850
Retail/ Office & Residential	Condominium Retail & Office	1,040 290	980.2 million	34,560	178,374
Retail/ Office & Residential	Condominium Retail & Office	965 270	910.1 million	32,537	165,646
Retail/ Office & Residential	Condominium Retail & Office	725 363	729.5 million	23,755	134,765
Retail/ Office & Residential	Condominium Retail & Office	665 333	669.2 million	21,893	123,617
Medical Centre & Healthcare Facilities	Medical Facilities	–	760.7 million	24,948	140,562
Retail/ Office & Residential	Condominium Retail & Office	325 163	327.2 million	10,886	60,443
Retail/ Office & Residential	Condominium Retail & Office	325 163	327.2 million	10,845	60,443
			13.3 billion	**993,800**	**2,413,107**

* Proposals of future developments are subject to change

Vervea
Aspen Vision City, Penang

VERVEA

Ongoing Developments

The largest gated and guarded commercial precinct in north of Malaysia

The first phase of the Aspen Vision City masterplan, Vervea comprises 434 units of 3 and 4 storey shop offices complemented with a host of business enhancing amenities. These include a 300-metre covered High Street, strategically positioned external linkages, a boutique hotel and a trade and exhibition centre.

Vervea also boosts cutting edge features such as smart parking system, automated waste management, real time digital signages and will be fibre optic ready.

Easily accessible from the Penang Second Bridge, North-South Highway and other major roads, Vervea enjoys high traffic flow from Penang Island as well as the Northern Region. Business establishments also benefit from being neighbours with the popular IKEA store, an incomparable commercial advantage that takes the potential of Vervea to the next level.

GDV:	TOTAL UNITS:	GROSS FLOOR AREA:
RM 845.2 mil	434	186,563 sqm

VERVEA

HIGHLIGHTS

- Freehold
- 300-metre covered High Street
- Every unit is equipped with its own individual elevator
- Cutting edge features such as smart parking system, automated waste management, real time digital signages and will be fibre optic ready.
- Expected Date of T.O.P.: Q3 2018

Vertu Resort
Aspen Vision City, Penang

VERTU RESORT

Ongoing Developments

Resort-inspired urban development

As the first residential development in Aspen Vision City, Vertu Resort is also the first resort-inspired high-rise development in mainland Penang. It is conceptualised to become a sustainable development, with complimentary eco-friendly features to meet Green Building Index certification standard.

Each unit will be completed to a move-in condition equipped with electrical and kitchen appliances, and home furnishing.

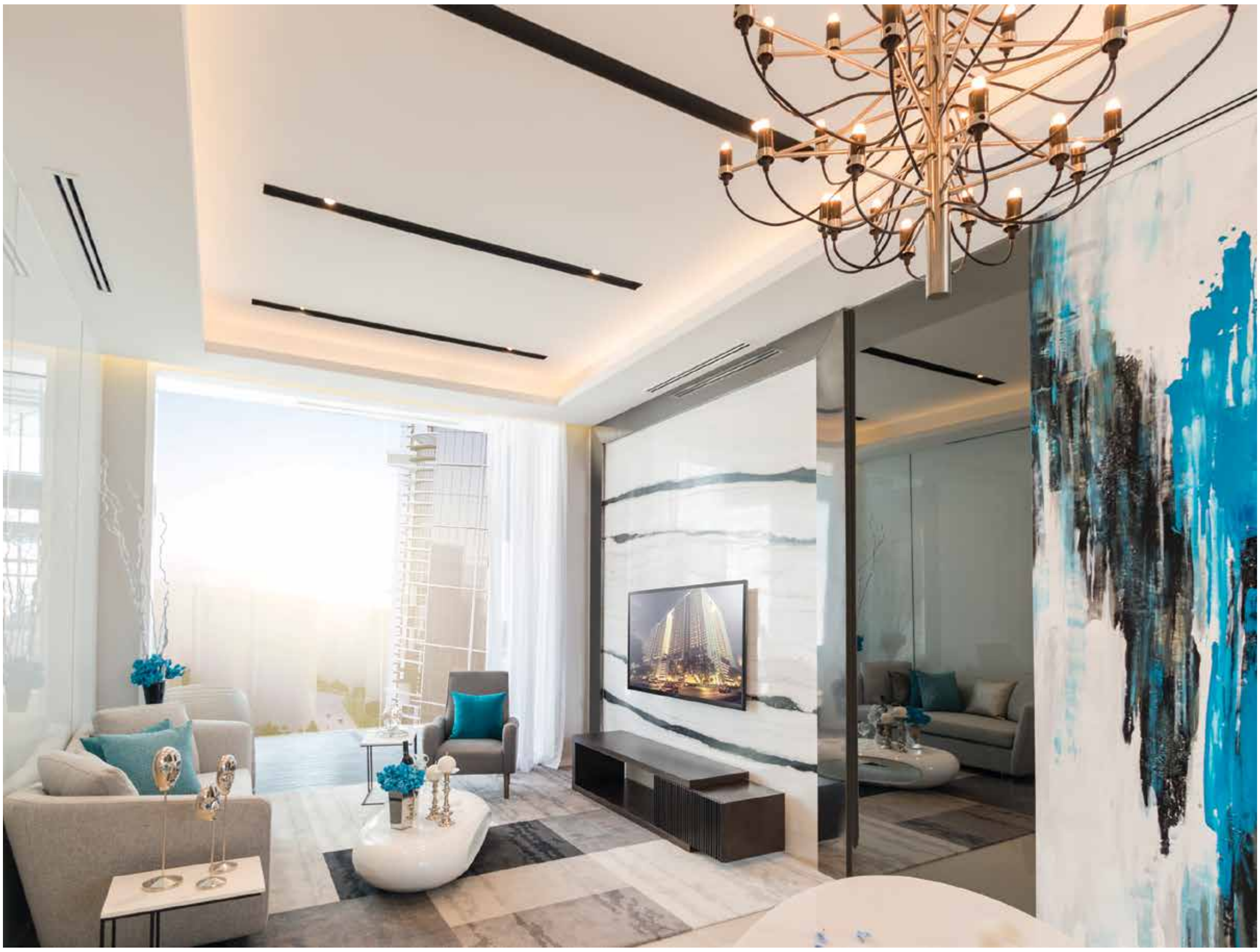
Vertu Resort packs plenty of facilities and amenities to suit individual styles and preferences, designed to be a haven of space, comfort, and indulgence. From the 152-metre swimming pool to the rock climbing adventure area, Vertu Resort offers an abundance of activities in a holistic living environment that caters for everyone.

Set to raise the standard of living for everyone and provides a first-look into a cosmopolitan lifestyle.

GDV:	TOTAL UNITS:	GROSS FLOOR AREA:
RM 661.7 mil	1,246	131,331 sqm

HIGHLIGHTS

- Freehold
- Versatile layouts cater for different needs
- Move-in condition with furniture, electrical and kitchen appliances
- 18,580 sqm of facilities spaces
- Expected Date of T.O.P.: Q1 2021




Tri Pinnacle
Tanjung Tokong, Penang

TRI PINNACLE

Ongoing Developments

First affordable condominium with state-of-the-art rooftop facilities

Tri Pinnacle is a project of many firsts, most notably being the first private-initiated affordable housing project in Penang. The project is widely recognised as the catalyst initiative that inspired a host of similar affordable developments from other private developers across Penang.

Conceptualised with today's modern families in mind, Tri Pinnacle offers an ideal balance of space, lifestyle and convenience. From the practical living spaces to the lifestyle facilities and its prime location, Tri Pinnacle has successfully set a new benchmark for affordable housing projects.

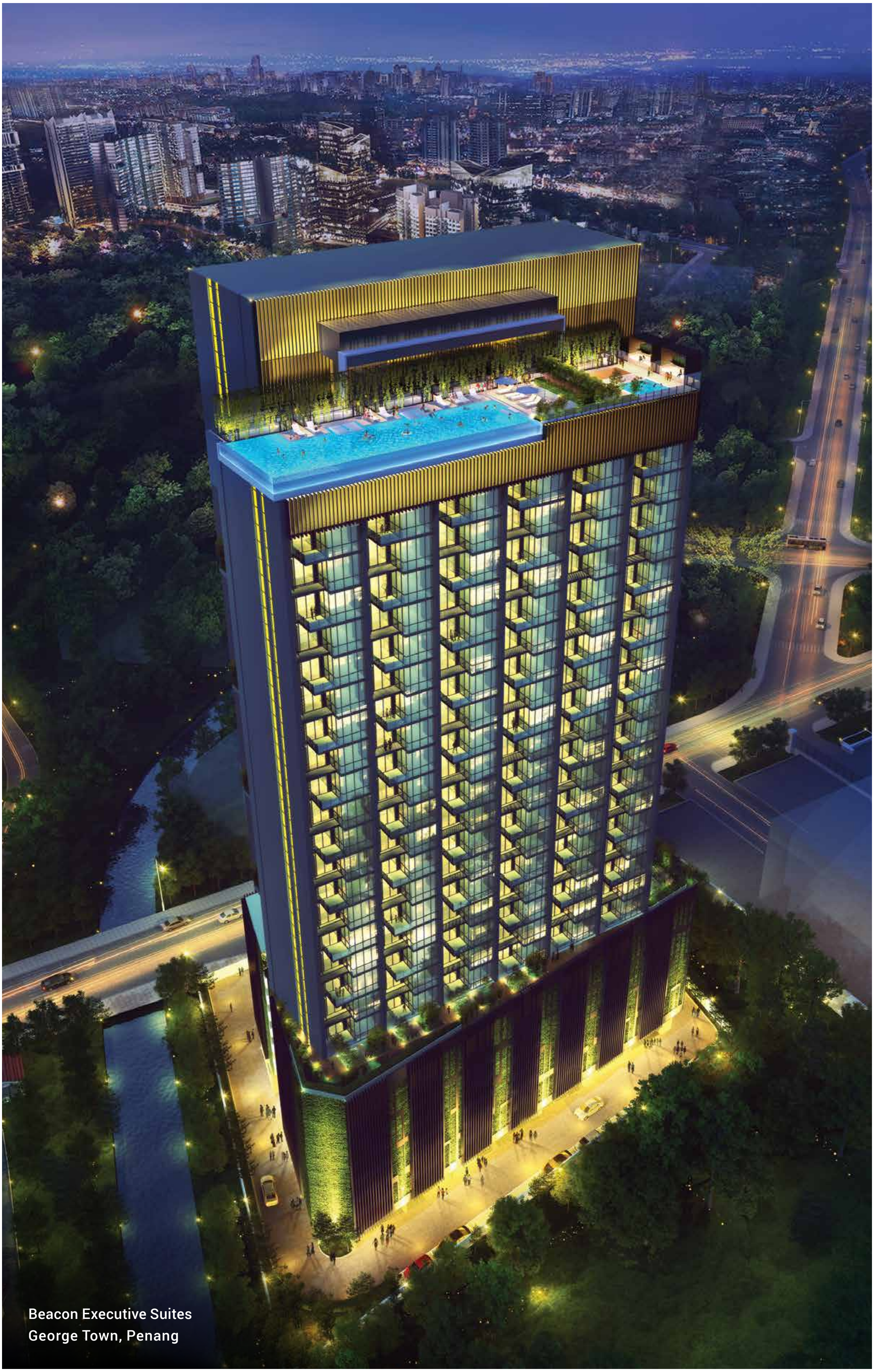
Making Tri Pinnacle even more outstanding is its full-fledged condominium facilities, which include a sky infinity swimming pool and gymnasium at the rooftop. Tri Pinnacle is poised to make an indelible mark on Penang's affordable housing scene.

GDV:	TOTAL UNITS:	GROSS FLOOR AREA:
RM 520.9 mil	1,317	28,449 sqm

TRI PINNACLE™
A VISION OF ASPEN

HIGHLIGHTS

- Freehold
- First private-initiated affordable housing project in Penang
- Affordably priced condominium with full-fledged condominium facilities
- Highly sought-after location in Tanjung Tokong
- Expected Date of T.O.P.: Q3 2018



Beacon Executive Suites
George Town, Penang

BEACON EXECUTIVE SUITES

Ongoing Developments

A glittering icon of exceptional modern living

Gracing the skyline at 30-storey high and located within one of the most well-connected enclaves in Penang, Beacon Executive Suites promises the best of both worlds, as it provides connectivity and conduciveness amidst one tranquil setting.

Designed to cater for all, it features a unique and distinctive Sky Podium at its highest floor, which commands a panoramic 360-degree view and houses a full range of lifestyle facilities that include an Infinity Sky Pool, Sky Lounge, Sky Gym and many more.

Beacon Executive Suites offers fully furnished suites in move-in condition, with exquisite finishing, impeccable decor and thoughtful furnishing all around.

It is poised to set new standards in living as all units will be fitted with cutting edge smart features like smart services platform and on-the-go mobile applications for urbanites that are constantly on the move.

With futuristic smart lifestyle at its residents' fingertips, Beacon Executive Suites is set to change and redefine the landscape of smart living in Penang.

GDV:	TOTAL UNITS:	GROSS FLOOR AREA:
RM 143 mil	227	24,049 sqm

BEACON executive suites PENANG

HIGHLIGHTS

- Freehold
- Equipped with IoT smart service solutions to enhance your home's functionality
- Fully furnished move-in condition
- Sophisticated rooftop Infinity Sky Pool, Sky Lounge and Sky Gym
- Expected Date of T.O.P.: Q3 2020

Vittoria Financial Centre
Aspen Vision City, Penang

VITTORIA FINANCIAL CENTRE

Pipeline Developments

VITTORIA™ FINANCIAL CENTRE

Smart office suites enhanced with an intelligent ecosystem designed for businesses of the future

Innovatively conceptualised for future-centric businesses, the Vittoria Financial Centre was planned and designed to be flexibly functional, to meet the rapidly changing and versatile needs of different businesses.

Equipped with workspaces that are integrated with intelligent solutions, shared private services and lifestyle facilities that nurture work-life balance, business owners will be empowered to be more dynamic in the way they operate, and achieve maximum productivity through faster connections and smart technology services.

Building ahead with technological innovation to meet the demands of savvy businesses that are set to grow exponentially, we are collaborating with reputable global industry leaders to provide smart business-centric solutions that will impact and improve business work flows and possibilities.

With its strategic location, smart facilities, and shared services, Vittoria Financial Centre is anticipated to become one of the highly sought-after, and desired locations for businesses to thrive in.

GDV:	TOTAL UNITS:	GROSS FLOOR AREA:
RM 238 mil	230	57,321 sqm

HIGHLIGHTS

- Freehold
- Integrated infrastructure with first-class shared services and amenities
- Embedded with a full range of smart features, including: comprehensive cloud infrastructure; SaaS (Software as a Service); virtual secretarial services; smart parking; intuitive street lighting and etc
- Expected Date of T.O.P.: 2021


Viluxe Designer Bungalows
Aspen Vision City, Penang

VILUXE DESIGNER BUNGALOWS

Pipeline Developments

Sophisticated homes designed to be the epitome of luxury in the heart of nature

Being the first landed residential development in Aspen Vision City, the Viluxe Designer Bungalows are an exclusively limited set of exquisite designer bungalows that will add to the diversity of our development.

Intricately designed with personalised touches, the Viluxe Designer Bungalows provide comfort in luxury on a scale that has not been seen before on the southeastern region of Penang. It stands apart on its own as bungalows set within an exclusive affluent neighourhood, facing lush greeneries of Aspen Vision City's 25-acre Central Island Park.

GDV:	TOTAL UNITS:	GROSS FLOOR AREA:
RM 346 mil	133	28,373 sqm

VILUXE™

HIGHLIGHTS

- Freehold
- The most prominent address in mainland Penang
- Gated and guarded landed community
- Overlooking and with exclusive access to the 25-acre Central Island Park
- Expected Date of T.O.P.: 2022

HH Park Residence
Tanjung Bungah, Penang

HH PARK RESIDENCE

Pipeline Developments

Bespoke luxury in an affluent address

Contemporary lifestyle with comfort and convenience immersed in unsurpassed luxury and prestige, HH Park Residence features exceptional design, impeccable detailing, on-the-go smart home solutions and three tiers of stunning facilities.

The two towers of luxuriously furnished and fitted park residences offer the perfect home for families looking for the finest accommodation.

HH Park Residence is strategically located within the much sought-after Tanjung Bungah enclave surrounded by an established neighbourhood with amenities, conveniences, entertainment, restaurants infused with local culture, all are just minutes away.

GDV:	TOTAL UNITS:	GROSS FLOOR AREA:
RM 613.1 mil	424	91,257 sqm

HH PARK™ RESIDENCE

HIGHLIGHTS

- Freehold
- State-of-the-art exclusive sky services with a 360-degree panoramic view
- Luxuriously furnished and fitted park residences
- Convenient urban living with top-notch lifestyle facilities at the doorstep
- Expected Date of T.O.P.: 2022

VOGUE LIFESTYLE RESIDENCE, HOTEL & OFFICES

Pipeline Developments

An elevated lifestyle all under one roof

Vogue comprises lifestyle residences, a 4-star business hotel, office suites and retails spaces. The residents will enjoy direct access to IKEA store, Regional Integrated Shopping Centre and Vervea commercial precinct.

It will be the first mixed development with living and working environment all under one roof in the Batu Kawan vicinity.

GDV:	TOTAL UNITS:	GROSS FLOOR AREA:
RM 794.4 mil	627	108,346 sqm

Vogue LIFESTYLE RESIDENCE

HIGHLIGHTS

- Freehold
- Link to IKEA store and Regional Shopping Centre
- Experience an elevated lifestyle at your doorstep
- Expected Date of T.O.P.:2022

Vogue Lifestyle Residence
Aspen Vision City, Penang

COMMUNITY ENGAGEMENT EVENTS

ASPENORMOUS SAVINGS ONE DAY SALE

30 January 2017

To usher the Lunar New Year, the inaugural Aspenormous Savings One Day Sale was held on 30 January 2017 where aspiring purchasers were able to purchase selected units of their preferred development with great savings all bundled in an attractive package that was only valid for a day.

CHAP GOH MEH & CUSTOMER APPRECIATION DAY

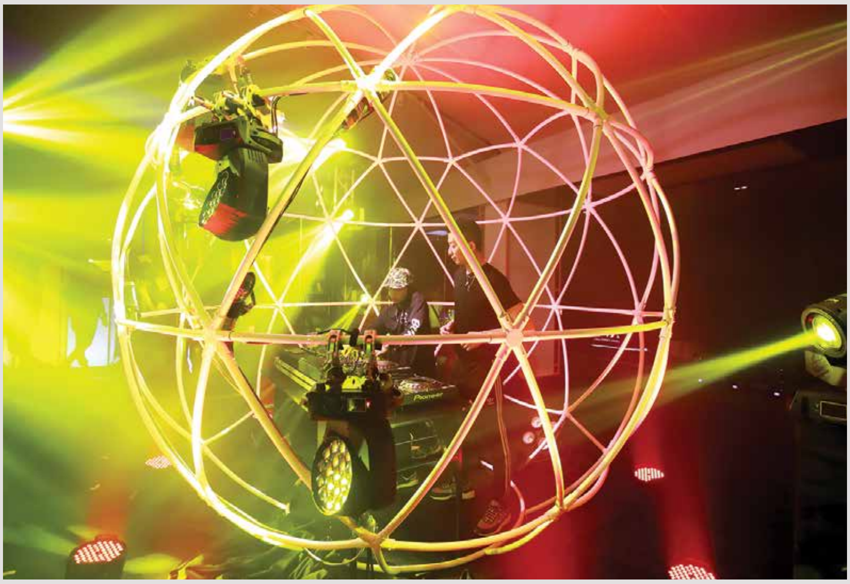
10 February 2017

In conjunction with the 2017 Lunar New Year celebration, Aspen Group hosted the residents of Penang and Batu Kawan with a myriad of entertainment, performances and cultural activities that lasted from the 1st to the 16th day of the Lunar New Year.

PURE LIGHT AFTER WORK

25 May 2017

The Beacon Concept Gallery was transformed to a cool place in town where we brought together young professionals and entrepreneurs for an evening of networking. The event was hosted by Hannah Tan, a Malaysian celebrity host and the highlights of the night were the appearances by three famous local DJ's.



HARI RAYA OPEN HOUSE

17 July 2017

The Group's Hari Raya Open House was held at Beacon Concept Gallery in George Town, Penang and Central Region Concept Gallery where guests were served with delectable Hari Raya treats. As Hari Raya is also the time of giving, the Group donated a total of RM30,000 to three mosques located in George Town with the mock cheques presented by Penang State EXCO Member, YB. Tuan Jagdeep Singh Deo.

NEGARAKU, RUMAHKU

19 August 2017

To enliven the patriotic spirit of the community in Penang and especially the residents at Desa Putra, the Group raised a total of 240 Jalur Gemilang in conjunction with the Nation's 60th Merdeka Celebration, in line with the tagline 'Negaraku, Rumahku'.

IKEA SNEAK & PICK

16 & 17 September 2017

In conjunction with the 60th Merdeka Celebration and the ground-breaking of IKEA store in Aspen Vision City, IKEA Sneak & Pick was held where every visitor was given a token worth RM60 upon registration and they could pick any IKEA items on display.

DEEPAVALI CSR

11 November 2017

Aspen Group visited Association Yee Ran Jing Sheh Handicapped Children's Home at Bukit Mertajam during the Deepavali festive season and brought together gifts aplenty where food and other necessities were donated.

MAGICAL CHRISTMAS WISHING WALL

December 2017

Aspen Group set up a Magical Christmas Wishing Wall in front of our headquarters, Aspen House for the month of December in 2017. Everyone in the community were encouraged to fill in their Christmas wishes, especially if they wished to do good or contribute to the community. The Group then selected the meaningful wishes and granted the Christmas wishes.

SANTA'S MERRY MOB

22 December 2017

The Group continued to spread joyful Christmas cheer to the people of Penang. This time, traffic at Jalan Macalister, along Aspen House, stood still for a few minutes, when a mob of Merry Santas and Santarinas flooded the busy street after working hours. Cookies were also joyfully distributed to the unexpected motorists to usher in Christmas that was just around the corner.

CO-WORKERS ENGAGEMENT ACTIVITIES

CNY GET-TOGETHER DINNER

11 February 2017

The 2017 CNY Get Together Dinner was held at Eastern & Oriental Hotel. The evening started off with the symbolic tossing of 'Yee Sang' to commemorate the upcoming Lunar New Year. The fun continued with lucky draw sessions where gifts aplenty waited Aspenians.

BOWLING TOURNAMENT

24 March 2017

At Aspen Group, we encourage work life balance and kick-started the many 'Fun & Break' activities with a friendly bowling tournament that gathered all Aspenians after work. Three top teams were rewarded with cash prizes for their effort and resilience.

GEORGE TOWN SIGHTS ON A BIKE

22 April 2017

What better way to get closer to the many arts and murals along the George Town Heritage sites than to stroll along it on a bike. Aspenians cycled through the many sights and sounds of the small lanes that are often missed in George Town.

JAPAN STUDY TRIP

9 - 14 May 2017

Aspenians got the chance to adorn themselves with kimono and yukata while they strolled down oriental sights in Osaka and Kyoto for a Japan Study Trip from 9th to 14th of May. Aspenians not only experienced the rich culture in Japan but also learned the township planning, transportation planning and technology used in daily life that Japan has adopted so far.

BADMINTON FRIENDLY MATCH

16 June 2017

Aspenians brought their rackets out with shuttlecocks flying and smashes echoing. It was a good way to sweat with some competitive badminton matches which ended with good team spirit and fun at the end of it all.

IPO CELEBRATION PARTY

28 July 2017

On the 28th of July 2017, Aspen (Group) Holdings Limited was successfully listed on the Catalist Board of the Singapore Stock Exchange. To pay homage to the hard work and dedication of all Aspenians who have strived hard to achieve this accomplishment, a celebration party was held at the Beacon Concept Gallery.

TEAM BUILDING

11 - 13 August 2017

Aspenians got together for a weekend of retreat at the Annual Team Building where Aspenians spent three days at the sunny beach of Swiss Garden Beach Resort Damai Laut and enjoyed team building activities geared to make everybody bond better through fun and laughter.

JUNGLE TREKKING

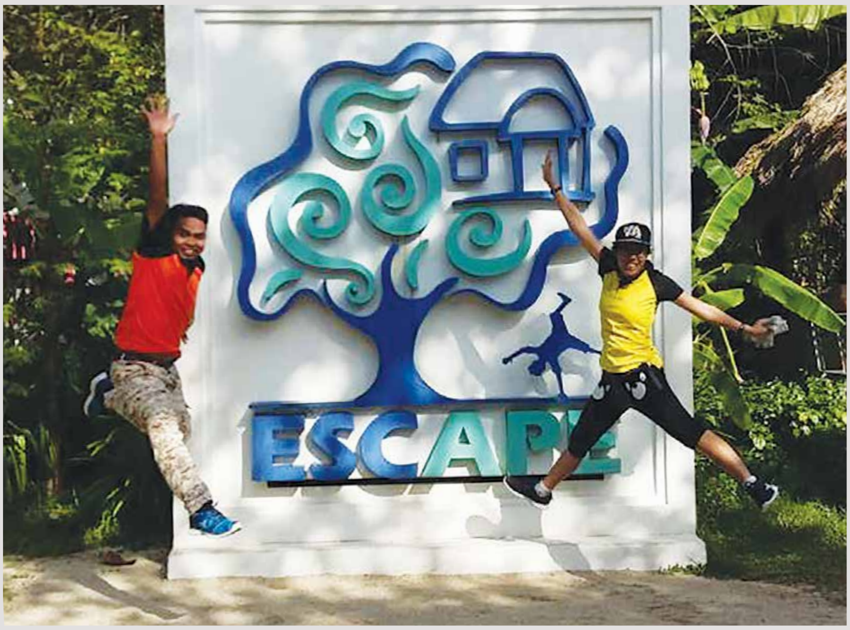
7 October 2017

The Penang National Park in Teluk Bahang, Bukit Batu Itam trail turned lively with the chats and laughter of Aspenians who left the urban jungle for some real jungle trekking and got the chance to be as close to nature as possible.

TIME TO 'ESCAPE'

18 November 2017

Escape Adventure Play Park played host to Aspenians where we were put in groups and accomplished challenges and missions spread throughout the park and collected points along the way.



CORPORATE GOVERNANCE REPORT

The board of directors (the "Board") and the management of Aspen (Group) Holdings Limited (the "Company") are strongly committed to high standards of corporate governance which are essential to the stability and sustainability of the performance of the Company and its subsidiaries (the "Group"), promotion of corporate transparency, accountability and integrity of the Group, protection of the interests of the Company's shareholders ("Shareholders") and maximisation of long-term shareholder value.

This report describes the Company's corporate governance practices that were in place during the financial year ended 31 December 2017 ("FY2017") with specific reference made to the principles of the Code of Corporate Governance 2012 (the "Code") issued on 2 May 2012 and takes into consideration the disclosure guide developed by the Singapore Exchange Securities Trading Limited ("SGX-ST") in January 2015. Where there are deviations from the Code, appropriate explanations are provided.

PRINCIPLE 1: BOARD MATTERS - THE BOARD'S CONDUCT OF AFFAIRS

Every company should be headed by an effective Board to lead and control the company. The Board is collectively responsible for the long-term success of the company. The Board works with Management to achieve this objective and Management remains accountable to the Board.

The primary function of the Board is to lead and control the Company by forming an effective working relationship with the management to achieve this objective as the Board is collectively and ultimately responsible for the long-term success of the Company.

Besides carrying out its statutory responsibilities, the Board's other roles are to:

i. provide entrepreneurial leadership, set strategic aims and ensure that the necessary financial and human resources are in place for the Group to meet its objectives;
ii. establish a framework of prudent and effective controls which enables the identification, assessment and management of risks, including safeguarding of Shareholders' interests and the Group's assets;
iii. review management performance;
iv. identify the key stakeholder groups and recognise that their perceptions affect the Group's reputation;
v. set the Group's values and standards (including ethical standards), and ensure that obligations to Shareholders and other stakeholders are understood and met;
vi. consider sustainability issues, for example, environmental and social factors, as part of its strategic formulation; and
vii. provide oversight of the proper conduct of the Group's business and assume responsibility for corporate governance.

The directors of the Company (the "Directors") are of the view that they have objectively discharged their duties and responsibilities at all times as fiduciaries in the interests of the Company.

To assist the Board in the execution of its responsibilities, various Board committees, namely, the Audit Committee ("AC"), Nominating Committee ("NC") and Remuneration Committee ("RC") that are headed by Independent Directors, have been established and delegated with certain functions. The chairman of the respective committees will report to the Board on the outcome of the committee meetings and their recommendations on the specific agendas mandated to the committees by the Board. Further details of the scope and functions of the various committees are provided below in this Report.

The Board holds at least four scheduled meetings each year to review and deliberate on the key activities and business strategies of the Group, including significant acquisitions and disposals, annual budget, financial performance and to endorse the release of the quarterly and annual financial results. Where necessary, additional meetings are held to address significant transactions or issues arising from the business operations of the Group.

The Constitution of the Company provides for directors to conduct meetings by teleconferencing, videoconferencing, audio-visual or other electronic means of communication. When a physical meeting is not possible, timely communication with members of the Board can be achieved through electronic means. The Board and Board Committees may also make decisions through circulating resolutions.

The attendance of the Directors at meetings of the Board and the Board committees during FY2017 up to the date of this Report is tabulated below:

	Board	Audit Committee	Nominating Committee	Remuneration Committee
Total number of meetings held	3	4	2	3
Number of meetings attended by respective directors				
Executive Directors				
Dato' Murly Manokharan	3	2#	2	2#
Dato' Seri Nazir Ariff Bin Mushir Ariff	3	-	1#	-
Non-Independent Non-Executive Director				
Dr Lim Su Kiat	3	4	2#	3
Independent Directors				
Cheah Teik Seng	3	4	2	3
Dato' Alan Teo Kwong Chia	3	4	2	3

By invitation

Material matters which specifically require the Board's decision or approval include the following corporate matters:
i. Announcement of financial statements;
ii. Interested persons transactions;
iii. Declaration of interim dividends and proposal of final dividends;
iv. Convening of shareholders' meetings;
v. Change in business direction;
vi. Authorisation of merger and acquisition transactions; and
vii. Authorisation of major transactions.

The Company has documented the guidelines for matters that require the Board's decision or approval.

The Company will provide a newly-appointed Director guidance and orientation (including management's presentation) which will allow such person to understand the Group's business operations, strategic directions and policies, corporate functions and governance practices. If necessary, on-site visits to the Group's local and overseas places of operation will be arranged for a newly-appointed Director. Upon appointment, a Director will be provided a formal letter which sets out his duties and obligations. If a newly- appointed Director does not have any prior experience as a director of a listed company, the Company will arrange for such person to undertake training in the roles and responsibilities of a director of a listed company and to familiarise such person with the relevant rules and regulations governing a listed company. No new director was appointed since the Company's listing on the Catalist of the SGX-ST on 28 July 2017.

While the Directors are generally responsible for their own individual training needs, the Company is responsible for arranging and funding the training of Directors. As such, continuous and on-going training programmes are made available to the Directors from time to time, such as courses on directors' duties and responsibilities as well as seminars and talks on relevant subject fields. Dato' Murly, Dato' Seri Nazir Ariff and Dr Lim Su Kiat have attended the training in the roles and responsibilities of a Director of a listed company at the Singapore Institute of Directors on 18 January 2017 while Mr. Cheah Teik Seng and Dato' Alan Teo have attended the same training on 17 May 2017 to familiarise themselves with the roles and responsibilities of a Director of a public listed company in Singapore.

The Directors are conscious of the importance of continuing education in areas such as legal and regulatory responsibilities and accounting issues, so as to update and refresh themselves on matters that may affect their performance as a Board, or as a member of a Board committee. Accordingly, further training for Directors will extend to relevant new laws, regulations and changing commercial risks from time to time when appropriate.

PRINCIPLE 2: BOARD COMPOSITION AND GUIDANCE

There should be a strong and independent element on the Board, which is able to exercise objective judgment on corporate affairs independently, in particular, from Management and substantial shareholders. No individual or small group of individuals should be allowed to dominate the Board's decision making.

The Board of the Company comprises the following Directors:

Name of Director	Position in the Board
Dato' Murly Manokharan	Executive Director, President and Group Chief Executive Officer
Dato' Seri Nazir Ariff Bin Mushir Ariff	Group Executive Director
Mr. Cheah Teik Seng	Independent Non-Executive Director and Chairman
Dato' Alan Teo Kwong Chia	Independent Non-Executive Director
Dr. Lim Su Kiat	Non-Independent Non-Executive Director

The Company believes that there should be a strong and independent element on the Board in order for it to exercise objective judgment on corporate and business affairs. Hence, the Board comprises five Directors, out of whom two are Independent Directors, one is a Non-Independent and Non-Executive Director and two are Executive Directors, and the AC, the RC and the NC are constituted in compliance with the Code. The Board has a strong and independent element with two (2) independent Directors that make up to more than one-third of the Board in compliance with the Code. The Company also believes that the Independent Directors should be selected for their diverse expertise so that they can provide a balance of views.

As set out under the Code, an independent director is one who has no relationship with the Company, its related corporations, its 10% Shareholders or its officers that could interfere, or be reasonably perceived to interfere, with the exercise of the director's independent business judgement with a view to the best interests of the Company. The NC deliberates to determine the independence of a Director bearing in mind the salient factors set out under this guideline in the Code as well as all other relevant circumstances and facts. To facilitate the NC in its review of the independent status of the Directors, each Independent Director will confirm his independence. The Executive Directors are considered non-independent. During FY2017, the NC has reviewed and has confirmed the independence of the Independent Directors in accordance with the Code. There were no Directors who are deemed independent by the Board, notwithstanding the existence of a relationship as stated in the Code that would otherwise deem him not to be independent.

There are no Independent Directors who has served on the Board beyond nine (9) years from the date of his first appointment.

The NC is of the view that the Board has the requisite blend of expertise, skills and attributes to oversee the Group's business. Collectively, they have competencies in areas which are relevant and valuable to the Group, such as accounting, corporate finance, business development, management, sales and strategic planning. In particular, the Executive Directors have many years of experience in the industry that the Group operates in. The NC considers that the Board's present size is adequate for effective debate, strategic decision-making and in exercising accountability to Shareholders and delegating authority to the management, taking into account the nature and scope of the Group's operations. As the Group's activities continue to grow, the NC will continuously review the composition of the Board so that it will have the necessary competency to be effective.

The Non-Executive Directors (including the Independent Directors) provide constructive advice on the Group's strategic and business plans. They constructively challenge and help develop proposals on strategy for the Group. They also review the performance of the management in meeting agreed goals and objectives and monitor the reporting of performance of the Group.

To facilitate more effective checks on management, the Non-Executive Directors will meet as and when necessary without the presence of the management.

PRINCIPLE 3: CHAIRMAN AND CHIEF EXECUTIVE OFFICER

There should be a clear division of responsibilities between the leadership of the Board and the executives responsible for managing the company's business. No one individual should represent a considerable concentration of power.

The Company believes that a clear division of responsibilities between the Non-Executive Chairman and the Group Chief Executive Officer ("Group CEO") ensures an appropriate balance of power, increased accountability and greater capacity of the Board for independent decision-making. The positions of the Non- Executive Chairman and Group CEO are held by Mr. Cheah Teik Seng and Dato' Murly Manokharan respectively and they are not related to each other.

The Chairman's duties and responsibilities include:
i. leading the Board to ensure its effectiveness on all aspects of its role;
ii. setting the agenda and ensure that adequate time is available for discussion of all agenda items, in particular strategic issues;
iii. promoting a culture of openness and debate at the Board;
iv. ensuring that the Directors receive complete, adequate and timely information;
v. ensuring effective communication with Shareholders;
vi. encouraging constructive relations within the Board and between the Board and the management;
vii. facilitating the effective contribution of Non-Executive Directors;
viii. encouraging constructive relations between Executive Directors and Non-Executive Directors; and
ix. promoting high standards of corporate governance.

The Group CEO's duties and responsibilities include:
i. improving, developing, extending, maintaining, advising and promoting the Group's businesses to protect and further the reputation, interest and success of the Company and the Group;
ii. undertaking such duties and exercising such powers in relation to the Group and their businesses as the Board shall from time to time properly assign to or vest in him in his capacity as the Group CEO and all other matters incidental to the same; and
iii. overseeing, formulating and implementing corporate strategies and directions for the affairs of the Group.

PRINCIPLE 4: BOARD MEMBERSHIP

There should be a formal and transparent process for the appointment and re-appointment of directors to the Board.

The appointment of new Directors to the Board is recommended by the NC which comprises three (3) Directors, namely, Dato' Alan Teo Kwong Chia (Chairman of the NC), Mr Cheah Teik Seng and Dato' Murly Manokharan. As both Dato' Alan Teo Kwong Chia and Mr Cheah Teik Seng are Independent Directors, the NC comprises a majority of independent directors.

The principal functions of the NC, regulated by written terms of reference and undertaken by the NC during FY2017, are as follows:
i. review board succession plans for Directors;
ii. develop a process for evaluation of the performance of the Board, the various Board committees and the Directors;
iii. review the training and professional development programs for the Board;
iv. review, assess and make recommendation to the Board on all Board selection, appointments and re-appointments, taking into consideration the composition and progressive renewal of the Board and each Director's competencies, contributions and performance;
v. review and determine annually the independence of Directors;
vi. decide the assessment process and implement a set of objective performance criteria to be applied from year to year for evaluation of the Board's performance; and
vii. evaluate the Board's effectiveness as a whole and each Director's contribution to its effectiveness in accordance with the assessment process and performance criteria adopted, including deciding whether a Director is able to and has been adequately carrying out his/her duties when he/she has multiple board representations.

The NC leads the process and makes recommendations to the Board for the selection and approval of appointment of new Directors as follows:

i. evaluates the balance of skills, knowledge and experience on the Board and, in the light of such evaluation and in consultation with the management, prepares a description of the role and the essential and desirable competencies for a particular appointment;
ii. while existing Directors and the management may make suggestions, seeks external help where necessary to source for potential candidates;
iii. meets with short-listed candidates to assess their suitability and to ensure that the candidate(s) are aware of the expectations and the level of commitment required; and
iv. makes recommendations to the Board for approval.

At present, no alternative Director has been appointed to the Board.

Regulations 97 and 98 of the Constitution of the Company provides that one-third of the Directors (or, if their number is not a multiple of three, the number nearest to but not less than one-third) shall retire from office by rotation and are eligible for re-election at each annual general meeting ("AGM"). All Directors are required to retire from office at least once in every three (3) years. Newly appointed Directors shall hold office only until the next AGM and are eligible for re-election at the AGM pursuant to Regulation 103 of the Constitution of the Company. Shareholders approve the election and re-election of Board members at the AGM.

The NC assesses and recommends to the Board the retiring directors to be re-elected at the forthcoming AGM, having regard to their contribution and performance.

The NC has recommended and the Board has agreed for the following directors to retire and seek for re-election at the forthcoming AGM:

a. Dr Lim Su Kiat (retiring under Regulation 97 of the Constitution of the Company);
b. Dato' Seri Nazir Ariff Bin Mushir Ariff (retiring under Regulation 103 of the Constitution of the Company);
c. Mr. Cheah Teik Seng (retiring under Regulation 103 of the Constitution of the Company); and
d. Dato' Alan Teo Kwong Chia (retiring under Regulation 103 of the Constitution of the Company).

Dr Lim Su Kiat will, upon re-election as Director, remain as a Non-Independent Non-Executive Director and a member of the AC and RC. He will be considered non-independent for the purpose of Rule 704(7) of the Listing Manual Section B: Rules of Catalist of the SGX-ST ("Catalist Rules").

Dato' Seri Nazir Ariff Bin Mushir Ariff will, upon re-election as Director, remain as an Executive Director.

Mr. Cheah Teik Seng will, upon re-election as Director, remain as Independent Non-Executive Director and Chairman, Chairman of the AC and RC and member of the NC. He will be considered independent for the purpose of Rule 704(7) of the Catalist Rules.

Dato' Alan Teo Kwong Chia will, upon re-election as Director, remain as an Independent Non-Executive Director, Chairman of the NC and member of the AC and RC. He will be considered independent for the purpose of Rule 704(7) of the Catalist Rules.

The NC determines the independence of Directors in accordance with the guidelines set out in the Code and the declaration form completed by each Independent Director disclosing the required information.

The NC is of the opinion that the Board has been able to exercise objective judgment on corporate affairs independently and that the Board's decision making process is not dominated by any individual or small group of individuals.

The NC also determines whether a Director with multiple board representations is able to and has been adequately carrying out his duties as a Director of the Company. The NC takes into account the results of the assessment of the effectiveness of the individual Director and the respective Directors' actual conduct on the Board. The NC is satisfied that all the Directors have been able to and have adequately carried out their duties as Director notwithstanding their multiple board representations.

The NC and the Board are of the view that there should not be any restriction to the number of board representations that each Director may take up as multiple board representations do not necessarily hinder the Directors from carrying out their duties. The NC and the Board are of the view that multiple board representations may be beneficial as these widen the experience of the Directors and broaden the perspective of the Directors and the Board.

Key information regarding the Directors is disclosed below and under the section on "Board of Directors" in this Annual Report.

Name of Director & Positions	Date of first appointment	Academic & Professional Qualifications	Shareholding in Company & related corporations	Current Directorships or Chairmanships in other listed companies	Other principal commitments	Directorships and Chairmanships held over the preceding three (3) years in other listed companies
Dato' Murly Manokharan • Executive Director, President & Group Chief Executive Officer • Member of NC	22-12-2016	• Executive Diploma in Project Management, University of Technology Malaysia	1. Deemed interest of 55.65% in the Company via 63% shareholding in Aspen Vision Group Sdn. Bhd.; and 2. Deemed interest of 1.15% in the Company via 100% shareholding in Intisari Utama Sdn. Bhd.	Nil.	Nil.	Nil.
Dato' Seri Nazir Ariff Bin Mushir Ariff • Group Executive Director	30-05-2017	• Certificate of Membership, British Institute of Management • Management Development • Programme, Ashridge Management College, UK • Management Development Programme, Asian Institute of Management, the Philippines • Association of Certified and Corporate Accountants'	Deemed interest of 55.65% in the Company via shareholding in Aspen Vision Group Sdn. Bhd.	• PBA Holdings Berhad, Malaysia • Texchem Resources Berhad, Malaysia	Nil.	Nil.
Mr. Cheah Teik Seng • Independent Director & Chairman of the Board • Chairman of AC & RC • Member of NC	20-06-2017	• Bachelor of Science (Honours), University of Manchester, UK • Fellow of the Institute of Chartered Accountants in England and Wales	4,360,000 ordinary shares in the Company	Nil.	Nil.	• Malayan Banking Berhad, Malaysia • Maybank Investment Bank Berhad, Malaysia • Maybank Kim Eng Holdings Ltd, Singapore • Maybank Cambodia Limited, Cambodia • Maybank Kim Eng Securities (Thailand) Public Company Listed, Thailand • Drillsearch Energy Limited, Australia • MJC Investments Corporation,
Dato' Alan Teo Kwong Chia • Independent Director • Chairman of NC • Member of AC & RC	20-06- 2017	• ASEAN Senior Manager Development Program, Harvard Business School Alumni Club of Malaysia • Premier Business Manager Program, Harvard Club of Malaysia	200,000 ordinary shares in the Company	Nil.	Nil.	Nil.
Dr. Lim Su Kiat • Non-Executive Non-Independent Director • Member of AC & RC	22-12- 2016	• Bachelor of Business (Accounting), Monash University, Australia • Master of Business (Accounting), Monash University, Australia • Doctor of Philosophy, Monash University, Australia	Nil.	Nil.	Firmus Capital Pte. Ltd. (Chief Executive Officer)	Nil.

PRINCIPLE 5: BOARD PERFORMANCE

There should be a formal annual assessment of the effectiveness of the Board as a whole and its board committees and the contribution by each director to the effectiveness of the Board.

The NC has implemented a formal Board evaluation process in assessing the effectiveness of the Board and the various Board committees. The objective of the annual evaluation is to identify areas for improvement and to implement appropriate action. The NC did not engage any external facilitator's services in respect of the evaluation process.

The Directors were requested to complete appraisal forms to assess the overall effectiveness of the Board, and the various Board committees for FY2017. The results of the appraisal exercise were tabulated, analysed and considered by the NC which then made recommendations to the Board on areas for improvement, aimed at helping the Board to discharge its duties more effectively. Although there was no evaluation carried out on the Directors individually, the NC has taken notice of each Director's attendance record, participation in meetings and overall performance and contribution to the Board and the Group.

The appraisal process focused on, inter alia, the areas of evaluation on the Board such as Board composition and size, access to information, Board procedures, Board accountability and standards of conduct.

The appraisal process for the AC encompasses AC composition and size, committee process, accountability, internal controls and risk management systems and audit process whereas the NC and the RC evaluated the respective committee's composition and size and committee process.

The NC is of the view that the Board and its various Board committees have contributed to the overall effectiveness of the Board as a whole and that the relevant criteria of the performance of the Board and the Board Committees will be maintained from year to year, subject to such necessary change(s) which is to be justified by the Board.

The Board has met its performance objectives for FY2017.

PRINCIPLE 6: ACCESS TO INFORMATION

In order to fulfil their responsibilities, directors should be provided with complete, adequate and timely information prior to board meetings and on an on-going basis so as to enable them to make informed decisions to discharge their duties and responsibilities.

The Directors are provided with complete, adequate and timely information in the form of Board papers and all other relevant materials prior to each Board and Board committees meetings and at such other time as necessary on an ongoing basis. Information provided to the Board includes background information relating to the matters to be brought before the Board. Relevant information on material events and transactions are circulated to the Directors as and when they arise. The Board also receives regular reports pertaining to the operational and financial performance of the Group with explanations for material variance between budget and actual performance. In respect of budgets, any material variance between the projections and actual results will be disclosed and explained.

The Board members have separate and independent access to the management, who will provide additional information as may be needed by the Board to make informed decisions in a timely manner.

The Board members also have separate and independent access to the Company Secretaries. The role of the Company Secretaries is clearly defined and includes responsibility for ensuring that board procedures are followed and that applicable rules and regulations are complied with. Under the Chairman's direction, the Company Secretaries should ensure good information flows within the Board and the Board committees and between the management and non-executive Directors, advising the Board on all governance matters and facilitating orientation and assisting with professional development as may be required. The Company Secretaries attend all meetings of the Board and Board committees and minutes of the Board and Board committees are circulated to the whole Board for review and information.

The Board is fully involved in and responsible for the appointment and removal of the Company Secretaries.

Where the Directors, either individually or as a group, in the furtherance of their duties, require professional advice, the management will assist them in obtaining independent professional advice, at the Company's expense.

PRINCIPLE 7: PROCEDURES FOR DEVELOPING REMUNERATION POLICIES

There should be a formal and transparent procedure for developing policy on executive remuneration and for fixing the remuneration packages of individual directors. No director should be involved in deciding his own remuneration.

The members of the RC comprise entirely of Non-Executive Directors, namely Mr. Cheah Teik Seng (Chairman of the RC), Dato' Alan Teo Kwong Chia and Dr. Lim Su Kiat. Mr Cheah Teik Seng and Dato' Alan Teo Kwong Chia are Independent Directors. As such, the RC comprises a majority of independent directors.

The principal functions of the RC, regulated by written terms of reference and undertaken by the RC during FY2017, include the following:

i. review and recommend to the Board a general framework of remuneration and specific remuneration package for the Board and key management personnel covering all aspects of remuneration, including but not limited to fees, salaries, allowances, bonuses, share-based incentives and benefits-in-kind;
ii. review and ensure that the remuneration policies and practices are sound in that they are able to attract, retain and motivate without being excessive;
iii. structure an appropriate portion of Executive Directors' and key management personnel's remuneration so as to link rewards to corporate and individual performance so as to align them with the interests of Shareholders and promote the long-term success of the Group; and
iv. review the Company's obligations arising in the event of termination of the Executive Directors and key management personnel's contracts of service to ensure that the termination clauses are fair and reasonable and not overly generous to avoid rewarding poor performance.

The RC reviews the framework for remuneration of the Board and the key management personnel and recommends to the Board for adoption. The RC also determines specific remuneration packages and terms of employment for each Executive Director and key management personnel.

The RC's recommendations are submitted for endorsement by the entire Board. All aspects of remuneration, including but not limited to Director's fees, salaries, allowances, bonuses, options and benefits-in-kind for the Board and key management personnel are covered by the RC.

Each member of the RC will abstain from voting on any resolutions in respect of his remuneration package.

There were no remuneration consultants engaged in FY2017. The RC will if necessary, seek expert advice inside and/or outside the Company on remuneration matters.

PRINCIPLE 8: LEVEL AND MIX OF REMUNERATION

The level and structure of remuneration should be aligned with the long-term interest and risk policies of the company, and should be appropriate to attract, retain and motivate (a) the directors to provide good stewardship of the company, and (b) key management personnel to successfully manage the company. However, companies should avoid paying more than is necessary for this purpose.

Executive Directors do not receive Directors' fees. The performance-related elements of remuneration are designed to align interests of Executive Directors with those of Shareholders and link rewards to the Group's financial performance.

The Company had entered into separate service agreement with the Directors in which the terms of their employment are stipulated. Their initial term of employment is for a period of three (3) years from the date of admission of the Company to the Catalist (being 28 July 2017) and thereafter, their employment is renewed annually subject to termination clauses in the service agreements. The service agreement may be terminated by giving not less than six (6) months' prior written notice. Under the service agreements, each of the Executive Directors is entitled to be paid an incentive bonus annually which is pegged to the financial performance achieved by the Group for that financial year.

The Non-Executive Directors (including the Independent Directors) are paid a base fee. An additional fee is also paid to Non-Executive Directors for serving on any of the board committees. Such fees are pro-rated if a Director serves for less than one (1) year. The Directors' fees are subject to approval by Shareholders at the AGM.

The Company has adopted the AV Employee Share Option Scheme (the "ESOS") on 19 June 2017 prior to its listing on the Catalist board of the SGX-ST. The ESOS shall be administered by a committee comprising of members of NC and RC (the "Administration Committee") to be formed in due course . The purpose of the ESOS is to provide an opportunity for employees of the Group to participate in the equity of the Company so as to motivate them towards greater dedication, loyalty and higher standards of performance, and to give recognition to past contributions and services. Under the rules of the ESOS, the options that are granted may have exercise prices that are, at the Administration Committee's discretion, set at the price ("Market Price") equal to the average of the last dealt prices for the Company's ordinary shares ("Shares") on the Catalist for the five consecutive trading days immediately preceding the relevant date of grant of the relevant option, or (provided that Shareholders' approval is obtained in a separate resolution) at a discount to the Market Price (subject to a maximum discount of 20% or such other percentage or amount as may be determined by the Administration Committee and as permitted by the SGX-ST). Options which are fixed at the Market Price may be exercisable at any time by the participant after the first anniversary of the date of grant of that option while options granted at a discount to the Market Price may only be exercised after the second anniversary from the date of grant of the option. Options granted under the Scheme will have a life span of ten (10) years. The options may be exercisable in whole or in part, on payment of the exercise price. Since its adoption till the date of this report, no option has been granted under the ESOS. Accordingly, no Shares have been allotted on the exercise of options granted under the ESOS.

In addition to the ESOS, the Company has adopted the AV Performance Share Plan (the "PSP") on 19 June 2017 prior to its listing on the Catalist board of the SGX-ST. The PSP was implemented to complement the ESOS and to increase the Company's flexibility and effectiveness in its continuing efforts to reward, retain and motivate employees to achieve increased performance. No performance share has been granted under the PSP during the financial year in review and to-date.

In setting remuneration packages, the Company keeps in mind the pay and employment conditions within the industry and in comparable companies. The level and structure of remuneration should be aligned with the Company's long-term interest and risk policies and appropriate to attract, retain and motivate the Directors and the key management personnel to respectively provide good stewardship of the Company and manage the Company effectively. If required, the Company will engage professional advice to provide guidance on remuneration matters.

The RC and Board are of the view that it is currently not necessary to use contractual provisions to allow the Company to reclaim incentive components of remuneration from the Executive Directors and key management personnel in exceptional circumstances of misstatement of financial statements, or misconduct resulting in financial loss to the Company. The Executive Directors owe a fiduciary duty to the Company. The Company should be able to avail itself to remedies against the Executive Directors and key management personnel in the event of such exceptional circumstances or breach of fiduciary duty.

PRINCIPLE 9: DISCLOSURE ON REMUNERATION

Every company should provide clear disclosure of its remuneration policies, level and mix of remuneration, and the procedure for setting remuneration, in the company's Annual Report. It should provide disclosure in relation to its remuneration policies to enable investors to understand the link between remuneration paid to directors and key management personnel, and performance.

Given the highly competitive condition of the industry that the Group operates in and the sensitivity of remuneration matters, the Board is of the view that it is not in the best interest of the Company to disclose the full remuneration of the Executive Directors and the key management personnel on a named basis, breakdown of the remuneration of the key management personnel as well as the aggregate amount of remuneration paid or payable to the key management personnel.

A breakdown showing the level and mix of the remuneration of the Directors paid or payable in respect of FY2017 is as follows:

	Base/ Fixed Salary and EPF[1] (%)	Performance-related income[2] (%)	Directors' Fee 2017[3] (%)	Benefit-in-Kind (%)	Total (%)
S$500,001 up to S$750,000.00 p.a.					
Dato' Murly Manokharan	84.85	15.15	0.00	0.00	100.00
S$250,001 up to S$500,000.00 p.a.					
Dato' Seri Nazir Ariff	84.17	15.83	0.00	0.00	100.00
S$0 up to S$250,000.00 p.a.					
Mr. Cheah Teik Seng	0.00	0.00	100.00	0.00	100.00
Dr. Lim Su Kiat	0.00	0.00	100.00	0.00	100.00
Dato' Alan Teo	0.00	0.00	100.00	0.00	100.00

Note:
1. EPF denotes Employees Provident Fund.
2. Bonuses declared for FY2016, paid in FY2017.
3. In respect of FY2017, the amount of Directors' Fees proposed to be payable to the Non-Executive Directors (including the Independent Directors) are subject to the approval of Shareholders at the forthcoming AGM.

No Director has been granted the share-based award during FY2017.

The total remuneration paid or payable to the Group's respective top seven (7) key management personnel (who is not a Director or CEO) as named under the section on "Profiles of Key Management" in this Annual Report, for FY2017, is below S$250,000 each.

The Executive Directors and key management personnel are not entitled to any benefits upon termination, retirement or post-employment. During FY2017, the Group does not have any employees who are immediate family members of a Director or the CEO.

PRINCIPLE 10: ACCOUNTABILITY

The Board should present a balanced and understandable assessment of the company's performance, position and prospects.

The Board has embraced openness and transparency in the conduct of the Company's affairs, whilst preserving the interests of the Group. The Board provides a balanced and understandable assessment of the Group's performance, position and prospects through announcements of the Group's quarterly and full-year financial results, and announcements of the Group's major corporate developments from time to time. In line with the continuous disclosure obligations under the Catalist Rules, the Board has and will continue to inform Shareholders promptly of all pertinent information. Such information is disclosed to Shareholders on a timely basis through SGXNET. All disclosures submitted to the SGX-ST on SGXNET are also made available on the Company's corporate website (aspen.sg).

The Board is accountable to the Shareholders and is mindful of its obligations to furnish timely information and to ensure full disclosure of material information to Shareholders in compliance with statutory requirements and the Catalist Rules. The management provides the Board with the management accounts on a regular basis and as the Board may require from time to time. Such reports keep the Board informed of the Group's performance and contain explanation and information to enable the Board to make a balanced and informed assessment of the Group's performance, position and prospects.

PRINCIPLE 11: RISK MANAGEMENT AND INTERNAL CONTROLS

The Board is responsible for the governance of risk. The Board should ensure that Management maintains a sound system of risk management and internal controls to safeguard shareholders' interests and the company's assets and should determine the nature and extent of the significant risks which the Board is willing to take in achieving its strategic objectives.

The Board is committed to maintaining a sound system of internal controls to safeguard Shareholders' investments and the Group's assets. The Board oversees the management in the design, implementation and monitoring of risk management and internal control systems.

The AC and the Board review on an annual basis the adequacy of the Group's internal financial controls, operational and compliance controls, and risk management policies and systems established by the management. The system of internal controls and risk management established by the Company are designed to manage, rather than eliminate the risk of failure in achieving the Group's strategic objectives. The management is involved in regular reviews of the risks that are significant to the fulfilment of the objectives of the business. However, it should be recognised that such systems are designed to provide reasonable assurance, but not an absolute guarantee against material misstatement or loss.

During FY2017, the Company's appointed internal auditor, BDO LLP, has conducted internal audit review based on an agreed scope of review. In respect of FY2017, the Board has received from the Group CEO and Chief Financial Officer ("CFO") a letter of assurance confirming that the Group's financial records have been properly maintained and the Group's consolidated financial statements for FY2017 give a true and fair view of the Group's operations and finances, and that the Group's risk management and internal control systems were sufficiently effective.

Based on (i) the internal controls established and maintained by the Group, (ii) work performed by the internal and external auditors, (iii) reviews performed by the management, the AC and the Board, and (iv) the aforementioned letter of assurance provided by the Group CEO and CFO, the Board with the concurrence of the AC, is of the opinion that the Group's internal controls, addressing financial, operational, compliance and information technology risks, and risk management systems were adequate and effective for FY2017.

The Board notes that no system of internal controls and risk management can provide absolute assurance in this regard, or absolute assurance against the occurrence of material errors, poor judgement in decision-making, human error, losses, fraud or other irregularities. However, the Board, together with the AC and the management, will review the adequacy and effectiveness of the internal control framework on an on-going basis and address any specific issues or risks whenever necessary.

PRINCIPLE 12: AUDIT COMMITTEE

The Board should establish an Audit Committee with written terms of reference which clearly set out its authority and duties.

The AC comprises three Non-Executive Directors, namely Mr. Cheah Teik Seng (Chairman of the AC), Dato' Alan Teo Kwong Chia and Dr. Lim Su Kiat. The AC is comprised of a majority of independent directors, including the Chairman of the AC.

All members of the AC have extensive management and financial experience. The Board considers them as having sufficient financial management knowledge and experience to discharge their responsibilities in the AC.

The AC has full access to, and co-operation from the management, and has full discretion to invite any Director, executive officer or other persons to attend its meetings. It may require any such Director, officer or other person in attendance to leave the proceedings (temporarily or otherwise) to facilitate open discussion.

The duties and responsibilities of the AC are contained in written terms of reference, which are mainly to assist the Board in discharging its statutory and other responsibilities relating to internal controls, financial and accounting matters, compliance, business and financial risk management. The duties of the AC include the following:

i. recommending to the Board on the proposals to Shareholders on the appointment, re-appointment and removal of the external auditors, and approving the remuneration and terms of engagement of the external auditors;
ii. reviewing the scope, changes, results and cost-effectiveness of the external and internal audit plan and process, and the independence and objectivity of the auditors;
iii. reviewing the Group's quarterly and annual financial statements and related notes and announcements relating thereto, accounting principles adopted, and the external auditors' report prior to recommending to the Board for approval;
iv. reviewing, evaluating and reporting to the Board at least annually, having regard to input from external and internal auditors, the adequacy and effectiveness of the system of internal controls, including financial, operational, compliance and information technology controls;
v. reviewing the nature, scope, extent and cost-effectiveness of any non-audit services provided by the external auditors and ensuring that these do not affect the independence and objectivity of the external auditors;
vi. reviewing any significant financial reporting issues and judgments and estimates made by the management, so as to ensure the integrity of the financial statements of the Group and any announcements relating to the Group's financial performance;
vii. reviewing the effectiveness of the Group's internal audit function; and
viii. reviewing the interested person transactions reported by the management to ensure that they were carried out on normal commercial terms, and are not prejudicial to the interests of Shareholders.

The AC has met with the internal auditors and external auditors without the presence of the Company's management to review any matter that might be raised.

In respect of FY2017, the AC has reviewed the independence of the external auditors, Messrs KPMG LLP and recommended that Messrs KPMG LLP be nominated for re-appointment as auditors at the forthcoming AGM. In recommending the re-appointment of the auditors, the AC considered and reviewed a number of key factors, including amongst other things, the adequacy of the resources and experience of the supervisory and professional staff as well as audit engagement partner to be assigned to the audit, and size and complexity of the Group and its businesses and operations. The Group has also complied with Rules 712 and 715 of the Catalist Rules in relation to the appointment of its external auditors.

The total fees paid in respect of audit, non-audit and IPO-related fees to the external auditors, Messrs KPMG LLP for FY2017 are as stated below.

External Auditors Fees for FY2017	**RM'000**	**% of total fees**
Total audit fees	1,656	96.8
Total non-audit fees	55	3.2
Total fees paid	1,711	100.0

The AC has reviewed the amount of fees paid for non-audit services to the external auditors and the AC is satisfied that the nature and extent of such services will not prejudice the independence and objectivity of the external auditors.

The AC has the authority to investigate any matter brought to its attention within its terms of reference, with the authority to engage professional advice at the Company's expense.

The AC and the Board are in the midst of putting in place a whistle-blowing policy which will allow employees of the Group and/or any other persons to raise concerns about possible improprieties in matters of financial reporting or other matters. The AC's objective would be to ensure that arrangements are in place for such concerns to be raised and independently investigated, and for appropriate follow-up action to be taken.

Details of the activities of the AC are also provided under Principles 11 and 13 of this report. In addition to the activities undertaken to fulfil its responsibilities, the AC is kept abreast by the management, external and internal auditors on changes to accounting standards, stock exchange rules and other codes and regulations which could have an impact on the Group's business and financial statements as well as attending the relevant external training and seminars in respect thereof.

No former partner of director of the Company's existing auditing firm is a member of the AC.

PRINCIPLE 13: INTERNAL AUDIT

The company should establish an effective internal audit function that is adequately resourced and independent of the activities it audits.

The internal audit function is currently outsourced to Messrs BDO LLP, which reports directly to the AC. The AC approves the appointment, termination, evaluation and compensation of the internal auditors. The internal auditors have unfettered access to all the Company's documents, records, properties and personnel, including access to the AC.

In the opinion of the Board, Messrs BDO LLP meets the standards set out by both nationally and internationally recognised professional bodies and is satisfied that the internal auditors are qualified and experienced personnel.

The internal audit plans are reviewed and approved by the AC, to ensure the adequacy of the scope of audit. with the arising audit outcome presented and reviewed by the management, the AC and the Board.

The AC has reviewed and is satisfied with the adequacy and effectiveness of the Company's internal audit function for FY2017.

The AC will annually review the scope and results of the internal audit and ensure that the internal audit function is adequately resourced.

PRINCIPLE 14: SHAREHOLDER RIGHTS

Companies should treat all shareholders fairly and equitably, and should recognize, protect and facilitate the exercise of shareholders' rights, and continually review and update such governance arrangements.

Shareholders are treated fairly and equitably to facilitate their ownership rights. In line with the continuous disclosure obligations of the Company, pursuant to the Catalist Rules and Companies Act, the Board's policy is that Shareholders should be informed in a comprehensive manner and on a timely basis of all material developments of the Group which would be likely to materially affect the price or value of the Company's Shares.

Shareholders have the opportunity to participate effectively in and vote at general meetings of Shareholders. They will be informed of the rules, including voting procedures that govern the general meetings.

The Company allows corporations which provide nominee or custodial services to appoint more than two proxies so that Shareholders who hold Shares through such corporations can attend and participate in general meetings as proxies.

PRINCIPLE 15: COMMUNICATION WITH SHAREHOLDERS

Companies should actively engage their shareholders and put in place an investor relations policy to promote regular, effective and fair communication with shareholders.

Communication with Shareholders is managed by the Board and is facilitated through a professional investors' relations firms engaged by the Company, namely Cyrus Capital Consulting.

The Company does not make price-sensitive disclosure to a selected group. All announcements are released via the SGXNET and are also available on the Company's corporate website (aspen.sg). Shareholders receive the Annual Report together with the notice of AGM which is also accessible through the SGXNET. The notice of AGM is also advertised in a local newspaper.

The Company organises regular briefings with the media and analysts, and participates in investor seminars to update the investing community of the Group's performance and developments. During such briefings and meetings, the Company solicits feedback from and addresses the concerns of Shareholders and the investment community.

The Company has adopted a dividend policy ("Dividend Policy"), which was announced via SGXNET on 7 September 2017. The Dividend Policy will only come into effect from the financial year ending 31 December 2018. The Board has not declared and recommended dividends for FY2017 as the Board intends to reserve cash for operations and expansion purposes. The Company will disclose the reason if dividends are not declared in accordance to the Dividend Policy.

PRINCIPLE 16: CONDUCT OF SHAREHOLDER MEETINGS

Companies should encourage greater shareholder participation at general meetings of shareholders and allow shareholders the opportunity to communicate their views on various matters affecting the company.

The Board supports the Code's principle to encourage Shareholders' participation at general meetings.

The Board encourages Shareholders to attend general meetings to ensure a greater level of Shareholders' participation and to meet with the Board and the key management personnel so as to stay informed of the Group's developments and to raise issues and ask the Directors or the management questions regarding the Group's business and operations. The Directors, including the Chairman of the AC, NC and RC, and the management as well as external auditors will be present at general meetings to address Shareholders' queries.

Currently, the Constitution of the Company allows a member of the Company to appoint up to two proxies to attend and vote at general meetings. Pursuant to Section 181 of the Companies Act, a member of the Company who is a relevant intermediary is entitled to appoint more than two proxies to attend and vote in his stead. "Relevant intermediary" has the meaning ascribed to it in Section 181 of the Companies Act.

The Company practises having separate resolutions at general meetings on each substantially separate issue. The Company also makes available minutes of general meetings to Shareholders upon their requests.

The Company will conduct voting by poll and an announcement detailing the results, including the total number of votes cast for and against each resolution and the respective percentages will be announced via SGXNET after the conclusion of the general meeting.

SUSTAINABILITY REPORTING

In respect of the Sustainability Report, the Company has initiated the process by seeking advice from and consulting with external parties on the preparation of the Sustainability Report in compliance with Catalist Rule 711B and Paragraph 4.1 of the Sustainability Reporting Guide. The Company is in the midst of drafting the sustainability practices by, inter alia, identifying and assessing the material environmental, social and governance factors by taking into consideration their relevance to the business, strategy, business model and key stakeholders. The Company may, if necessary, consider engaging external parties to assist in preparing the Sustainability Report.

The Company's first Sustainability Report will be released by 31 December 2018.

DEALINGS IN SECURITIES

The Group has implemented appropriate internal guidelines on dealings in the Company's securities in compliance with the best practices as set out in Rule 1204(19) of the Catalist Rules. All Directors and staff of the Group are not allowed to trade in the Company's securities during the periods commencing two weeks and one month before the announcement of the Company's quarterly and full year financial results respectively. To facilitate compliance, reminders are issued to all directors and staff prior to the applicable trading black-outs. Our directors and staff, who are expected to observe insider trading laws at all times, are also discouraged from dealing in the Company's securities on short-term considerations.

NON-SPONSOR FEES

Non-sponsor fees amounting to S$2,208,728.60 is paid and/or payable to the Company's sponsor, PrimePartners Corporate Finance Pte. Ltd. during FY2017.

INTERESTED PERSON TRANSACTIONS

The Group has procedures governing all Interested Persons Transactions ("IPT") to ensure that they are properly documented and reported on a timely manner to the AC and that they are carried out on normal commercial terms and are not prejudicial to the interests of the Company and its minority shareholders.

Save for the IPT as disclosed on pages 195 - 205 of the offer document dated 19 July 2017, there are no other interested person transactions for FY2017 which are more than S$100,000.

Dato' Murly and Dato' Seri Nazir Ariff have provided personal guarantees for a loan obtained by a subsidiary from Maybank Islamic Berhad with a 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.

The Company did not obtain any general mandate from Shareholders for interested person transactions pursuant to Rule 920 of the Catalist Rules.

USE OF 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.

As at 28 February 2018, the said net proceeds have been utilised 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	(14,932)	10,068
Repayment of bank borrowings from CIMB Islamic Bank Berhad	2,000	(2,000)	-
Working capital (consists of payroll payment, tax payment, repayment of revolving credit interest and general operational and administrative expenses)	9,720	(9,720)	-
Total:	**36,720**	**(26,652)**	**10,068**

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

MATERIAL CONTRACTS

Save for those disclosed under the section "Interested Person Transactions" and the service agreement between the Executive Directors and the Company, there were no material contracts entered into by the Company and its subsidiaries involving the interests of its CEO, Directors or controlling shareholders which are either still subsisting at the end of FY2017 or if not then subsisting, entered into by the Company during the period under review.

FINANCIAL REPORT

DIRECTORS' STATEMENT

We are pleased to submit this annual report to the members of the Company together with the audited financial statements for the period from 22 December 2016 (date of incorporation) to 31 December 2017.

In our opinion:

a. the financial statements set out on pages 83 to 128 are drawn up so as to give a true and fair view of the consolidated financial position of the Group and the financial position of the Company as at 31 December 2017 and the consolidated financial performance, consolidated changes in equity and consolidated cash flows of the Group for the period from 22 December 2016 (date of incorporation) to 31 December 2017 in accordance with the provisions of the Singapore Companies Act, Chapter 50 and Singapore Financial Reporting Standards; and

b. at the date of this statement, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they fall due.

The Board of Directors has, on the date of this statement, authorised these financial statements for issue.

Directors

The directors in office at the date of this statement are as follows:

Dato' Murly Manokharan (Executive Director, President and Group Chief Executive Officer)	(Appointed on 22 December 2016)
Dato' Seri Nazir Ariff Bin Mushir Ariff (Group Executive Director)	(Appointed on 30 May 2017)
Mr. Cheah Teik Seng (Independent Non-Executive Director and Chairman)	(Appointed on 20 June 2017)
Dato' Alan Teo Kwong Chia (Independent Non-Executive Director)	(Appointed on 20 June 2017)
Dr. Lim Su Kiat (Non-Independent Non-Executive Director)	(Appointed on 22 December 2016)

Directors' interests

According to the register kept by the Company for the purposes of Section 164 of the Singapore Companies Act, Chapter 50 (the Act), particulars of interests of directors who held office at the end of the financial period (including those held by their spouses and infant children) in shares, debentures, warrants and share options in the Company and in related corporations (other than wholly-owned subsidiaries) are as follows:

Name of director and corporation in which interests are held	Holdings at date of incorporation/date of appointment	Holdings at end of the period
Dato' Murly A/L Manokharan		
Aspen Vision Group Sdn. Bhd.		
• ordinary shares		
– interest held	65	126
• redeemable preference shares		
– interest held	–	243,721
Aspen (Group) Holdings Limited		
• ordinary shares		
– interest held	7	–
– deemed interest	–	482,300,000

Name of director and corporation in which interests are held	Holdings at date of incorporation/date of appointment	Holdings at end of the period
Dato' Seri Nazir Ariff Bin Mushir Ariff		
Aspen Vision Group Sdn. Bhd. • ordinary shares – interest held • redeemable preference shares – interest held	 20 –	 40 71,630
Aspen (Group) Holdings Limited • ordinary shares – deemed interest	 –	 482,300,000
Mr. Cheah Teik Seng		
Aspen (Group) Holdings Limited • ordinary shares – interest held	 –	 4,360,000
Dato' Alan Teo Kwong Chia		
Aspen (Group) Holdings Limited • ordinary shares – interest held	 –	 200,000
Dr. Lim Su Kiat		
Aspen Vision Group Sdn. Bhd. • ordinary shares – interest held • redeemable preference shares – interest held	 14 –	 14 53,359
Aspen (Group) Holdings Limited • ordinary shares – interest held	 3	 –

Except as disclosed in this statement, no director who held office at the end of the financial period had interests in shares, debentures, warrants or share options of the Company, or of related corporations, either at the date of incorporation, or date of appointment if later, or at the end of the financial period.

There were no changes in any of the above mentioned interests in the Company between the end of the financial period and 21 January 2018.

Except as disclosed under the 'Share options' section of this statement, neither at the end of, nor at any time during the financial period, was the Company a party to any arrangement whose objects are, or one of whose objects is, to enable the directors of the Company to acquire benefits by means of the acquisition of shares in or debentures of the Company or any other body corporate.

Share Options and Share Plans

The AV Employee Share Option Scheme (the Scheme) and AV Performance Share Plan (PSP) of the Company was approved and adopted by its members at an Extraordinary General Meeting held on 19 June 2017.

At the end of the financial year, no administration committee has been formed and no options and awards have been granted.

Audit Committee
The members of the Audit Committee during the period and at the date of this statement are:

Mr. Cheah Teik Seng	(Independent Non-Executive Director and Chairman)
Dato' Alan Teo Kwong Chia	(Independent Non-Executive Director)
Dr. Lim Su Kiat	(Non-Independent Non-Executive Director)

The Audit Committee performs the functions specified in Section 201B of the Act, the SGX Listing Manual and the Code of Corporate Governance.

The Audit Committee has held 4 meetings since the date of incorporation. In performing its functions, the Audit Committee met with the Company's external and internal auditors to discuss the scope of their work, the results of their examination and evaluation of the Company's internal accounting control system.

The Audit Committee also reviewed the following:
- assistance provided by the Company's officers to the internal and external auditors;
- quarterly financial information and annual financial statements of the Group and the Company prior to their submission to the directors of the Company for adoption; and
- interested person transactions (as defined in Chapter 9 of the SGX Listing Manual).

The Audit Committee has full access to management and is given the resources required for it to discharge its functions. It has full authority and the discretion to invite any director or executive officer to attend its meetings. The Audit Committee also recommends the appointment of the external auditors and reviews the level of audit and non-audit fees.

The Audit Committee is satisfied with the independence and objectivity of the external auditors and has recommended to the Board of Directors that the auditors, KPMG LLP, be nominated for re-appointment as auditors at the forthcoming Annual General Meeting of the Company.

In appointing our auditors for the Company, subsidiaries and significant associated companies, we have complied with Rules 712 and 715 of the SGX Listing Manual.

Auditors
Pursuant to a Directors' Resolution dated on 7 February 2017, KPMG LLP was appointed as auditors of the Company. The auditors, KPMG LLP, have indicated their willingness to accept re-appointment.

On behalf of the Board of Directors

Dato' Seri Nazir Ariff Bin Mushir Ariff
Director

Dato' Murly A/L Manokharan
Director

30 March 2018

INDEPENDENT AUDITORS' REPORT

Members of the Company
Aspen (Group) Holdings Limited

Report on the audit of the financial statements

Opinion
We have audited the financial statements of Aspen (Group) Holdings Limited (the "Company") and its subsidiaries (collectively, the "Group"), which comprise the consolidated statement of financial position of the Group and the statement of financial position of the Company as at 31 December 2017, and the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows of the Group for the period from 22 December 2016 (date of incorporation) to 31 December 2017, and notes to the financial statements, including a summary of significant accounting policies, as set out on pages 83 to 128.

In our opinion, the accompanying consolidated financial statements of the Group and the statement of financial position of the Company are properly drawn up in accordance with the provisions of the Companies Act, Chapter 50 ("the Act") and Financial Reporting Standards in Singapore ("FRSs") so as to give a true and fair view of the consolidated financial position of the Group and the financial position of the Company as at 31 December 2017 and of the consolidated financial performance, consolidated changes in equity and consolidated cash flows of the Group for the period from 22 December 2016 (date of incorporation) to 31 December 2017.

Basis for opinion
We conducted our audit in accordance with Singapore Standards on Auditing ("SSAs"). Our responsibilities under those standards are further described in the *'Auditors' responsibilities for the audit of the financial statements'* section of our report. We are independent of the Group in accordance with the Accounting and Corporate Regulatory Authority *Code of Professional Conduct and Ethics for Public Accountants and Accounting Entities* ("ACRA Code") together with the ethical requirements that are relevant to our audit of the financial statements in Singapore, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ACRA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters
Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Revenue recognition for sale of development properties
(Refer to notes 3.12 and 23 to the financial statements)

RISK:
The Group enters into contracts with customers to deliver specified building units to the customers based on the plans and specifications as set out in the contracts. In accordance with FRS 115 *Revenue from Contracts with Customers*, the analysis of whether the contracts comprise one or more performance obligations, determining whether the performance obligations are satisfied over time and the methods used to measure progress for revenue recognition where performance obligations are satisfied over time represent areas requiring critical judgement and estimates by the Group.

There is a broad range of possible outcomes resulting from these judgements that could lead to different revenue and profit being reported in the consolidated financial statements.

OUR RESPONSE:
We evaluated the Group's processes over revenue recognition for sale of development properties and assessed the basis for the identification of performance obligations. We also read the sales and purchase agreements of development properties and discussed each of the developments with management to obtain an understanding of the specific terms to identify performance obligations. Also, we assessed whether the criteria are met for recognising revenue over time and the point of revenue recognition.

We assessed the appropriateness of methods and amounts used to measure the progress of the construction of specified building units by reference to construction costs incurred to date compared to the estimated total construction costs where the performance obligation is satisfied over time.

We assessed the adequacy of the estimated total construction costs by comparing them with the actual costs incurred to-date and discussed with management on the progress of the projects, taking into consideration of any significant deviation in design plans or potential delay, which may require revision in the estimated total construction costs.

OUR FINDINGS:
We found the basis and methods used for the revenue recognition for sale of development properties to be balanced.

Valuation of development properties
(Refer to notes 3.6 and 8 to the financial statements)

RISK:
The Group has significant development properties held for sale in Penang, Malaysia. Development properties for sale are stated at the lower of their cost and net realisable values. The determination of the estimated net realisable value of these development properties is critically dependent upon the Group's expectations of future selling prices. There is, therefore a risk that the estimated net realisable value exceeds the future actual selling prices, resulting in losses when the properties are sold.

OUR RESPONSE:
We assessed the reasonableness of the Group's estimated selling prices of development properties for on-going projects by comparing them with recent transacted selling prices of the development properties.

OUR FINDINGS:
We found that reasonable estimates were made in the determination of net realisable value.

Valuation of land rights
(Refer to notes 3.4 and 5 to the financial statements)

The Group has land rights with a carrying amount of RM30,468,000 as at 31 December 2017. The land rights are impaired when the carrying amount exceeds their recoverable amount. The recoverable amount is the higher of their fair value less costs of disposal and its value in use. Estimating the recoverable amount involves significant judgement in determining the appropriate valuation methodology to be used, and in estimating the underlying assumptions to be applied.

OUR RESPONSE:
We evaluated the independence, objectivity and competency of the independent external valuer. We considered the valuation methodologies adopted and assessed the reasonableness of the key assumptions used by the independent external valuer in deriving the recoverable amount, against historical rates and available market data, taking into consideration comparable and market factors.

OUR FINDINGS:
We found the independent external valuer to be objective and competent. The valuer is a member of generally recognised professional bodies for valuers. We found the key assumptions used in the valuation methodology are within the range of market data.

Other information
Management is responsible for the other information contained in the annual report. Other information is defined as all information in the annual report other than the financial statements and our auditors' report thereon.

We have obtained all other information prior to the date of this auditors' report.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed on the other information that we obtained prior to the date of this auditors' report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of management and directors for the financial statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the provisions of the Act and FRSs, and for devising and maintaining a system of internal accounting controls sufficient to provide a reasonable assurance that assets are safeguarded against loss from unauthorised use or disposition; and transactions are properly authorised and that they are recorded as necessary to permit the preparation of true and fair financial statements and to maintain accountability of assets.

In preparing the financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The directors' responsibilities include overseeing the Group's financial reporting process.

Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SSAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls.

- Obtain an understanding of internal controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal controls that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless the law or regulations preclude public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on other legal and regulatory requirements
In our opinion, the accounting and other records required by the Act to be kept by the Company have been properly kept in accordance with the provisions of the Act.

The engagement partner on the audit resulting in this independent auditors' report is Karen Lee Shu Pei.

KPMG LLP
Public Accountants and
Chartered Accountants

Singapore
30 March 2018

Statements of Financial Position
As at 31 December 2017

		Group		Company
	Note	2017 RM'000	2016 RM'000	2017 RM'000
ASSETS				
Non-current assets				
Property, plant and equipment	4	55,541	44,771	–
Land rights	5	30,468	30,782	–
Subsidiaries	6	–	–	151,041
Associates	7	48,700	22,177	–
Deferred tax assets	19	10,550	9,415	–
Total non-current assets		145,259	107,145	151,041
Current assets				
Development properties	8	282,726	193,787	–
Contract assets	9	12,407	–	–
Inventories	10	99,703	99,703	–
Trade and other receivables	11	83,717	25,422	–
Cash and cash equivalents	12	139,988	103,383	9,124
Total current assets		618,541	422,295	9,124
Total assets		763,800	529,440	160,165
LIABILITIES				
Current liabilities				
Trade and other payables	13	217,458	125,099	654
Contract liabilities	14	59,153	139,439	–
Loans and borrowings	15	45,624	73,367	–
Current tax liabilities		4,547	4,126	–
Total current liabilities		326,782	342,031	654
Non-current liabilities				
Loans and borrowings	15	71,645	45,339	–
Deferred income	18	48,569	84,686	–
Deferred tax liabilities	19	14,256	13,094	–
Total non-current liabilities		134,470	143,119	–
Total liabilities		461,252	485,150	654
EQUITY				
Share capital	20	168,346	46,272	168,346
Reserves	21	117,936	(5,360)	(8,835)
Equity attributable to owners of the Company		286,282	40,912	159,511
Non-controlling interests	22	16,266	3,378	–
Total equity		302,548	44,290	159,511
Total equity and liabilities		763,800	529,440	160,165

The accompanying notes form an integral part of these consolidated financial statements.

Consolidated Statement of Profit or Loss and Other Comprehensive Income
Year ended 31 December 2017

	Note	Group 2017 RM'000	Group 2016 RM'000
Revenue	23	453,073	99,653
Cost of sales	24	(272,364)	(64,213)
Gross profit		180,709	35,440
Other income		1,516	580
Administrative expenses		(35,992)	(19,206)
Selling and distribution expenses		(14,018)	(10,970)
Other operating expenses		(243)	(358)
Results from operating activities		131,972	5,486
Finance income		2,437	1,146
Finance costs		(1,820)	(4,335)
Net finance income/(costs)	25	617	(3,189)
Share of results of equity-accounted investees, net of tax		(566)	(8)
Profit before tax	26	132,023	2,289
Tax expense	27	(33,727)	(2,687)
Profit/(Loss) for the year		98,296	(398)
Other comprehensive income, net of tax		–	–
Total comprehensive income for the year		98,296	(398)
Profit/(Loss) for the year representing total comprehensive income for the year attributable to:			
Owners of the Company		85,408	(306)
Non-controlling interests		12,888	(92)
		98,296	(398)
Earnings per share			
Basic earnings per share (sen)	28	11.12	(0.04)
Diluted earnings per share (sen)	28	11.12	(0.04)

The accompanying notes form an integral part of these consolidated financial statements.

Consolidated Statement of Changes in Equity
Period from 22 December 2016 (date of incorporation) to 31 December 2017

		Attributable to owners of the Company						
	Note	Share capital RM'000	Other reserve RM'000	Merger reserve RM'000	(Accumulated losses)/Retained earnings RM'000	Total RM'000	Non-controlling interests RM'000	Total equity RM'000
GROUP								
At 1 January 2017		46,272	1,228	(1,674)	(4,914)	40,912	3,378	44,290
Total comprehensive income for the year								
Profit for the year		–	–	–	85,408	85,408	12,888	98,296
Other comprehensive income, net of tax		–	–	–	–	–	–	–
Total comprehensive income for the year		–	–	–	85,408	85,408	12,888	98,296
Transaction with owners, recognised directly in equity								
Adjustment pursuant to restructuring exercise	1.1	(1,931)	(1,228)	39,116	–	35,957	–	35,957
Issuance of new shares pursuant to IPO		128,418	–	–	–	128,418	–	128,418
Capitalisation of listing expenses		(4,413)	–	–	–	(4,413)	–	(4,413)
Total contributions by owners		122,074	(1,228)	39,116	–	159,962	–	159,962
At 31 December 2017		168,346	–	37,442	80,494	286,282	16,266	302,548
At 1 January 2016		36,272	1,228	(1,674)	(4,608)	31,218	3,470	34,688
Total comprehensive income for the year								
Loss for the year		–	–	–	(306)	(306)	(92)	(398)
Other comprehensive income, net of tax		–	–	–	–	–	–	–
Total comprehensive income for the year		–	–	–	(306)	(306)	(92)	(398)
Transaction with owners, recognised directly in equity								
Share capital contribution to a subsidiary accounted for on common control basis	1.1	10,000	–	–	–	10,000	–	10,000
Total contributions by owners		10,000	–	–	–	10,000	–	10,000
At 31 December 2016		46,272	1,228	(1,674)	(4,914)	40,912	3,378	44,290

The accompanying notes form an integral part of these consolidated financial statements.

Consolidated Statement of Cash Flows
Year ended 31 December 2017

	Note	Group	
		2017 **RM'000**	**2016** **RM'000**
Cash flows from operating activities			
Profit before tax		132,023	2,289
Adjustments for:			
Depreciation of property, plant and equipment		5,303	3,269
Finance costs		1,820	4,335
Finance income		(2,437)	(1,146)
Amortisation of deferred income		(36,117)	(11,980)
Share of results of equity-accounted investees		566	8
Property, plant and equipment written off		74	359
Gain on disposal of property, plant and equipment		(28)	–
Listing expenses		7,996	–
Unrealised loss from downstream income from associate		61	–
		109,261	(2,866)
Changes in:			
– development properties		(79,387)	(67,903)
– contract assets		(12,407)	–
– trade and other receivables		(62,443)	1,421
– trade and other payables		93,107	52,112
– contract liabilities		(80,286)	121,146
Cash (used in)/generated from operations		(32,155)	103,910
Tax paid		(27,465)	(10,685)
Net cash (used in)/from operating activities		(59,620)	93,225
Cash flows from investing activities			
Acquisition of property, plant and equipment		(20,627)	(14,340)
Interest received		2,437	1,146
Proceeds from disposal of property, plant and equipment		708	–
Investment in associates		(27,150)	(6,300)
Net cash used in investing activities		(44,632)	(19,494)

The accompanying notes form an integral part of these consolidated financial statements.

Consolidated Statement of Cash Flows (continued)
Year ended 31 December 2017

	Note	Group	
		2017 **RM'000**	**2016** **RM'000**
Cash flows from financing activities			
Proceeds from share capital contribution		128,418	10,000
Listing expenses		(12,409)	–
Fixed deposit pledged to a financial institution		(2,764)	(90)
Proceeds from loans and borrowings		129,811	40,804
Repayment of loans and borrowings		(98,043)	(78,520)
Repayment of finance lease liabilities		(1,484)	(577)
Interest paid		(5,436)	(2,481)
Net cash from/(used in) financing activities		138,093	(30,864)
Net increase in cash and cash equivalents		33,841	42,867
Cash and cash equivalents at 1 January		100,421	57,554
Cash and cash equivalents at 31 December	12	134,262	100,421

Significant non-cash transactions

Acquisition of property, plant and equipment

During the financial year ended 31 December 2017, the Group acquired property, plant and equipment with an aggregate cost of RM22,449,000 (2016: RM15,479,000), of which RM1,822,000 (2016: RM1,139,000) was acquired by means of finance lease arrangements.

The accompanying notes form an integral part of these consolidated financial statements.

NOTES TO THE FINANCIAL STATEMENTS

These notes form an integral part of the financial statements.

The financial statements were authorised for issue by the Board of Directors on 30 March 2018.

1 Domicile and activities

Aspen (Group) Holdings Limited (the "Company") is incorporated in the Republic of Singapore on 22 December 2016. The address of the Company's registered office is 80 Robinson Road #02-00 Singapore 068898.

The financial statements of the Company as at and for the period from 22 December 2016 (date of incorporation) to 31 December 2017 comprise the Company and its subsidiaries (together referred to as the "Group" and individually as "Group entities") and the Group's interest in equity-accounted investees.

The Company was listed on the Catalist of the Singapore Exchange Securities Trading Limited ("SGX-ST") on 28 July 2017.

The principal activities of the Company are those of an investment holding company. The principal activities of the subsidiaries are set out in note 6 to the financial statements. The immediate and ultimate holding company is Aspen Vision Group Sdn. Bhd., a company incorporated in Malaysia.

1.1 The restructuring exercise ("Restructuring Exercise")

The Company was incorporated on 22 December 2016. On the date of incorporation, the Company issued 10 ordinary shares at RM3.10 per share.

(i) Acquisition of Aspen Vision All Sdn. Bhd. ("AV All")
The Company entered into a share sale agreement dated 13 June 2017 with the shareholders of AV All and acquired the entire issued share capital of AV All comprising 6,150,000 ordinary shares for an aggregate consideration of approximately RM10,130,000. The purchase consideration was arrived at after taking into consideration the net asset value of AV All as at 31 December 2016. This was fully satisfied by the allotment of 1,999,990 new shares in the capital of the Company on 21 June 2017 and the Company became the holding company of AV All.

On 21 June 2017, the Company converted into a public limited company and changed its name to Aspen (Group) Holdings Limited.

The Company entered into a novation agreement dated 21 June 2017 ("Novation Agreement") in consideration for the allotment and issue of 34,210,730 ordinary shares by AV All to the Company, and the Company assumed the repayment obligations of the redeemable convertible unsecured loan stock ("RCULS") issued by AV All and Aspen Vision Development Sdn. Bhd. to the RCULS holders.

The Company entered into a capitalisation agreement dated 21 June 2017 and capitalised its obligations under the Novation Agreement by way of the allotment and issue of 11,000,000 shares in the Company to the RCULS holders.

The Restructuring Exercise was accounted for as a combination of businesses under common control by the shareholders of the Company, as they controlled the Group entities before and after the Restructuring Exercise. The presentation reflects the economic substance of the combining companies, which were under common control throughout the relevant period, as a single economic enterprise, notwithstanding that the Restructuring Exercise was completed on 21 June 2017 (see note 3.1(iii)).

(ii) Sub-division of shares
On 17 July 2017, 13,000,000 shares in the capital of the Company were split into 689,000,000 shares.

2 Basis of preparation

2.1 Statement of compliance

The consolidated financial statements have been prepared in accordance with the Singapore Financial Reporting Standards ("FRSs").

2.2 Basis of measurement

The financial statements have been prepared on the historical cost basis except as otherwise described in the accounting policies below.

2.3 Functional and presentation currency

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.

2.4 Use of estimates and judgements

The preparation of the financial statements in conformity with FRSs 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.

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 critical judgements in applying accounting policies that have the most significant effect on the amounts recognised in the consolidated financial statements are included in the following notes:

Note 3.1(i) – Acquisition of equity interest: business combination and asset acquisition
Note 23 – Revenue recognition

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment within the next financial year are included in Note 8 – Estimation of allowance for foreseeable losses for development properties.

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.

The Group has an established control framework with respect to the measurement of fair values. The framework includes a finance team that reports directly to the Chief Financial Officer, and has overall responsibility for all significant fair value measurement, including Level 3 fair values, where applicable.

The finance team regularly reviews significant unobservable inputs and valuation adjustments. If third party information, such as property valuations or broker quotes or pricing services, is used to measure fair values, then the finance team assesses and documents the evidence obtained from the third parties to support the conclusion that such valuations meet the requirements of FRSs, including the level in the fair value hierarchy in which such valuations should be classified.

Significant valuation issues are reported to the Group's Audit Committee.

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 might be categorised in 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 note 31 – Financial instruments.

2.5 Changes in accounting policies

Early adoption of FRSs
The Group has early adopted FRS 115 *Revenue from Contracts with Customers* at the date when common control was established (see note 1.1(i)). The Group's accounting policy for revenue recognition is detailed in note 3.12.

Revised standards
The Group has applied the following amendments for the first time for the annual period beginning on 1 January 2017:
- *Disclosure Initiative (Amendments to FRS 7);*
- *Recognition of Deferred Tax Assets for Unrealised Losses (Amendments to FRS 12); and*
- *Clarification of the scope of FRS 112 (Improvements to FRSs 2016).*

Other than the amendments to FRS 7, the adoption of these amendments did not have any impact on the current or prior period and is not likely to affect future periods.

Disclosure Initiative (Amendments to FRS 7)
From 1 January 2017, as a result of the amendments to FRS 7, the Group has provided additional disclosure in relation to the changes in liabilities arising from financial activities for the year ended 31 December 2017. Comparative information has not been presented (note 15).

3 Significant accounting policies

The accounting policies set out below have been applied consistently to all the periods presented in these financial statements and have been applied consistently by the Group entities, except as explained in note 2.5, which addresses changes in accounting policies.

3.1 Basis of consolidation

(i) Business combinations
Business combinations are accounted for using the acquisition method in accordance with FRS 103 *Business Combination* as at the date of acquisition, which is the date on which control is transferred to the Group.

The Group measures goodwill at the date of acquisition as:
- the fair value of the consideration transferred; plus
- the recognised amount of any non-controlling interest ("NCI") in the acquiree; plus
- if the business combination is achieved in stages, the fair value of the pre-existing equity interest in the acquiree, over the net recognised amount (generally fair value) of the identifiable assets acquired and liabilities assumed. Any goodwill that arises is tested annually for impairment.

When the excess is negative, a bargain purchase gain is recognised immediately in profit or loss.

The consideration transferred does not include amounts related to the settlement of pre-existing relationships. Such amounts are generally recognised in profit or loss.

Any contingent consideration payable is recognised at fair value at the date of acquisition and included in the consideration transferred. If the contingent consideration that meets the definition of a financial instrument is classified as equity, it is not remeasured and settlement is accounted for within equity. Otherwise, other contingent consideration is remeasured at fair value at each reporting date and subsequent changes to the fair value of the contingent consideration are recognised in profit or loss.

When share-based payment awards (replacement awards) are exchanged for awards held by the acquiree's employees (acquiree's awards) and relate to past services, then all or a portion of the amount of the acquirer's replacement awards is included in measuring the consideration transferred in the business combination. This determination is based on the market-based value of the replacement awards compared with the market-based value of the acquiree's awards and the extent to which the replacement awards relate to past and/or future service.

NCI that are present ownership interests and entitle their holders to a proportionate share of the acquiree's net assets in the event of liquidation are measured either at fair value or at the NCI's proportionate share of the recognised amounts of the acquiree's identifiable net assets, at the date of acquisition. The measurement basis taken is elected on a transaction-by-transaction basis. All other NCI are measured at acquisition-date fair value, unless another measurement basis is required by FRSs.

Costs related to the acquisition, other than those associated with the issue of debt or equity securities, that the Group incurs in connection with a business combination are expensed as incurred.

Changes in the Group's interest in a subsidiary that do not result in a loss of control are accounted for as transactions with owners in their capacity as owners and therefore no adjustments are made to goodwill and no gain or loss is recognised in profit or loss.

Adjustments to NCI arising from transactions that do not involve the loss of control are based on a proportionate amount of the net assets of the subsidiary.

When the Group acquired equity interest in an entity that owns real estate assets. At the time of acquisition, the Group considered whether the acquisition represents acquisition of a business or acquisition of an asset. The Group accounted for the acquisition as a business combination when an integrated set of activities is acquired in addition to the real estate assets, and together, have ability to provide returns to the Group. When the acquisition does not represent a business combination, it is accounted for as an acquisition of assets.

(ii) Subsidiaries

Subsidiaries are entities controlled by the Group. The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases.

The accounting policies of subsidiaries have been changed when necessary to align them with the policies adopted by the Group. Losses applicable to the NCI in a subsidiary are allocated to the NCI even if doing so causes the NCI to have a deficit balance.

The consolidated financial statements of the Group have been prepared to reflect the operations of the Company and the subsidiaries as a single economic enterprise and consist of those companies under common control since the date of incorporation.

(iii) Acquisitions from entities under common control

Business combinations arising from transfers of interests in entities that are under the control of the shareholder that controls the Group are accounted for as if the acquisition had occurred at the beginning of the earliest comparative year presented or, if later, at the date that common control was established; for this purpose comparatives are restated. The assets and liabilities acquired are recognised at the carrying amounts recognised previously in the Group controlling shareholder's consolidated financial statements. The components of equity of the acquired entities are added to the same components within Group equity and any gain/loss arising is recognised directly in equity.

(iv) Loss of control

Upon the loss of control, the Group derecognises the assets and liabilities of the subsidiary, any NCI and the other components of equity related to the subsidiary. Any surplus or deficit arising on the loss of control is recognised in profit or loss. If the Group retains any interest in the previous subsidiary, then such interest is measured at fair value at the date that control is lost. Subsequently, it is accounted for as an equity-accounted investee or as an available-for-sale financial asset depending on the level of influence retained.

(v) Investments in associates (equity-accounted investees)

Associates are those entities in which the Group has significant influence, but not control or joint control, over the financial and operating policies of these entities. Significant influence is presumed to exist when the Group holds 20% or more of the voting power of another entity.

Investments in associates are accounted for using the equity method. It is recognised initially at cost, which includes transaction costs. Subsequent to initial recognition, the consolidated financial statements include the Group's share of the profit or loss and other comprehensive income ("OCI") of equity-accounted investees, after adjustments to align the accounting policies with those of the Group, from the date that significant influence commences until the date that significant influence ceases.

When the Group's share of losses exceeds its interest in an equity-accounted investee, the carrying amount of the investment, together with any long-term interests that form part thereof, is reduced to zero, and the recognition of further losses is discontinued except to the extent that the Group has an obligation to fund the investee's operations or has made payments on behalf of the investee.

(vi) Transactions eliminated on consolidation

Intra-group balances and transactions, and any unrealised income and expenses arising from intra-group transactions, are eliminated in preparing the consolidated financial statements. Unrealised gains arising from transactions with equity-accounted investees are eliminated against the investment to the extent of the Group's interest in the investee. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

3.2 Foreign currency

Foreign currency transactions

Transactions in foreign currencies are translated to the functional currency of the Group entities at exchange rate at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies at the end of the reporting period are translated to the functional currency at the exchange rate at that date. The foreign currency gain or loss on monetary items is the difference between amortised cost in the functional currency at the beginning of the year, adjusted for effective interest and payments during the year, and the amortised cost in foreign currency translated at the exchange rate at the end of the year.

Non-monetary assets and liabilities denominated in foreign currencies that are measured at fair value are translated to the functional currency at the exchange rate at the date that their fair value was determined. Non-monetary items in a foreign currency that are measured in terms of historical cost are translated using the exchange rate at the date of the transaction. Foreign currency differences arising on translation are recognised in profit or loss.

3.3 Property, plant and equipment

(i) Recognition and measurement

Items of property, plant and equipment are measured at cost less accumulated depreciation and accumulated impairment losses.

Cost includes expenditure that is directly attributable to the acquisition of the asset. The cost of self-constructed assets includes:

- the cost material and direct labour;
- any other costs directly attributable to bring the assets to a working condition for their intended use;
- when the Group has an obligation to remove the assets or restore the site, an estimate of the costs of dismantling and removing the items and restoring the site on which they are located; and
- capitalised borrowing costs.

When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

The gain or loss on disposal of an item of property, plant and equipment (calculated as the difference between the net proceeds from disposal and the carrying amount of the item) is recognised in profit or loss.

(ii) Subsequent costs
The cost of replacing a component of an item of property, plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the component will flow to the Group, and its cost can be measured reliably. The carrying amount of the replaced component is derecognised. The costs of the day-to-day servicing of property, plant and equipment are recognised in profit or loss as incurred.

(iii) Depreciation
Depreciation is based on the cost of an asset less its residual value. Significant components of individual assets are assessed and if a component has a useful life that is different from the remainder of that asset, that component is depreciated separately.

Depreciation is recognised as an expense in profit or loss on a straight–line basis over the estimated useful lives of each component of an item of property, plant and equipment, unless it is included in the carrying amount of another asset. Leased assets are depreciated over the shorter of the lease term and their useful lives unless it is reasonably certain that the Group will obtain ownership by the end of the lease term.

Depreciation is recognised from the date that the property, plant and equipment are installed and are ready for use, or in respect of internally constructed assets, from the date that the asset is completed and ready for use. Construction-in-progress is not depreciated.

The estimated useful lives for the current period and comparative years are as follows:

Building	50 years
Building improvement	10 to 15 years
Sales gallery	4 years
Office and computer equipment, furniture and fittings	3 to 10 years
Motor vehicles	5 years

Depreciation methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.

3.4 Land rights

The land rights that are acquired by the Group and have finite lives are measured at cost less accumulated amortisation and accumulated impairment losses.

Amortisation is calculated based on the cost of the asset, less its residual value. The land rights is amortised when the Group exercises their right to acquire the land parcels.

Amortisation of land rights is included in the carrying amount of development properties and recognised in ‘cost of sales’ on the same measure as contracts costs (note 3.6).

3.5 Leased assets

Leases in terms of which the Group assumes substantially all the risks and rewards of ownership are classified as finance leases. Upon initial recognition, the leased asset is measured at an amount equal to the lower of its fair value and the present value of the minimum lease payments. Subsequent to initial recognition, the asset is accounted for in accordance with the accounting policy applicable to that asset.

Other leases are operating leases and are not recognised in the Group’s consolidated statement of financial position.

3.6 Development properties

Properties in the course of development (unsold units)/Properties for development
Development properties are measured at the lower of cost and net realisable value. Cost includes acquisition costs, development expenditure, capitalised borrowing costs and other costs directly attributable to the development activities.

Borrowing costs that are directly attributable to the acquisition and development of the development property are capitalised as part of development property during the period of development.

Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and selling expenses. The write-downs to net realisable value are presented as allowance for foreseeable losses.

Contract costs
Commission costs are capitalised if they are incurred to obtain a contract with a customer that the Group would not have incurred if the contract had not been obtained, and the costs are expected to be recoverable.

Costs to fulfil a contract are capitalised if the costs relate directly to the contract, generate or enhance resources used in satisfying the contract and are expected to be recovered.

Subsequent measurement
Subsequent to initial measurement, contract costs are amortised to profit or loss using the same measure of progress as the related contract revenue.

The Group recognises an allowance for foreseeable losses in profit or loss to the extent that the carrying amount of the contract costs exceeds:
- the remaining amount of consideration that the Group expects to receive for the sold units; less
- the estimated costs of completion that have not been recognised as expenses.

An impairment loss is reversed if the conditions no longer exist or have improved.

Sold units
The amount represents the unbilled amount expected to be collected from customers for work performed to date. The aggregated costs incurred together with attributable profits and net of progress billings are presented as contract assets in the consolidated statement of financial position.

If progress billings exceed costs incurred plus recognised profits, the balance is presented in contract liabilities. Customer advances in excess of progress billings are presented in trade and other payables.

3.7 Inventories

Inventories represent tradable quotas approved by the local council in Penang, Malaysia, arising from the Group's development of low-medium cost and affordable houses. The cost of the quotas on initial recognition is determined at fair value based on directors' estimation using the latest available market information. Subsequently, the quotas are stated at the lower of cost and net realisable value. Net realisable value is the estimated selling price in the ordinary course of business, less estimated cost to completion and selling expenses.

3.8 Financial instruments

(i) Non-derivative financial assets
The Group initially recognises loans and receivables on the date that they are originated. All other financial assets (including assets designated at fair value through profit or loss) are recognised initially on the trade date, which is the date that the Group becomes a party to the contractual provisions of the instrument.

The Group derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows on the financial asset in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred, or it neither transfers nor retains substantially all of the risks and rewards of ownership and does not retain control over the transferred asset. Any interest in transferred financial assets that is created or retained by the Group is recognised as a separate asset or liability.

Financial assets and liabilities are offset and the net amount presented in the consolidated statement of financial position when, and only when, the Group has a legal right to offset the amounts and intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

The Group classifies non-derivative financial assets into the loans and receivables category.

Loans and receivables
Loans and receivables are financial assets with fixed or determinable payments that are not quoted in an active market. Such assets are initially measured at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, loans and receivables are measured at amortised cost using the effective interest method, less any impairment losses.

Loans and receivables comprise cash and cash equivalents, and trade and other receivables, excluding prepayment and tax recoverable.

Cash and cash equivalents
Cash and cash equivalents comprise highly liquid short term investment fund, cash balances and short-term deposits with maturities of three months or less from the date of acquisition that are subject to an insignificant risk of changes in their fair value, and are used by the Group in the management of its short-term commitments. For the purpose of the consolidated statement of cash flows, pledged deposits are excluded whilst bank overdrafts that are repayable on demand and that form an integral part of the Group's cash management are included in cash and cash equivalents.

(ii) Non-derivative financial liabilities
The Group initially recognises debt securities issued and subordinated liabilities on the date that they are originated. Financial liabilities for contingent consideration payable in a business combination are recognised at the acquisition date. All other financial liabilities (including liabilities designated at fair value through profit or loss) are recognised initially on the trade date, which is the date that the Group becomes a party to the contractual provisions of the instrument.

The Group derecognises a financial liability when its contractual obligations are discharged, cancelled or expire.

Financial liabilities for contingent consideration payable in a business combination are initially measured at fair value. Subsequent changes in the fair value of the contingent consideration are recognised in profit or loss.

Financial assets and liabilities are offset and the net amount presented in the consolidated statement of financial position when, and only when, the Group has a legal right to offset the amounts and intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

Other non-derivative financial liabilities are initially measured at fair value less any directly attributable transaction costs. Subsequent to initial recognition, these financial liabilities are measured at amortised cost using the effective interest method.

These other financial liabilities comprise loans and borrowings, and trade and other payables.

(iii) Share capital
Ordinary shares
Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of ordinary shares are recognised as a deduction from equity, net of any tax effects.

Preference share capital
Preference share capital is classified as equity if it is non-redeemable, or redeemable only at the issuer's option, and any dividends are discretionary. Discretionary dividends thereon are recognised as distributions within equity upon approval by the Company's shareholders.

Preference share capital is classified as a financial liability if it is redeemable on a specific date or at the option of the shareholders, or if dividend payments are not discretionary. Non- discretionary dividends thereon are recognised as interest expense in profit or loss as accrued.

Issue expenses
Costs directly attributable to the issue of instruments classified as equity are recognised as a deduction from equity.

(iv) Compound financial instruments
Compound financial instruments issued by the Group comprise redeemable convertible unsecured loan stocks denominated in Malaysian ringgit that can be converted to share capital at the option of the holder, where the number of shares to be issued is fixed.

The liability component of a compound financial instrument is recognised initially at the fair value of a similar liability that does not have an equity conversion option. The equity component is recognised initially at the difference between the fair value of the compound financial instrument as a whole and the fair value of the liability component. Any directly attributable transaction costs are allocated to the liability and equity components in proportion to their initial carrying amounts.

Subsequent to initial recognition, the liability component of a compound financial instrument is measured at amortised cost using the effective interest method. The equity component of a compound financial instrument is not remeasured subsequent to initial recognition. Interest and gains and losses related to the financial liability component are recognised in profit or loss. On conversion, the financial liability is reclassified to equity; no gain or loss is recognised on conversion.

(v) Financial guarantee contracts

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payment when due in accordance with the original or modified terms of a debt instrument.

Fair value arising from financial guarantee contracts are classified as deferred income and is amortised to profit or loss using a straight-line method over the contractual period or, when there is no specified contractual period, recognised in profit or loss upon discharge of the guarantee. When settlement of a financial guarantee contract becomes probable, an estimate of the obligation is made. If the carrying value of the financial guarantee contract is lower than the obligation, the carrying value is adjusted to the obligation amount and accounted for as a provision.

3.9 Impairment

(i) Non-derivative financial assets

A financial asset not carried at fair value through profit or loss, including an interest in an associate, is assessed at the end of each reporting period to determine whether there is objective evidence that it is impaired. A financial asset is impaired if objective evidence indicates that a loss event(s) has occurred after the initial recognition of the asset, and that the loss event(s) has an impact on the estimated future cash flows of that asset that can be estimated reliably.

Objective evidence that financial assets (including equity securities) are impaired can include default or delinquency by a debtor, restructuring of an amount due to the Group on terms that the Group would not consider otherwise, indications that a debtor or issuer will enter bankruptcy, adverse changes in the payment status of borrowers or issuers, economic conditions that correlate with defaults or the disappearance of an active market for a security. In addition, for an investment in an equity security, a significant or prolonged decline in its fair value below its cost is objective evidence of impairment.

Loans and receivables

The Group considers evidence of impairment for loans and receivables at a specific asset level and collective level. All individually significant loans and receivables are assessed for specific impairment. All individually significant receivables found not to be specifically impaired are then collectively assessed for any impairment that has been incurred but not yet identified. Loans and receivables that are not individually significant are collectively assessed for impairment by grouping together loans and receivables with similar risk characteristics.

In assessing collective impairment, the Group uses historical trends of the probability of default, the timing of recoveries and the amount of loss incurred, adjusted for management's judgement as to whether current economic and credit conditions are such that the actual losses are likely to be greater or less than suggested by historical trends.

An impairment loss in respect of a financial asset measured at amortised cost is calculated as the difference between its carrying amount and the present value of the estimated future cash flows discounted at the asset's original effective interest rate. Losses are recognised in profit or loss and reflected in an allowance account against loans and receivables. Interest on the impaired asset continues to be recognised. When the Group considers that there are no realistic prospects of recovery of the asset, the relevant amounts are written off. If the amount of impairment loss subsequently decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, then the previously recognised impairment loss is reversed through profit or loss.

Associates

An impairment loss in respect of an associate is measured by comparing the recoverable amount of the investment with its carrying amount in accordance with note 3.9(ii). An impairment loss is recognised in profit or loss. An impairment loss is reversed if there has been a favourable change in the estimates used to determine the recoverable amount.

(ii) Non-financial assets

The carrying amount of the Group's non-financial assets, other than inventories, development properties and deferred tax assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

The recoverable amount of an asset or cash-generating units ("CGU") is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU. For the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or CGUs.

The Group's corporate assets do not generate separate cash inflows and are utilised by more than one CGU. Corporate assets are allocated to CGUs on a reasonable and consistent basis and tested for impairment as part of the testing of the CGU to which the corporate asset is allocated.

Impairment losses are recognised in profit or loss. Impairment losses recognised in respect of CGUs are allocated first to reduce the carrying amount of any goodwill allocated to the CGU (group of CGUs), and then to reduce the carrying amounts of the other assets in the CGU (group of CGUs) on a *pro rata* basis.

An impairment loss in respect of goodwill is not reversed. In respect of other assets, impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

3.10 Employee benefits

(i) Defined contribution plans

A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution pension plans are recognised as an employee benefit expense in profit or loss in the periods during which related services are rendered by employees.

(ii) Short-term employee benefits

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided. A liability is recognised for the amount expected to be paid under short-term cash bonus or profit-sharing plans if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee, and the obligation can be estimated reliably.

3.11 Provisions

A provision is recognised if, as a result of a past event, the Group has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects the current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognised as finance cost.

(i) Contingent liabilities

Where it is not probable that an outflow of economic benefits will be required, or the amount cannot be established reliably, the obligation is disclosed as a contingent liability, unless the probability of outflow of economic benefits is remote. Possible obligations, whose existence will only be confirmed by the occurrence or non-occurrence of one or more future events, are also disclosed as contingent liabilities unless the probability of outflow of economic benefits is remote.

3.12 Revenue recognition

Revenue is measured based on the consideration specified in a contract with a customer and excludes amounts collected on behalf of third parties.

Sale of development properties
Revenue is recognised when control over the property has been transferred to the customer. The properties have generally no alternative use for the Group due to contractual restrictions.

For development properties whereby the Group has an enforceable right to payment for performance completed to date, revenue is recognised based on the percentage of completion of construction. The percentage of completion is measured by reference to the quantity surveyor/architect's certification of the estimated construction costs incurred to-date to the estimated total construction costs. Profits are recognised only in respect of finalised sales contracts to the extent that such profits relate to the progress of the construction work.

For development properties whereby the Group has no enforceable right to payment until legal title has passed to the customer, revenue is recognised when the legal title has been transferred to the customer.

The Group grant customers the right to return for certain sales contracts during a grace period. The Group recognises revenue to the extent that it is highly probable that there will be no returns from customers. Refundable liabilities is classified in trade and other payables and asset for recovery is classified in development properties.

Revenue is measured at the transaction price agreed under the contract. Progress billings to the customer are based on a payment schedule in the contract and are typically triggered upon achievement of specified construction milestones. When the period between the recognition of revenue and payment by the customer exceeds one year, an adjustment is made to the transaction price for the time value of money.

3.13 Management fees

Management fees are recognised when services are rendered.

3.14 Government grants – quotas on low-medium cost and affordable housing

The government grants are recognised initially as deferred income at fair value when there is reasonable assurance that they will be received and the Group will comply with the conditions associated with the grant. These grants are recognised systematically in profit or loss as reduction to 'cost of sales' based on cost incurred in fulfilling the condition of the grants.

3.15 Lease payments

Payments made under operating leases are recognised in profit or loss on a straight-line basis over the term of the lease. Lease incentives received are recognised as an integral part of the total lease expense, over the term of the lease.

Minimum lease payments made under finance leases are apportioned between the finance expense and the reduction of the outstanding liability. The finance expense is allocated to each period during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability.

Contingent lease payments are accounted for by revising the minimum lease payments over the remaining term of the lease when the lease adjustment is confirmed.

3.16 Finance income and finance costs

Finance income comprises interest income on funds invested. Interest income is recognised as it accrues in profit or loss, using the effective interest method.

Finance costs comprise interest expense on finance lease liabilities, redeemable preference shares and loans and borrowings. Borrowing costs that are not directly attributable to the acquisition, construction or production of a qualifying asset are recognised in profit or loss using the effective interest method.

The actual borrowing costs incurred during the period up to the issuance of the completion certificate less any investment income on temporary investment of these borrowings, are capitalised in the cost of the properties under development.

Foreign currency gains and losses on financial assets and financial liabilities are reported on a net basis as either finance income or finance expense depending on whether foreign currency movements are in a net gain or net loss position.

3.17 Earnings per share

The Group presents basic and diluted earnings per share for its ordinary shares. Basic earnings per share is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the period, adjusted for own shares held. Diluted earnings per share is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding, adjusted for own shares held, and the effects of all dilutive potential ordinary shares.

3.18 Taxes

Tax expense comprises current and deferred tax. Current tax and deferred tax is recognised in the profit or loss except to the extent that it relates to a business combination, or items recognised directly in equity or in other comprehensive income.

Current tax is the expected tax payable or receivables on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years. The amount of current tax payable or receivable is the best estimate of the tax amount expected to be paid or received that reflects uncertainty related to income taxes, if any.

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised for:
- temporary differences on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss;
- temporary differences related to investments in subsidiaries and associates to the extent that the Group is able to control the timing of the reversal of the temporary difference and it is probable that they will not reverse in the foreseeable future; and
- taxable temporary differences arising on the initial recognition of goodwill.

The measurement of deferred taxes reflects the tax consequences that would follow the manner in which the Group expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities. Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

A deferred tax asset is recognised for unused tax losses, tax credits and deductible temporary differences, to the extent that it is probable that future taxable profits will be available against which they can be utilised. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

In determining the amount of current and deferred tax, the Group takes into account the impact of uncertain tax positions and whether additional taxes and interest may be due. The Group believes that its accruals for tax liabilities are adequate for all open tax years based on its assessment of many factors, including interpretations of tax law and prior experience. This assessment relies on estimates and assumptions and may involve a series of judgements about future events. New information may become available that causes the Group to change its judgement regarding the adequacy of existing tax liabilities; such changes to tax liabilities will impact tax expense in the period that such a determination is made.

3.19 Segment reporting

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Group's other components. All operating segments' operating results are reviewed regularly by the Group's CEO (the chief operating decision maker) to make decisions about resources to be allocated to the segment and to assess its performance, and for which discrete financial information is available.

3.20 New standards and interpretations not adopted

A number of new standards are effective for annual periods beginning after 1 January 2017 and earlier application is permitted; however, the Group has not early adopted the new or amended standards in preparing these financial statements.

Applicable to financial year 2018

Convergence with International Financial Reporting Standards ("IFRS")
In December 2017, the Accounting Standards Council ("ASC") issued the Singapore Financial Reporting Standards (International) ("SFRS(I)"). SFRS(I) comprises standards and interpretations that are equivalent to International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") at 31 December 2017 that are applicable for annual period beginning on 1 January 2018. Singapore-incorporated companies that have issued, or are in the process of issuing, equity or debt instruments for trading in a public market in Singapore, will apply SFRS(I) with effect from annual periods beginning on or after 1 January 2018.

The Group's financial statements for the financial year ending 31 December 2018 will be prepared in accordance with SFRS(I). As a result, this will be the last set of financial statements prepared under the current FRS.

In adopting the new framework, the Group will be required to apply the specific transition requirements in SFRS(I) 1 *First-time Adoption of Singapore Financial Reporting Standards (International).*

In addition to the adoption of the new framework, the Group will also concurrently apply the following SFRS(I)s, interpretations of SFRS(I)s and requirements of SFRS(I)s which are mandatorily effective from the same date.
- SFRS(I) 9 *Financial Instruments* which includes the amendments to IFRS 4 *Insurance Contracts* – Applying IFRS 9 Financial Instruments with IFRS 4 *Insurance Contracts* issued by the IASB in September 2016;
- requirements in SFRS(I) 2 *Share-based Payment* arising from the amendments to IFRS 2 – *Classification and Measurement of Share-based Payment Transactions* issued by the IASB in June 2016;
- requirements in SFRS(I) 1-40 *Investment Property* arising from the amendments to IAS 40 – *Transfers of Investment Property* issued by the IASB in December 2016;
- requirements in SFRS(I) 1 arising from the amendments to IFRS 1 – *Deletion of short-term exemptions for first-time adopters* issued by the IASB in December 2016;
- requirements in SFRS(I) 1-28 *Investments in Associates and Joint Ventures* arising from the amendments to IAS 28 – *Measuring an associate or joint venture at fair value* issued by the IASB in December 2016; and
- SFRS(I) INT 22 *Foreign Currency Transactions and Advance Consideration.*

The Group does not expect the application of the above standards and interpretations to have a significant impact on the consolidated financial statements.

SFRS(I) 1
When the Group adopts SFRS(I) in 2018, the Group will apply SFRS(I) 1 with 1 January 2017 as the date of transition for the Group and the Company. SFRS(I) 1 generally requires that the Group applies SFRS(I) on a retrospective basis, as if such accounting policy had always been applied. If there are changes to accounting policies arising from new or amended standards effective in 2018, restatement of comparatives may be required because SFRS(I) 1 requires both the opening balance sheet and comparative information to be prepared using the most current accounting policies. SFRS(I) 1 provides mandatory exceptions and optional exemptions from retrospective application, but these are often different from those specific transition provisions in individual FRSs applied to the FRS financial statements. The Group does not expect the application of the mandatory exceptions and the optional exemptions in SFRS(I) 1 to have any significant impact on the consolidated financial statements.

SFRS(I) 9

SFRS(I) 9 contains new requirements for classification and measurement of financial instruments, a new expected credit loss model for calculating impairment of financial assets, and new general hedge accounting requirements.

Changes in accounting policies resulting from the adoption of SFRS(I) 9 will generally be applied by the Group retrospectively, except as described below.

- The Group plans to take advantage of the exemption in SFRS(I) 1 allowing it not to restate comparative information in the 2018 SFRS(I) financial statements. Differences in the carrying amounts of financial assets and financial liabilities resulting from the adoption of SFRS(I) 9 are recognised in retained earnings and reserves as at 1 January 2018.

Impairment

SFRS(I) 9 replaces the current 'incurred loss' model with a forward-looking expected credit loss ("ECL") model. The new impairment model will apply to financial assets measured at amortised cost or fair value through other comprehensive income ("FVOCI").

Under SFRS(I) 9, loss allowances of the Group will be measured on either of the following bases:
- 12-month ECLs. These are ECLs that result from possible default events within the 12 months after the reporting date; or
- lifetime ECLs. These are ECLs that result from all possible default events over the expected life of a financial instrument.

The Group plans to apply the simplified approach and record lifetime ECL on all trade receivables and contract assets.

The Group does not expect any significant impact on the consolidated financial statements from the adoption of SFRS(I) 9.

Applicable to financial statements for the year 2019 and thereafter

The following new SFRS(I), amendments to and interpretations of SFRS(I) are effective for annual periods beginning after 1 January 2018:

Applicable to 2019 financial statements
- SFRS(I) 16 *Leases*
- SFRS(I) INT 23 *Uncertainty over Income Tax Treatments*
- *Long-term Interests in Associates and Joint Ventures* (Amendments to SFRS(I) 1-28)
- *Sale or Contribution of Assets between an Investor and its Associate or Joint Venture* (Amendments to SFRS(I) 10 and SFRS(I) 1-28)

The Group is still in the process of assessing the impact of the new SFRS(I)s, amendments to and interpretations of SFRS(I)s on the consolidated financial statements. The Group's preliminary assessment of SFRS(I) 16, which is expected to have a more significant impact on the Group, is as described below.

SFRS(I) 16

SFRS(I) 16 replaces existing lease accounting guidance. SFRS(I) 16 is effective for annual periods beginning on or after 1 January 2019, with early adoption permitted. SFRS(I) 16 eliminates the lessee's classification of leases as either operating leases or finance leases and introduces a single lessee accounting model. Applying the new model, a lessee is required to recognise right-of-use ("ROU") assets and lease liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value.

The Group plans to adopt the standard when it becomes effective in 2019 and expects to apply the standard using the retrospective approach. The Group also expects the ROU assets recognised at date of initial application to be equal to their lease liabilities.

The Group is likely to elect the practical expedient not to reassess whether a contract contains a lease at the date of initial application, 1 January 2019. Accordingly, existing lease contracts that are still effective on 1 January 2019 continue to be accounted for as lease contracts under SFRS(I) 16. The Group has not performed a preliminary assessment of the impact on its financial statements based on its existing operating lease arrangements.

The approximate financial impact of the standard is unknown due to factors that impact calculation of lease liabilities such as discount rate, expected term of leases including renewal options and exemptions for short-term leases. The Group will continue to assess its portfolio of leases to calculate the impending impact of transition to the new standard.

The Group as lessee

The Group expects its existing operating lease arrangements to be recognised as ROU assets with corresponding lease liabilities under SFRS(I) 16. The operating lease commitments on an undiscounted basis amount to approximately 1.79% of the consolidated total assets and 2.97% of consolidated total liabilities. Under the new standard, remaining lease payments of the operating leases will be recognised at their present value discounted using appropriate discount rate. In addition, the nature of expenses related to those leases will now change as SFRS(I) 16 replaces the straight-line operating lease expense with depreciation charge of ROU assets and interest expense on lease liabilities.

The Group as lessor

SFRS(I) 16 substantially carries forward the current existing lessor accounting requirements. Accordingly, the Group continues to classify its leases as operating leases or finance leases, and to account for these two types of leases using the existing operating lease and finance lease accounting models respectively. However, SFRS(I) 16 requires more extensive disclosures to be provided by a lessor.

4 Property, plant and equipment

	Building RM'000	Building improvement RM'000	Sales gallery RM'000	Office and computer equipment, furniture and fittings RM'000	Motor vehicles RM'000	Construction-in-progress RM'000	Total RM'000
Group							
Cost							
At 1 January 2016	–	7,591	–	4,030	3,490	19,427	34,538
Additions	–	2,232	6,172	2,923	1,566	2,586	15,479
Write-off	–	(433)	–	(8)	–	–	(441)
At 31 December 2016	–	9,390	6,172	6,945	5,056	22,013	49,576
Additions	13,386	87	114	2,913	2,245	3,704	22,449
Write-off	–	–	–	(100)	–	–	(100)
Disposals	–	–	–	(4)	(1,477)	–	(1,481)
Reclassification	–	2,280	–	–	–	(2,280)	–
Adjustment	–	–	–	–	–	(5,622)	(5,622)
At 31 December 2017	13,386	11,757	6,286	9,754	5,824	17,815	64,822
Accumulated depreciation							
At 1 January 2016	–	84	–	598	936	–	1,618
Depreciation charge for the year	–	437	771	1,165	896	–	3,269
Write-off	–	(82)	–	–	–	–	(82)
At 31 December 2016	–	439	771	1,763	1,832	–	4,805
Depreciation charge for the year	89	804	1,558	1,787	1,065	–	5,303
Write-off	–	–	–	(26)	–	–	(26)
Disposals	–	–	–	(1)	(800)	–	(801)
At 31 December 2017	89	1,243	2,329	3,523	2,097	–	9,281

	Building RM'000	Building improvement RM'000	Sales gallery RM'000	Office and computer equipment, furniture and fittings RM'000	Motor vehicles RM'000	Construction-in-progress RM'000	Total RM'000
Group							
Carrying amounts							
At 1 January 2016	–	7,507	–	3,432	2,554	19,427	32,920
At 31 December 2016	–	8,951	5,401	5,182	3,224	22,013	44,771
At 31 December 2017	13,297	10,514	3,957	6,231	3,727	17,815	55,541

The net carrying amounts of motor vehicles under finance lease arrangement of the Group amounts to RM3,693,000 (2016: RM3,191,000).

In 2017, adjustments to construction-in-progress arises from reallocation of cost for sales gallery and car park at RM123,000 and RM5,499,000 (2016: RM Nil) respectively, between property, plant and equipment and development properties.

Security
At 31 December 2017, construction-in-progress, building and sales gallery of the Group with carrying amounts of RM17,815,000, RM13,297,000 and RM3,957,000 respectively (2016: RM22,013,000, RM Nil and RM5,401,000) are pledged as security to secure bank loans (note 15).

5 Land rights

	Group	
	2017 RM'000	2016 RM'000
At 1 January	30,782	31,317
Amortisation charge for the year	(314)	(535)
At 31 December	30,468	30,782

In 2015, the Group acquired the land rights as part of the acquisition of 49% remaining interest in Aspen Vision Land Sdn. Bhd. ("AV Land") from a joint venture partner. AV Land, through its subsidiary and associate holds the right to acquire 221 acres of freehold land situated in Bandar Cassia, Batu Kawan, Penang, Malaysia (the "Batu Kawan Land") from the State Government of Penang for a pre-determined consideration over a 5-year period.

Amortisation
The amortisation of land rights is allocated to the development properties as part of the land cost and is included in 'cost of sales' as development property is sold.

6 Subsidiaries

	Company 2017 RM'000
Equity investments at cost	151,041

The Company has investments in the following subsidiaries as at the year end:

Name of subsidiaries	Principal place of business/ Country of incorporation	Principal activities	Ownership interest	
			2017 %	2016 %
Aspen Vision All Sdn. Bhd. ("AV All")	Malaysia	Investment holding	100	100
Subsidiary of AV All				
Aspen Vision Construction Sdn. Bhd. ("AV Construction")	Malaysia	General construction	100	100
AG Innovation Sdn. Bhd. ("AG Innovation")	Malaysia	IT services	100	100
Aspen Vision Properties Sdn. Bhd. ("AV Properties")	Malaysia	Investment holding	100	100
Subsidiaries of AV Properties				
Aspen Vision Development Sdn. Bhd. ("AV Development")	Malaysia	Provision of management services	100	100
Aspen Vision Development (Central) Sdn. Bhd. ("AVD Central")	Malaysia	Investment holding	100	100
Aspen Vision Synergy Sdn. Bhd. ("AV Synergy")	Malaysia	Property development	100	60
Aspen Vision Realty Sdn. Bhd. ("AV Realty")	Malaysia	Dormant	100	100
Aspen Vision Homes Sdn. Bhd. ("AV Homes")	Malaysia	Dormant	100	–
Subsidiaries of AV Development				
Aspen Vision Land Sdn. Bhd. ("AV Land")	Malaysia	Investment holding	100	100
Aspen Vision Builders Sdn. Bhd. ("AV Builders")	Malaysia	Property development	100	100
Aspen Vision Ventures Sdn. Bhd. ("AV Ventures")	Malaysia	Property development	100	100
Aspen Vision Tanjung Sdn. Bhd. ("AV Tanjung")	Malaysia	Property development	100	100
Subsidiary of AV Land				
Aspen Vision City Sdn. Bhd. ("AV City")	Malaysia	Property development	80	80

Other member firm of KPMG International is auditor of significant foreign-incorporated subsidiaries. For this purpose, a subsidiary is considered significant as defined under the Singapore Exchange Limited's Listing Manual if its net tangible assets represent 20% or more of the Group's consolidated net tangible assets, or if its pre-tax profits account for 20% or more of the Group's consolidated pre-tax profits.

7 Associates

	Group 2017 RM'000	Group 2016 RM'000
Interest in associates	15,925	16,477
Redeemable preference shares in associates	32,775	5,700
	48,700	22,177

Redeemable preference shares ("RPS") in associates are issued by Bandar Cassia Properties (SC) Sdn. Bhd. ("Bandar Cassia") at RM26,850,000 (2016: RM5,700,000) redeemable for a period of 5 years and bears dividend of 5.5% and Global Vision Logistics Sdn. Bhd. ("GVL") at RM5,925,000 (2016: RM Nil) redeemable for a period of 10 years and bears dividend of 3.5%.

Associates

The Group has 2 (2016: 1) material associates as at 31 December 2017, which are equity accounted for. Details of the material associates are as follows:

	Principal place of business/ Country of incorporation	Principal activities	Ownership interest/Voting rights held 2017 %	Ownership interest/Voting rights held 2016 %
Bandar Cassia*	Malaysia	Investment holding	30	30
GVL#	Malaysia	Warehouse and logistics solution provider	30	–

* Audited by Deloitte PLT, Malaysia.
\# Has yet to be appointed.

An associated company is considered significant as defined under the Singapore Exchange Limited Listing Manual if the Group's share of its net tangible assets represent 20% or more of the Group's consolidated net tangible assets, or if the Group's share of its pre-tax profits accounts for 20% or more of the Group's consolidated pre-tax profits.

The financial information of the Group's material associates based on the respective unaudited financial statements and management accounts, modified for fair value adjustments on acquisition and differences in the Group's accounting policies are as follows:

	Bandar Cassia RM'000	GVL RM'000	Total RM'000
2017			
Revenue	216	–	216
Loss after tax	(1,887)	–	(1,887)
OCI	–	–	–
Total comprehensive income	(1,887)	–	(1,887)
Non-current assets	82,329	–	82,329
Current assets	29,863	20,931	50,794
Non-current liabilities	(95,583)	(19,750)	(115,333)
Current liabilities	(1,634)	(1,144)	(2,778)
Net assets	14,975	37	15,012

	Bandar Cassia RM'000	GVL RM'000	Total RM'000
Attributable to the Group	4,493	11	4,504
Elimination of unrealised profit	(61)	–	(61)
Other adjustments	11,418*	64	11,482
Carrying amount of interest in associate at the end of the year	15,850	75	15,925
2017			
Group's interest in net assets of investee at beginning of the year	16,477	–	16,477
Group's share of:			
– Loss after tax	(566)	–	(566)
– OCI	–	–	–
– Unrealised loss from downstream income from associate	(61)	–	(61)
– Total comprehensive income	(627)	–	(627)
Additions during the year	–	75	75
Carrying amount of interest in investee at end of the year	15,850	75	15,925

	Bandar Cassia RM'000	Total RM'000
2016		
Revenue	–	–
Loss after tax	(27)	(27)
OCI	–	–
Total comprehensive income	(27)	(27)
Non-current assets	28,036	28,036
Current assets	13,740	13,740
Non-current liabilities	(23,881)	(23,881)
Current liabilities	(1,033)	(1,033)
Net assets	16,862	16,862
Attributable to the Group	5,059	5,059
Other adjustments	11,418*	11,418*
Carrying amount of interest in associate at the end of the year	16,477	16,477
Group's interest in net assets of investee at beginning of the year	15,885	15,885
Group's share of:		
- Loss after tax	(8)	(8)
- OCI	–	–
- Total comprehensive income	(8)	(8)
Additions during the year	600	600
Carrying amount of interest in investee at end of the year	16,477	16,477

* Other adjustments represent the fair value of land rights acquired by AV Development through the acquisition of 49% remaining interest in AV Land from a joint venture partner (note 5).

8 Development properties

	Group	
	2017 RM'000	**2016 RM'000**
Property in the course of development		
Freehold land	83,646	58,887
Development costs	123,873	57,343
Unsold units	207,519	116,230
Land costs	57,678	61,653
Capitalised commission and legal fees	4,011	2,609
Contract costs for sold units	61,689	64,262
Total properties in the course of development	269,208	180,492
Properties for development representing mainly land, at cost	13,518	13,295
Total	282,726	193,787

Finance costs capitalised during the financial years ended 31 December 2017 and 2016 was RM3,616,000 and RM4,241,000 respectively. Borrowing costs of the Group have been capitalised at rates ranging from 5.90% to 8.10% and 5.90% to 8.10% per annum respectively for the financial years ended 31 December 2017 and 2016.

(i) Unsold units
The amount relates primarily to cost attributable to the unsold units.

The Group assesses at every reporting date whether any allowance for foreseeable losses is required. The allowance for foreseeable losses is estimated after taking into account estimated selling prices and estimated total construction costs. The estimated selling prices are based on recent selling prices for the development project or comparable projects and prevailing market conditions. The estimated total construction costs are based on contracted amounts and, in respect of amounts not contracted for, management's estimates of the amounts to be incurred. Market conditions may, however change, which may affect the future selling prices and the estimated development expenditure to be incurred, and accordingly, the carrying value of development properties may have to be written down in future periods. As at 31 December 2017 and 2016, no allowance for foreseeable losses is recognised.

(ii) Capitalised commission and legal fees
Management expects the incremental commission fees and legal fees incurred as a result of securing sale contracts to be recoverable. These costs are amortised to profit or loss when related revenue is recognised.

The capitalised commission fees and legal fees amortised in profit or loss for the financial years ended 31 December 2017 and 2016 are RM2,091,000 and RM522,000, respectively.

(iii) Land costs (sold units)
Land related costs that are attributable to the sold units amounts to RM57,678,000 and RM61,653,000 as at 31 December 2017 and 2016, respectively. These costs are expected to be recoverable and are amortised in profit or loss when the related revenue are recognised. The land costs amortised in profit and loss for the financial years ended 31 December 2017 and 2016 are RM34,792,000 and RM7,460,000, respectively. There was no impairment loss recorded in the period ended 31 December 2017.

(iv) Asset for recovery
Included in contract cost of sold units are development costs of sales contracts with a right of return of RM4,205,000 (2016: RM Nil).

Security
At 31 December 2017, the freehold land is charged to secure banking facilities granted to the Group (note 15).

9 Contract assets

The amount represents the unbilled amount for work completed to date. The amount is transferred to receivable when the right to bill becomes unconditional. This typically occurs when the construction milestones are achieved.

	Group
	2017 RM'000
Sold units	
Cost	35,062
Attributable profit	11,694
Progress billing	(34,349)
	12,407

Movements in the contract assets during the year are as follows:

	Cost RM'000	Attributable profit RM'000	Cumulative progress billing RM'000
2017			
Balance at 1 January	–	–	–
Revenue recognised during the year	35,062	11,694	–
Progress billings during the year	–	–	(34,349)
Balance at 31 December	35,062	11,694	(34,349)

10 Inventories

	Group	
	2017 RM'000	**2016 RM'000**
At 1 January	99,703	96,251
Additions	–	3,452
At 31 December	99,703	99,703

Inventories represent the tradable low-medium cost and affordable housing quotas approved by the local council in Penang, Malaysia, arising from the Group's development of low-medium cost and affordable houses.

11 Trade and other receivables

	Group	
	2017 RM'000	**2016 RM'000**
Trade receivables	32,700	56
Non-trade amounts due from:		
– holding company	2	125
– associate	193	4,600
Other receivables	17,965	3,453
Deposits	29,090	8,357
	79,950	16,591
Prepayments	3,749	4,665
Tax recoverable	18	4,166
	83,717	25,422

The non-trade amounts due from holding company and associate are unsecured, interest-free and payable on demand.

Included in deposits of the Group is an amount of RM27,374,000 and RM7,000,000 as at 31 December 2017 and 2016 respectively, representing deposits paid for the purchase of land by its subsidiaries.

The Group's exposure to credit risk related to trade and other receivables is disclosed in note 31.

12 Cash and cash equivalents

	Group		Company
	2017 RM'000	**2016 RM'000**	**2017 RM'000**
Short term investment fund	43,854	13,040	–
Fixed deposits	5,726	2,962	–
Cash and bank balances	90,408	87,381	9,124
Cash and cash equivalents in the statements of financial position	139,988	103,383	9,124
Deposit pledged to financial institutions	(5,726)	(2,962)	–
Cash and cash equivalents in the consolidated statement of cash flows	134,262	100,421	9,124

Short-term investment fund represents investment in fixed income trust which can be redeemed within a period of less than 31 days.

Included in the cash and bank balances of the Group is an amount of RM41,810,000 and RM1,967,000 as at 31 December 2017 and 2016 respectively, where the utilisation is subject to the Housing Developers (Housing Development Account) (Amendment) Regulation, 2002, Malaysia. These accounts, which consist of monies from purchasers, are for the payment of property development expenditure incurred. The surplus monies, if any, will be released to respective subsidiaries upon the completion of property development projects and after all property development expenditure have been fully settled.

Fixed deposits of RM5,726,000 and RM2,962,000 were pledged as securities for bank facilities granted to the Group (note 15) as at 31 December 2017 and 2016 respectively.

The Group's exposure to credit and interest rate risks related to cash and cash equivalents is disclosed in note 31.

13 Trade and other payables

	Group		Company
	2017 RM'000	2016 RM'000	2017 RM'000
Trade payables	49,488	9,921	–
Other payables	14,806	3,176	35
Non-trade amounts due to:			
– subsidiary	–	–	491
– a related corporation	–	6,000	–
Accrued operating expenses	84,466	32,088	128
Advance payment for transfer of low- medium cost and affordable housing quotas	60,549	41,605	–
Booking fees received	1,146	32,309	–
Refundable liabilities	7,003	–	–
	217,458	125,099	654

Included in trade payables of the Group are retention sums payable amounted to RM22,086,000 and RM3,732,000 as at 31 December 2017 and 2016 respectively.

Non-trade amounts with related parties of the Group and the Company are unsecured, interest-free and repayable on demand.

Advance payment received for transfer of low-medium cost and affordable housing quotas relates to the sale of tradable low-medium cost and affordable housing quotas approved by the local council in Penang, Malaysia (note 10).

The Group's exposure to liquidity risk related to trade and other payables is disclosed in note 31.

14 Contract liabilities

The amount represents the progress billings in excess cost incurred plus recognised profits.

	Group	
	2017 RM'000	2016 RM'000
Sold units		
Cost	(382,498)	(109,079)
Attributable profit	(175,978)	(43,080)
Progress billing	617,629	291,598
	59,153	139,439

Movements in the contract liabilities during the year are as follows:

	Cost RM'000	Attributable profit RM'000	Cumulative progress billing RM'000
As at 1 January 2017	(109,079)	(43,080)	291,598
Revenue recognised during the year	(273,419)	(132,898)	–
Progress billings during the year	–	–	326,031
As at 31 December 2017	(382,498)	(175,978)	617,629
As at 1 January 2016	(32,885)	(19,621)	70,799
Revenue recognised during the year	(76,194)	(23,459)	–
Progress billings during the year	–	–	220,799
As at 31 December 2016	(109,079)	(43,080)	291,598

15 Loans and borrowings

		Group	
	Note	2017 RM'000	2016 RM'000
Current			
Finance lease liabilities		767	688
Term loans and bridging loans – secured		31,342	57,109
Revolving credit – secured		13,515	15,570
		45,624	73,367
Non-current			
Finance lease liabilities		2,655	2,396
Term loans and bridging loans – secured		59,590	–
RCULS	16	–	33,543
Redeemable preference shares	17	9,400	9,400
		71,645	45,339

Finance lease liabilities

Finance lease liabilities are payable as follow:

	Future minimum lease payments RM'000	Interest RM'000	Present value of minimum lease payments RM'000
2017			
Less than one year	921	154	767
Between one and five years	2,514	251	2,263
More than five years	411	19	392
	3,846	424	3,422
2016			
Less than one year	824	136	688
Between one and five years	2,589	193	2,396
More than five years	–	–	–
	3,413	329	3,084

	Nominal interest rate %	Year of maturity	2017 Face value RM'000	2017 Carrying amount RM'000	2016 Face value RM'000	2016 Carrying amount RM'000
Group						
Finance lease liabilities	2.38 – 3.34	2019 – 2021	3,422	3,422	3,084	3,084
Term loans and bridging loans – secured	5.90 – 8.35	2018 – 2037	93,811	90,932	60,039	57,109
Revolving credit – secured	6.41 – 7.16	2018	13,515	13,515	15,570	15,570
RCULS	4.50	–	–	–	33,646	33,543
Redeemable preference shares	8.00	2020 – 2027	9,400	9,400	9,400	9,400
			120,148	117,269	121,739	118,706

Securities

The term loans and bridging loans are secured over the freehold land (note 8), fixed and floating charges over certain subsidiaries' present and future assets, fixed deposits placed by the subsidiaries (note 12), joint and several guarantee by certain directors of the subsidiaries and corporate guarantees by subsidiaries.

At 31 December 2017, the revolving credit of the Group is secured over fixed and floating charges over a subsidiary's present and future assets, pledge of the Company's shares held by the holding company, deed of assignment of benefits of certain contract proceeds of its subsidiary, corporate guarantee by its subsidiary and personal guarantee by a director of AV All.

At 31 December 2016, the revolving credit is secured over fixed and floating charges over a subsidiary's assets and undertakings, 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 subsidiary and corporate guarantee by a subsidiary.

Reconciliation of movements of liabilities to cash flows arising from financing activities

	Loan and borrowings RM'000	Finance lease liabilities RM'000	RCULS RM'000	Redeemable preferences shares RM'000	Total RM'000
Balance at 1 January 2017	72,679	3,084	33,543	9,400	118,706
Changes from financing cash flows					
Proceeds from loan and borrowings	129,811	–	–	–	129,811
Repayment of loan and borrowings	(98,043)	–	–	–	(98,043)
Payment of finance lease liabilities	–	(1,484)	–	–	(1,484)
Interest paid	(5,288)	(148)	–	–	(5,436)
Total changes from financing cash flows	26,480	(1,632)	–	–	24,848
Other changes					
Liability-related					
Pursuant to restructuring exercise (note 1.1)	–	–	(33,543)	–	(33,543)
New finance leases	–	1,822	–	–	1,822
Interest expense	5,288	148	–	–	5,436
Total liability-related other changes	5,288	1,970	(33,543)	–	(26,285)
Balance at 31 December 2017	104,447	3,422	–	9,400	117,269

16 Redeemable Convertible Unsecured Loan Stocks

	2017		2016	
	Equity component RM'000	Liability component RM'000	Equity component RM'000	Liability component RM'000
Group				
At 1 January	1,228	33,543	1,228	31,689
Pursuant to restructuring exercise (note 1.1)	(1,228)	(33,543)	–	–
Finance costs (note 25)	–	–	–	2,203
Interest payable	–	–	–	(349)
At 31 December	–	–	1,228	33,543

On 18 August 2014, a wholly-owned subsidiary of the Group, AV All issued RM18,340,000 of 5-year 1% RCULS at 100% of its nominal value of RM1 each.

On 21 January 2015, a wholly-owned subsidiary of the Group, AV Development issued RM15,306,000 of 5-year 1% RCULS at 100% of its nominal value of RM1 each to the existing shareholders of the Group.

The main features of the RCULS are as follows:

i) The RCULS are issued in multiples of RM1 each and bears interest at 1% per annum payable annually.

ii) The tenure of the RCULS is five years from the date of first issuance of the RCULS and can be extended for another two years subject to the mutual consent of the holder of the RCULS ("Maturity Date").

iii) The RCULS may be converted into new ordinary shares of the issuers at the option of the holders. Any outstanding RCULS which have not been converted shall automatically subject to redemption on Maturity Date.

iv) Upon conversion of the RCULS into new ordinary shares, such shares shall rank pari passu in all respects with the then existing ordinary shares of the issuers.

v) Redemption is based on the par value of RM1 each, the coupon remaining unpaid together with the RCULS interest thereon at the rate of 3.5% per annum over the tenure, within 30 days after the maturity date, if not already converted.

On 21 June 2017, RCULS was novated from AV Development and AV All to the Company. The Company settled these obligations by way of allotment and issuance of 11,000,000 shares in the Company to RCULS holders (note 1.1).

17 Redeemable preference shares

In 2015, AV City, a wholly-owned subsidiary of the Group, issued redeemable preference shares ("RPS") to its non-controlling interests. The RPS is repayable in 2020 and bears dividend of 8% per annum.

The salient features of the RPS are as follows:

(a) The maturity date of the RPS is the day falling five (5) years from the date of issue of the RPS unless the tenure of the RPS, if permitted by law, is extended by AV City and the RPS holder. If such date is not a business day, then it shall be the next business day immediately after the said non-business day.

(b) The RPS shall carry the right to receive cumulative preferential dividend out of the distributable profit of AV City, at a dividend rate of RM8.00 per annum per RPS. No dividends shall be paid on the ordinary shares of AV City unless the dividends on the RPS have first been paid. The dividends for the RPS shall be payable within 30 days from the close of each financial year end, and to the extent that the dividends or any part thereof is not paid on the relevant dividend payment date, it shall continue to accumulate (whether or not there are any distributable reserves). Provided that the first dividend payment shall not be earlier than the 1st anniversary of the issuance of the RPS. The last dividend payment shall be made on the maturity date.

(c) The RPS shall not be convertible into or exchangeable for shares of another class of AV City.

(d) The RPS shall rank in priority to any other classes of shares in AV City. No further shares ranking as to dividends or as to capital in priority to the said RPS shall be created or issued by AV City except with the consent or sanction of the holder of the said RPS.

(e) AV City may at any time, apply any profit or moneys of AV City which may be lawfully applied for purpose of the redemption of all or any of the RPS at its issue price during the tenure of the RPS at the option of AV City, where not less than seven (7) business days' in writing notice must be given.

At the same time and place so fixed such holders shall be bound to surrender to AV City the certificate of the RPS to be redeemed and AV City shall pay the amount payable in respect of such redemption and where such certificate comprises any RPS which have not been drawn for redemption, AV City shall issue to the holders thereof a fresh certificate.

Any remaining RPS not redeemed by AV City or surrendered by the RPS holders at the maturity date shall be automatically redeemed by AV City at its issue price.

All the provision of the Malaysia Companies Act, 1965 relating to redemption of shares, the premium payable on redemption (if any), the maintenance of the share premiums account of AV City (if any) as well as the creation or increase where requisite of the capital redemption reserve shall be duly observed.

(f) The redemption price is at 100% of the RPS's issue price together with arrears of unpaid dividends up to the date of redemption.

AV City may redeem the RPS on a pro-rate basis at the Redemption Price commencing from the date of issue of the RPS up to the maturity date, subject to written notice given not less than seven (7) business days.

18 Deferred income

	Group	
	2017 RM'000	**2016 RM'000**
At 1 January	84,686	93,214
Additions	–	3,452
Amortisation for the year	(36,117)	(11,980)
At 31 December	48,569	84,686

Government grants

The amount represents tradable low-medium cost and affordable housing quotas approved by the local council in Penang, Malaysia, arising from the Group's development of low-medium cost and affordable houses. The quotas are conditional to the completion of the building of low-medium cost and affordable houses. The grants are recognised as deferred income and amortised to profit or loss based on the progress of the development.

19 Deferred tax assets and liabilities

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when the deferred taxes related to the same authority. The amounts, determined after appropriate offsetting, are included in the statements of financial position as follows:

	Assets		Liabilities		Net	
	2017 RM'000	2016 RM'000	2017 RM'000	2016 RM'000	2017 RM'000	2016 RM'000
Group						
Deferred tax assets/(liabilities)						
RCULS	–	–	–	(1,666)	–	(1,666)
Land rights	–	–	(7,980)	(8,390)	(7,980)	(8,390)
Investment in associate	–	–	(2,740)	(2,740)	(2,740)	(2,740)
Unrealised profits	7,505	3,295	–	–	7,505	3,295
Deferred income	1,971	6,288	–	–	1,971	6,288
Property, plant and equipment	–	–	(395)	(430)	(395)	(430)
Tax loss carry-forwards	993	–	–	–	993	–
Other items	81	(168)	(3,141)	132	(3,060)	(36)
	10,550	9,415	(14,256)	(13,094)	(3,706)	(3,679)

The movements in the deferred tax assets and liabilities during the financial year are as follows:

	At 1/1/2016 RM'000	Recognised in profit or loss RM'000	At 31/12/2016 RM'000	Pursuant to restructuring exercise RM'000	Recognised in profit or loss RM'000	At 31/12/2017 RM'000
		(note 27)		(note 1.1)	(note 27)	
Group						
Deferred tax assets/ (liabilities)						
RCULS	(2,194)	528	(1,666)	1,666	–	–
Land rights	(8,461)	71	(8,390)	–	410	(7,980)
Investment in associate	(2,740)	–	(2,740)	–	–	(2,740)
Unrealised profits	336	2,959	3,295	–	4,210	7,505
Deferred income	–	6,288	6,288	–	(4,317)	1,971
Property, plant and equipment	(194)	(236)	(430)	–	35	(395)
Tax loss carry-forwards	615	(615)	–	–	993	993
Other items	(25)	(11)	(36)	–	(3,024)	(3,060)
	(12,663)	8,984	(3,679)	1,666	(1,693)	(3,706)

Unrecognised deferred tax asset

Deferred tax asset has not been recognised in respect of the following item:

	Group	
	2017 RM'000	2016 RM'000
Tax losses	6,434	2,637
Unabsorbed capital allowances	–	40
Other taxable temporary differences	–	(38)
	6,434	2,639

Unutilised tax losses do not expire under current tax legislation. Deferred tax assets have not been recognised in respect of the unutilised tax losses because it is not probable that future taxable profits will be available against which the Group can utilise the benefits therefrom.

20 Share capital

	2017 No. of shares '000
Company	
At date of incorporation 22 December 2016	–*
Pursuant to restructuring exercise (note 1.1)	13,000
Shares split (note 1.1)	689,000
Issue of shares to PrimePartners Corporate Finance Pte. Ltd. ("Full Sponsor")	4,348
Invitation shares issued pursuant to initial public offering ("IPO")	173,270
In issue at 31 December	866,618

* less than 1,000

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the Company. All shares rank equally with regard to the Company's residual assets.

All issued ordinary shares are fully paid up, with no par value.

Issue of ordinary shares
On 17 July 2017, the shareholders of the Company approved for each existing share of the Company to be split into 53 shares. Additionally, 4,347,900 ordinary shares were issued to Full Sponsor in relation to listing onto Catalist Board, SGX-ST.

On 27 July 2017, 173,270,000 ordinary shares were issued for the Company's IPO at SGD0.23 per Invitation Share.

21 Reserves

	Group		Company
	2017 RM'000	2016 RM'000	2017 RM'000
Other reserve	–	1,228	–
Merger reserve	37,442	(1,674)	–
Retained earnings/(Accumulated losses)	80,494	(4,914)	(8,835)
	117,936	(5,360)	(8,835)

Other reserve
In 2016, other reserve relates to the equity component of the redeemable convertible unsecured loan stocks (note 16).

Merger reserve
Merger reserve represents the difference between the cost of investment and nominal value of share capital of the merged subsidiaries.

22 Non-controlling interests

Subsidiaries with material NCI are as follows:

Name	Principal place of business/ Country of incorporation	Ownership interests held by NCI 2017 %	2016 %
AV City	Malaysia	20	20
AV Synergy	Malaysia	–	40

On 8 June 2017, the Group fully acquired the remaining equity interest of AV Synergy. Accordingly, the information relating to AV Synergy is only for the period from 1 January 2017 to 31 May 2017.

The following summarises the financial information of the Group's subsidiaries with material NCI, based on their respective consolidated unaudited financial statements prepared in accordance with FRS modified for fair value adjustments on acquisition and differences in the Group's accounting policies.

	2017			2016		
	AV Synergy RM'000	AV City RM'000	Total RM'000	AV Synergy RM'000	AV City RM'000	Total RM'000
Revenue	–	307,985	307,985	–	53,267	53,267
Profit/(Loss) after tax	–	64,550	64,550	(21)	(421)	(442)
OCI	(1)	–	(1)	–	–	–
Total comprehensive income	(1)	64,550	64,549	(21)	(421)	(442)
Attributable to NCI:						
Profit/(Loss) after tax	(22)	12,910	12,888	(8)	(84)	(92)
OCI	–	–	–	–	–	–
Total comprehensive income	(22)	12,910	12,888	(8)	(84)	(92)
Non-current assets	–	24,399	24,399	–	27,177	27,177
Current assets	2,988	282,772	285,760	6,228	219,079	225,307
Non-current liabilities	–	(50,353)	(50,353)	–	(49,452)	(49,452)
Current liabilities	(3,042)	(175,273)	(178,315)	(6,280)	(179,810)	(186,090)
Net assets	(54)	81,545	81,491	(52)	16,994	16,942
Net assets attributable to NCI	(43)	16,309	16,266	(21)	3,399	3,378
Cash flows from operating activities	–	(35,692)		*	65,065	
Cash flows from investing activities	–	1,339		–	(8,302)	
Cash flows from financing activities	–	664		–	(18,927)	
Net increase in cash and cash equivalents	–	(33,689)		*	37,836	

* Less than RM1,000

23 Revenue

	Group	
	2017 RM'000	**2016 RM'000**
Sale of development properties		
– percentage of completion method	436,085	99,653
– sales of hospital land	16,988	–
	453,073	99,653

Critical judgements in identifying performance obligations and measuring progress

Under the terms of the contract, the Group contracted with the customer to deliver a specified building unit to the customer in accordance with the plans and specifications set out in the contract. The contract includes the specified building unit and an undivided share in the land and the common property. The analysis of whether the contract comprises one or more performance obligations, the method used to measure progress for revenue recognition and the amounts to be included as fulfilment cost represent areas requiring critical judgement by the Group.

Transaction price allocated to the remaining performance obligations

The following table includes revenue expected to be recognised in the future related to performance obligations that are unsatisfied (or partially unsatisfied) at the reporting date.

	2017 RM'000	**2016 RM'000**
Aggregate amount of the transaction price allocated to sale of development properties for contracts that are partially unsatisfied	794,673	633,577

The Group expects the full transaction price allocated to the unsatisfied contracts at the reporting date to be recognised as revenue over the next 1 to 3 years (2016: 2 years).

24 Cost of sales

	Group	
	2017 RM'000	**2016 RM'000**
Property development expenses	308,481	76,193
Amortisation of deferred income (note 18)	(36,117)	(11,980)
	272,364	64,213

25 Net finance income/(costs)

	Group	
	2017 RM'000	**2016 RM'000**
Interest income from short term investment funds	2,437	1,146
Finance income	2,437	1,146
Interest expense on:		
Finance lease liabilities	(148)	(150)
RCULS	–	(2,203)
Secured term loans and bridging loans	(3,746)	(4,241)
Revolving credit	(1,542)	(1,168)
Redeemable preference shares	–	(814)
	(5,436)	(8,576)
Less: Borrowing cost capitalised under development property	3,616	4,241
Finance costs	(1,820)	(4,335)
Net finance income/(costs) recognised in profit or loss	617	(3,189)

26 Profit before tax

The following items have been included in arriving at profit before tax for the year ended:

	Group	
	2017 RM'000	**2016 RM'000**
Audit fees paid to auditors of the Company	1,656	120
Non-audit fees paid to auditors of the Company	55	32
Gain on disposal of property, plant and equipment	28	–
Management fee income	377	147
Listing expenses	(7,996)	–
Depreciation of property, plant and equipment	(5,303)	(3,269)
Operating lease expense	(703)	(413)
Property, plant and equipment written off	(74)	(359)
Employee benefit expense*:		
Salaries, bonus and other costs	(13,831)	(9,042)
Contributions to defined contribution plans	(1,533)	(1,077)
	(15,364)	(10,119)
Less: Employee benefit expenses capitalised under property development costs	9,032	8,030
	(6,332)	(2,089)

* Employee benefit expense excluding Directors' remuneration.

27 Tax expense

Domestic income tax rate for Singapore incorporated company for the years ended 31 December 2017 and 2016 was calculated at 17% of the estimated assessable profit for the year. Taxation for other jurisdiction was calculated at the rates prevailing in the relevant jurisdictions.

		Group	
	Note	2017 RM'000	2016 RM'000
Current tax expense			
Current year		33,268	6,763
Changes in estimates related to prior years		(1,234)	4,908
Total current tax expense		32,034	11,671
Deferred tax expense			
Origination and reversal of temporary differences		(232)	(4,635)
Changes in estimates related to prior years		1,925	(4,349)
Total deferred tax expense	19	1,693	(8,984)
		33,727	2,687

Reconciliation of effective tax rate is as follows:

	Group	
	2017 RM'000	2016 RM'000
Profit before tax	132,023	2,289
Less: Share of result of equity-accounted investees, net of tax	566	8
	132,589	2,297
Income tax using Singapore tax rate 17% (2016: 17%)	22,540	390
Effect of tax rates in foreign jurisdiction	9,444	(358)
Non-deductible expenses	4,050	1,555
Non-taxable income	(101)	(95)
Tax incentives	(3,906)	–
Effect of deferred tax assets not recognised	645	683
Changes in estimates related to prior years	691	559
Other items	364	(47)
Total tax expense	33,727	2,687

The tax rate applicable to entities incorporated in Malaysia is at 24% (2016: 24%).

28 Earnings per share

The basic earnings per share for the years ended 31 December 2017 and 2016 were based on the profit/(loss) attributable to ordinary shareholders and a weighted average number of ordinary shares outstanding, calculated as follows:

	Group	
	2017 RM'000	**2016 RM'000**
Profit/(Loss) attributable to ordinary shareholders	85,408	(306)

Weighted average number of ordinary shares

	Group	
	2017 RM'000	**2016 RM'000**
Pre-invitation ordinary shares[#]	693,348	693,348
Effect of shares issued pursuant to IPO	74,530	–
	767,878	693,348

[#] Pre-invitation ordinary shares has been used in the calculation of basic and diluted earnings per share adjusted for changes in the number of shares arising from Restructuring Exercise (note 1.1) and shares split and shares issued to Full Sponsor (note 20).

Diluted earnings per share are the same as basic earnings per share as there were no potential dilutive ordinary shares existing during the respective years.

29 Operating leases

Non-cancellable operating lease rentals are payable as follows:

	Group	
	2017 RM'000	**2016 RM'000**
Within one year	707	1,123
Between one and five years	1,526	2,115
More than five years	11,474	11,474
	13,707	14,712

The Group leases office spaces under non-cancellable operating lease agreements. The leases have varying terms, escalation clauses and renewal rights. The leases typically run for a period between 1 to 30 years. Lease payments are increased every two years to reflect current market rentals.

There are no contingent rents included in operating lease expense for the Group.

30 Commitments

Capital commitments
Capital expenditure contracted for at the reporting dates but not recognised in the financial statements were as follows:

	Group	
	2017 RM'000	**2016 RM'000**
Construction in progress		
- Contracted for but not provided for	63,709	43,213

Other commitments

In 2014, the Group entered into a joint venture agreement with a joint venture partner and several other agreements with the Penang Development Corporation to jointly acquire the Batu Kawan Land for a consideration of RM483,952,000 over a 5-year period, from the State Government of Penang, Malaysia, for purposes of developing an integrated shopping centre and a mixed development comprising inter alia residential and office complexes.

As at the reporting date, the Group has contractual commitments to acquire the various land parcels based on acquisition date as follows:

	Group	
	2017 RM'000	**2016 RM'000**
Contracted but not provided for		
– Commitment of the subsidiaries	390,483	462,237
– Commitment of the associate*	51,300	16,288
	441,783	478,525

* represents the Group's share

31 Financial instruments

Overview

The Group has exposure to the following risks from its use of financial instruments:

- Credit risk
- Market risk
- Liquidity risk

This note presents information about the Group's exposure to each of the above risks, the Group's objectives, policies and processes for measuring and managing risk, and the Group's management of capital.

Risk management framework

Risk management is integral to the whole business of the Group. The Board of Directors has overall responsibility for the establishment and oversight of the Group's risk management framework.

The management has a system of controls in place to create an acceptable balance between the cost of risks occurring and the cost of managing the risks. The management continually monitors the Group's risk management process to ensure that an appropriate balance between risk and control is achieved. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Group's activities.

The Group Audit Committee oversees how management monitors compliance with the Group's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Group. The Group Audit Committee is assisted in its oversight role by Internal Audit. Internal Audit undertakes both regular and ad hoc reviews of risk management controls and procedures, the results of which are reported to the Audit Committee.

Credit risk

As the Group does not hold any collateral, the maximum exposure to credit risk for each class of financial instruments is the carrying amount presented on the statements of financial position.

Trade and other receivables

The Group establishes an allowance for impairment that represents its estimate of the specific loss component in respect of trade and other receivables. The allowance account in respect of trade receivables and other receivables is used to record impairment losses unless the Group is satisfied that no recovery of the amount owing is possible. At that point, the financial asset is considered irrecoverable and the amount charged to the allowance account is written off against the carrying amount of the impaired financial asset. At the reporting date, there is no significant concentration of credit risk.

Impairment

The ageing of trade and other receivables (excluding prepayments and tax recoverable) that were not impaired at the reporting date was:

	Group	
	2017 RM'000	**2016 RM'000**
Neither past due nor impaired	60,011	16,591
Past due 0 - 30 days	3,419	–
Past due 31 - 60 days	15,851	–
Past due 61 days	669	–
	79,950	16,591

The Group believes that no impairment allowance is necessary in respect of neither past due nor impaired balances as these are supported by booking fees received and the unimpaired amounts that are past due more than 30 days are still collectible in full, based on historical payment behaviour and analyses of customer credit risks.

Financial guarantees

A wholly-owned subsidiary of the Group has provided RM6,300,000 (2016: RM9,500,000) corporate guarantee to an unrelated party in respect of performance contract. No liability is expected to arise.

Cash and cash equivalents

Cash and cash equivalents are placed with banks and financial institutions which are regulated.

Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting financial obligations due to shortage of funds.

The Group's exposure to liquidity risk arises primarily from mismatches of the maturities of financial assets and liabilities. The Group's objective is to maintain a balance between continuity of funding and flexibility through use of stand-by credit facilities.

The table below highlights the profile of the maturity of the Group's financial liabilities based on contractual undiscounted cash flows, including the interest payments and excluding the impact of netting agreements:

	Carrying amount RM'000	**Contractual cash flows RM'000**	**Less than 1 year RM'000**	**Between 1 and 5 years RM'000**	**More than 5 years RM'000**
Group					
31 December 2017					
Trade and other payables*	155,763	(155,763)	(155,763)	–	–
Loans and borrowings**	107,869	(130,021)	(55,960)	(61,788)	(12,273)
Redeemable preference shares	9,400	(11,656)	(752)	(10,904)	–
	273,032	(297,440)	(212,475)	(72,692)	(12,273)
31 December 2016					
Trade and other payables*	51,185	(51,185)	(51,185)	–	–
Loans and borrowings**	75,763	(84,139)	(81,549)	(2,590)	–
RCULS	33,543	(40,482)	(336)	(40,146)	–
Redeemable preference shares	9,400	(12,408)	(752)	(11,656)	–
	169,891	(188,214)	(133,822)	(54,392)	–
Company					
31 December 2017					
Trade and other payables	654	(654)	(654)	–	–

* Excluding advance payment and booking fees received
** Excluding RCULS and preference shares

Market risk

Market risk is the risk that changes in market prices, such as interest rate and foreign exchange rates will affect the Group's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return on risk.

Currency risk

The Group's main operations are in Malaysia where majority of the transactions are primarily denominated in the functional currency, Ringgit Malaysia. Accordingly, the Group is not exposed to significant currency risk.

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of the Group's financial instruments will fluctuate because of changes in market interest rates. The Group's exposure to interest rate risk arises primarily from cash and cash equivalents and borrowings. The Group does not hedge against this risk.

Profile

At the reporting date, the interest rate profile of the interest-bearing financial instruments was:

	Nominal amount	
	Group	
	2017 RM'000	2016 RM'000
Fixed rate instruments		
Financial assets	38,501	8,662
Financial liabilities	(26,337)	(61,597)
	12,164	(52,935)
Variable rate instruments		
Financial assets	43,854	13,040
Financial liabilities	(90,932)	(57,109)
	(47,078)	(44,069)

Fair value sensitivity analysis for fixed rate instruments

The Group does not account for any fixed rate financial assets and liabilities at fair value through profit or loss. Therefore a change in interest rates at the reporting dates would not affect profit or loss.

Cash flow sensitivity analysis for variable rate instruments

A change of 100 basis points ("bp") in interest rates at the reporting dates would have increased/(decreased) profit or loss by the amounts shown below. There is no effect to the equity. This analysis assumes that all other variables, in particular foreign currency rates, remain constant. The analysis is performed on the same basis for all periods presented.

	Profit or loss	
	Group	
	100 bp Increase RM'000	100 bp Decrease RM'000
2017		
Variable rate instruments	(471)	471
2016		
Variable rate instruments	(441)	441

Accounting classifications and fair values

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:

		Carrying amount			Fair value			
	Note	Loans and receivables 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
Group								
2017								
Financial assets not measured at fair value								
Cash and cash equivalents	12	139,988	–	139,988				
Trade and other receivables*	11	79,950	–	79,950				
Redeemable preference shares	7	32,775	–	32,775	–	–	31,142	31,142
		252,713	–	252,713				
Financial liabilities not measured at fair value								
Trade and other payables^	13	–	(155,763)	(155,763)				
Loans and borrowings								
– Finance lease liabilities	15	–	(3,422)	(3,422)	–	–	(3,415)	(3,415)
– Term loans and bridging loans	15	–	(90,932)	(90,932)	–	–	(93,811)	(93,811)
– Revolving credit	15	–	(13,515)	(13,515)	–	–	(13,515)	(13,515)
– Redeemable preference shares	15	–	(9,400)	(9,400)	–	–	(9,896)	(9,896)
		–	(273,032)	(273,032)				
2016								
Financial assets not measured at fair value								
Cash and cash equivalents	12	103,383	–	103,383				
Trade and other receivables*	11	16,591	–	16,591				
Redeemable preference shares	7	5,700	–	5,700	–	–	5,480	5,480
		125,674	–	125,674				
Financial liabilities not measured at fair value								
Trade and other payables^	13	–	(51,185)	(51,185)				
Loans and borrowings								
– Finance lease liabilities	15	–	(3,084)	(3,084)	–	–	(3,091)	(3,091)
– Term loans and bridging loans	15	–	(57,109)	(57,109)	–	–	(60,039)	(60,039)
– Revolving credit	15	–	(15,570)	(15,570)	–	–	(15,570)	(15,570)
– RCULS	15	–	(33,543)	(33,543)	–	–	(33,640)	(33,640)
– Redeemable preference shares	15	–	(9,400)	(9,400)	–	–	(10,638)	(10,638)
		–	(169,891)	(169,891)				

* Excluding prepayments and tax recoverable

^ Excluding advance payment and booking fee received

		Carrying amount			Fair value			
	Note	Loans and receivables 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
Company								
2017								
Financial assets not measured at fair value								
Cash and cash equivalents	12	9,124	–	9,124				
Financial liabilities not measured at fair value								
Trade and other payables	13	–	(654)	(654)				

Valuation technique

Financial instruments not measured at fair value

The following table shows the valuation technique used in measuring Level 3 fair values, as well as the significant unobservable inputs used.

Type	Valuation technique	Significant unobservable inputs	Inter-relationship between key unobservable inputs and fair value measurement
Financial assets – redeemable preference shares	Discounted cash flows	Discount rate : 6.03% (2016: 6.43%)	The estimated fair value would increase/(decrease) if discount rate was lower/(higher).
Other financial liabilities*	Discounted cash flows	Discount rate : 5.03% - 6.03% (2016: 6.43% - 6.78%)	The estimated fair value would increase/(decrease) if discount rate was lower/(higher).

*Other financial liabilities include loans and borrowings.

32 Capital management

The primary objectives of the Group's capital management are to safeguard the Group's ability as a going concern and to maintain an optimal capital structure so as to maximise shareholder value. Capital consists of equity attributable to owners of the Company.

To maintain or adjust the capital structure, the Group may adjust the dividend payment, return capital to shareholders, issue new shares, and obtain new borrowings to leverage on lower cost of borrowings versus the Group's weighted average cost of capital or sell assets to reduce borrowings.

The Company and its subsidiaries are in compliance with its externally imposed capital requirements for the financial year ended 31 December 2017.

33 Related party transactions

Transactions with key management personnel

Key management personnel of the Group are those persons having the authority and responsibility for planning, directing and controlling the authorities of the entity. The directors and senior key management are considered as key management personnel of the Group.

Key management personnel remuneration comprised:

	Group	
	2017 RM'000	**2016 RM'000**
Directors fee	112	–
Short-term employee benefits	4,583	3,763
Post-employment benefits (including contributions to defined contribution plans)	495	436
Benefits-in-kind	33	–
	5,223	4,199

Key management personnel transactions comprised:

	Group	
	2017 RM'000	**2016 RM'000**
Progress billings		
Key management personnel	5,161	5,295
Companies in which directors and key management personnel have substantial interests	1,955	5,165
Companies in which close family member of key management personnel have substantial interests	405	1,005
	7,521	11,465

In addition to the related party information disclosed elsewhere in the consolidated financial statements, the following significant transactions took place between the Group and its related parties during the financial year on terms agreed between the parties concerned:

	2017 RM'000	**2016 RM'000**
Holding company		
Issuance of redeemable preference shares	–	7,000
Associate		
Cost allocation received and receivable	10,914	7,647
Management fee income	325	49
Related corporation		
Issuance of redeemable preference shares	–	3,000

34 Contingent liabilities

The Group has been using the Aspen House as its headquarter and office since July 2015. The occupation of Aspen House for commercial purposes constitutes a material change in the use of premise which was within the location zoned for residential use.

The Group settled the legal suit and paid a fine of RM20,000 in relation to the breach on 6 June 2017.

35 Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the Board of Directors. The Board of Directors is responsible for allocating resources and assessing performance of the operating segments. The operating segments were determined based on the reports reviewed by management.

Management considers that the entire Group's operation constitute a single segment which is in the business of property development in Malaysia. Management assessed the performance of the Group's operations based on the profit before tax, total assets and total liabilities which are measured in a manner consistent with that of the consolidated financial statements.

36 Subsequent events

On 15 January 2018, Selangor Agricultural Development Corporation ("PKPS"), an independent unrelated third party, has accepted a tender from AV Development, a wholly owned subsidiary of the Group, for the redevelopment of a piece of land in Seri Kembangan, Selangor.

The redevelopment will be entered via a joint venture agreement ("JVA") and is estimated to have a gross development value ("GDV") of RM300 million in which an expected sum of RM59 million or approximately 20% of GDV will be returned to PKPS. The redevelopment is expected to complete within four years from date of joint venture agreement.

STATISTICS OF SHAREHOLDINGS

AS AT 15 MARCH 2018

Share Capital as at 15 March 2018

Issued and paid up capital	: RM168,346,112
Number of Issued Shares	: 866,617,900
Number / Percentage of Treasury Shares	: Nil
Number / Percentage of Subsidiary Holdings Held	: Nil
Class of Shares	: Ordinary Shares
Voting Rights	: One Vote Per Share

DISTRIBUTION OF SHAREHOLDERS BY SIZE OF SHAREHOLDINGS

AS AT 15 MARCH 2018

SIZE OF SHAREHOLDINGS	NO. OF SHAREHOLDERS	%	NO. OF SHARES	%
1 - 99	–	0.00	–	0.00
100 - 1,000	139	28.43	134,400	0.02
1,001 - 10,000	159	32.52	897,400	0.10
10,001 - 1,000,000	170	34.76	12,621,300	1.46
1,000,001 AND ABOVE	21	4.29	852,964,800	98.42
TOTAL	**489**	**100.00**	**866,617,900**	**100.00**

TWENTY LARGEST SHAREHOLDERS

AS AT 15 MARCH 2018

NO.	SHAREHOLDER'S NAME	NUMBER OF SHARES HELD	%
1	KENANGA NOMINEES (TEMPATAN) SDN. BHD.	303,849,000	35.06
2	ASPEN VISION GROUP SDN. BHD.	178,451,000	20.59
3	CGS-CIMB SECURITIES (S) PTE LTD	157,200,000	18.14
4	NOMURA SINGAPORE LIMITED	62,010,000	7.16
5	HL BANK NOMINEES (S) PTE LTD	43,000,000	4.96
6	UNITED OVERSEAS BANK NOMINEES PTE LTD	34,711,500	4.01
7	RAFFLES NOMINEES (PTE) LTD	13,455,100	1.55
8	UOB KAY HIAN PTE LTD	10,658,900	1.23
9	OCBC SECURITIES PRIVATE LTD	10,217,000	1.18
10	MAYBANK KIM ENG SECURITIES PTE LTD	6,577,900	0.76
11	ASDEW ACQUISITIONS PTE LTD	4,977,700	0.57
12	DB NOMINEES (S) PTE LTD	4,533,700	0.52
13	CHEAH TEIK SENG	4,360,000	0.50
14	HSBC (SINGAPORE) NOMINEES PTE LTD	4,012,300	0.46
15	RHB SECURITIES SINGAPORE PTE LTD	3,714,200	0.43
16	YEE WEI MENG	3,478,000	0.40
17	DBS NOMINEES PTE LTD	2,206,600	0.25
18	YIM AH HOE	2,000,000	0.23
19	MERRILL LYNCH (SINGAPORE) PTE LTD	1,471,300	0.17
20	PHILLIP SECURITIES PTE LTD	1,043,700	0.12
	TOTAL	**851,927,900**	**98.29**

SUBSTANTIAL SHAREHOLDERS

AS AT 15 MARCH 2018

Substantial Shareholders of the Company (as recorded in the Register of Substantial Shareholders) as at 15 March 2018

	Direct Interest		Deemed Interest		Total	
Substantial Shareholders	**Number of Shares**	**%**	**Number of Shares**	**%**	**Number of Shares**	**%**
Aspen Vision Group Sdn. Bhd.	482,300,000	55.65	–	–	482,300,000	55.65
Dato' Murly Manokharan(1)	–	–	492,300,000	56.80	492,300,000	56.80
Dato' Seri Nazir Ariff Bin Mushir Ariff(2)	–	–	482,300,000	55.65	482,300,000	55.65
Ideal Force Sdn. Bhd.(3)	62,010,000	7.16	26,000,000	3.00	88,010,000	10.16
Oh Kim Sun(4)	41,340,000	4.77	88,010,000	10.16	129,350,000	14.93

Notes:

1. By virtue of Section 4 of the Securities and Futures Act, Chapter 289 of Singapore, Dato' Murly Manokharan is deemed interested in the shares of the Company held through the following entities:-

   a. Aspen Vision Group Sdn. Bhd. – 482,300,000 (55.65%); and
   b. Intisari Utama Sdn. Bhd. – 10,000,000 (1.15%).

   Dato' Murly Manokharan holds 63% and 100% of the ordinary shares of Aspen Vision Group Sdn. Bhd. and Intisari Utama Sdn. Bhd. respectively. 303,849,000 ordinary shares in the Company held by Aspen Vision Group Sdn. Bhd. are pledged to Kenanga Investment Bank Berhad.

2. By virtue of Section 4 of the Securities and Futures Act, Chapter 289 of Singapore, Dato' Seri Nazir Ariff Bin Mushir Ariff is deemed interested in the shares of the Company held through Aspen Vision Group Sdn. Bhd.as he holds 20% of the ordinary shares of Aspen Vision Group Sdn. Bhd.

3. By virtue of Section 4 of the Securities and Futures Act, Chapter 289 of Singapore, Ideal Force Sdn. Bhd. is deemed interested in shares of the Company held through Setia Batu Kawan Sdn. Bhd.

   Ideal Force Sdn. Bhd. holds 30% of the issued share capital of Setia Batu Kawan Sdn. Bhd.

4. By virtue of Section 4 of the Securities and Futures Act, Chapter 289 of Singapore, Mr. Oh Kim Sun is deemed interested in shares held through the following entities: -

   a. Ideal Force Sdn. Bhd. – 62,010,000 (7.16%); and
   b. Setia Batu Kawan Sdn. Bhd. – 26,000,000 (3%).

   The issued share capital of Ideal Force Sdn. Bhd. is wholly owned by Mr. Oh Kim Sun and his associates.

   Mr. Oh Kim Sun holds 20% of the issued share capital of Setia Batu Kawan Sdn. Bhd.

PUBLIC FLOAT

Based on the information available to the Company as at 15 March 2018, approximately 27.67% of the total issued ordinary shares of the Company is held by the public and therefore, Rule 723 of the Singapore Exchange Securities Trading Limited Listing Manual Section B: Rules of Catalist is complied with.

NOTICE OF ANNUAL GENERAL MEETING

ASPEN (GROUP) HOLDINGS LIMITED

(Company Registration No.: 201634750K)
(Incorporated in the Republic of Singapore)

NOTICE IS HEREBY GIVEN that the Annual General Meeting ("**AGM**") of Aspen (Group) Holdings Limited (the **"Company**") will be held at Ballroom 1, Lobby Level, Mandarin Oriental Singapore, 5 Raffles Ave, Marina Square, Singapore 039797 on Wednesday, 25 April 2018 at 10.00 a.m. to transact the following business:

ORDINARY BUSINESS

1. To receive and adopt the Audited Financial Statements of the Company for the financial period from 22 December 2016 (date of incorporation) to 31 December 2017, the Directors' Statement and the Report of the Auditors thereon.
(Resolution 1)

2. To approve the payment of Directors' fees of RM112,000.00 for the financial period from 22 December 2016 (date of incorporation) to 31 December 2017.
(Resolution 2)

3. To re-elect Dr Lim Su Kiat, a Director retiring under Regulation 97 of the Constitution of the Company.
[See Explanatory Note 1] **(Resolution 3)**

4. To re-elect Dato' Seri Nazir Ariff Bin Mushir Ariff, a Director retiring under Regulation 103 of the Constitution of the Company.
[See Explanatory Note 1] **(Resolution 4)**

5. To re-elect Mr Cheah Teik Seng, a Director retiring under Regulation 103 of the Constitution of the Company.
[See Explanatory Note 1] **(Resolution 5)**

6. To re-elect Dato' Alan Teo Kwong Chia, a Director retiring under Regulation 103 of the Constitution of the Company.
[See Explanatory Note 1] **(Resolution 6)**

7. To re-appoint Messrs KPMG LLP as Auditors of the Company for the financial year ending 31 December 2018 and to authorise the Directors to fix their remuneration.
(Resolution 7)

SPECIAL BUSINESS

To consider and, if thought fit, to pass, the following Ordinary Resolutions, with or without modifications:

8. **AUTHORITY TO ALLOT AND ISSUE SHARES**

"THAT pursuant to Section 161 of the Companies Act, Chapter 50 of Singapore, and Rule 806 of the Singapore Exchange Securities Trading Limited ("SGX-ST") Listing Manual Section B: Rules of Catalist (the "Catalist Rules"), authority be and is hereby given to the Directors of the Company to allot and issue new ordinary shares in the capital of the Company ("Shares") (whether by way of rights, bonus or otherwise), and/or make or grant offers, agreements or options (collectively, "Instruments") that might or would require Shares to be issued, including but not limited to the creation and issue of (as well as adjustments to) options, warrants, debentures or other instruments convertible into Shares, at any time and upon such terms and conditions and for such purposes and to such persons as the Directors may, in their absolute discretion, deem fit; and (notwithstanding that this authority may have ceased to be in force) issue Shares in pursuance of any Instrument made or granted by the Directors while this authority was in force, provided that:

1. the aggregate number of the Shares to be issued pursuant to this authority (including the Shares to be issued in pursuance of Instruments made or granted pursuant to this authority), does not exceed one hundred per cent (100%) of the total number

of issued Shares (excluding treasury shares and subsidiary holdings) in the capital of the Company (as calculated in accordance with paragraph (2) below), of which the aggregate number of Shares to be issued other than on a pro-rata basis to the existing shareholders of the Company (including the Shares to be issued in pursuance of Instruments made or granted pursuant to this authority) shall not exceed fifty per cent (50%) of the total number of issued Shares (excluding treasury shares and subsidiary holdings) in the capital of the Company (as calculated in accordance with paragraph (2) below);

2. (subject to such manner of calculation as may be prescribed by the SGX-ST) for the purpose of determining the aggregate number of the Shares that may be issued under paragraph (1) above, the total number of issued Shares (excluding treasury shares and subsidiary holdings) shall be based on the total number of issued Shares (excluding treasury shares and subsidiary holdings) of the Company at the time this authority was conferred, after adjusting for:

   (a) new Shares arising from the conversion or exercise of the Instruments or any convertible securities;

   (b) new Shares arising from the exercise of any share options or vesting of share awards which are outstanding or subsisting at the time this authority was conferred, provided that the options or awards were granted in compliance with Part VIII of Chapter 8 of the Catalist Rules; and

   (c) any subsequent bonus issues, consolidation or subdivision of the Shares;

   and, in relation to an Instrument, the number of Shares shall be taken to be that number as would have been issued had the rights therein been fully exercised or effected on the date of the making or granting of the Instrument;

3. in exercising the authority conferred by this Resolution, the Company shall comply with the requirements imposed by the SGX-ST from time to time and the provisions of the Catalist Rules for the time being in force (in each case, unless such compliance has been waived by the SGX-ST), all applicable legal requirements under the Companies Act, Chapter 50 of Singapore and otherwise, and the Constitution of the Company for the time being; and

4. such authority shall, unless revoked or varied by the Company in a general meeting, continue in force until the conclusion of the next AGM of the Company or the date by which the next AGM of the Company is required by law to be held, whichever is earlier."

   [See Explanatory Note 2] **(Resolution 8)**

9. **AUTHORITY TO OFFER AND GRANT OPTIONS AND ALLOT AND ISSUE SHARES UNDER THE AV EMPLOYEE SHARE OPTION SCHEME**

"THAT pursuant to Section 161 of the Companies Act, Chapter 50 of Singapore, approval be and is hereby given to the Directors of the Company to offer and grant options, and allot and issue from time to time such number of new Shares in the share capital of the Company as may be required to be delivered pursuant to the exercise of options granted in accordance with the provisions of the AV Employee Share Option Scheme (the "ESOS"), provided that the aggregate number of the ESOS Shares to be issued or transferred pursuant to the ESOS on any date, when aggregated with the number of Shares over which options or awards are granted under any share option schemes or share schemes of the Company, shall not exceed fifteen per cent (15%) of the total number of issued Shares (excluding treasury shares and subsidiary holdings) of the Company on the day preceding that date, and that such authority shall, unless revoked or varied by the Company in a general meeting, continue in force until the conclusion of the next AGM of the Company or the date by which the next AGM of the Company is required by law to be held, whichever is earlier."

[See Explanatory Note 3] **(Resolution 9)**

10. **AUTHORITY TO ALLOT AND ISSUE SHARES UNDER THE AV PERFORMANCE SHARE PLAN**

"THAT pursuant to Section 161 of the Companies Act, Chapter 50 of Singapore, approval be and is hereby given to the Directors of the Company to allot and issue from time to time such number of new Shares in the share capital of the Company as may be required to be issued pursuant to the vesting of awards under the AV Performance Share Plan (the "PSP"), provided that the aggregate number of additional new Shares to be allotted and issued pursuant to the PSP and other share scheme(s) to be implemented by the Company (if any) shall not exceed fifteen per cent (15%) of the total number of issued Shares (excluding treasury shares and subsidiary holdings) of the Company preceding that date of grant of award, and that such authority shall, unless revoked or varied by the Company in a general meeting, continue in force until the conclusion of the next AGM of the Company or the date by which the next AGM of the Company is required by law to be held, whichever is earlier."

[See Explanatory Note 4]] **(Resolution 10)**

11. **OTHER BUSINESS**

To transact any other ordinary business that may be properly transacted at an AGM of the Company.

BY ORDER OF THE BOARD

Dato' Murly Manokharan
Executive Director, President and Group Chief Executive Officer
10 April 2018

NOTES:

1. (a) A member of the Company who is entitled to attend and vote at the AGM and who is not a relevant intermediary is entitled to appoint not more than two (2) proxies to attend and vote on his behalf. Where such member appoints more than one (1) proxy, he/she shall specify the proportion or number of his/her shareholding to be represented by each proxy. If no such proportion or number is specified the first named proxy may be treated as representing 100% of the shareholding and any second named proxy as an alternate to the first named. A proxy need not be a member of the Company. If the appointer is a corporation, the proxy must be executed under seal or the hand of its duly authorised officer or attorney.

   (b) A member of the Company who is entitled to attend and vote at the AGM and who is a relevant intermediary is entitled to appoint more than two (2) proxies to attend and vote in his stead. Where such member appoints more than one (1) proxy, the number of shares in relation to which each proxy has been appointed shall be specified in the form of proxy.

   "**Relevant intermediary**" has the meaning ascribed to it in Section 181 of the Companies Act, Chapter 50

2. The instrument appointing a proxy or proxies must be under the hand of the appointor or of his attorney duly authorised in writing. Where the instrument appointing a proxy or proxies is executed by a corporation, it must be executed under its seal or under the hand of its attorney duly authorised. Where the instrument appointing a proxy or proxies is executed by an attorney on behalf of the appointor, the power of attorney or a duly certified copy thereof must be lodged with the instrument.

3. A corporation which is a member may authorise by resolution of its directors or other governing body such person as it thinks fit to act as its representative at the AGM in accordance with Section 179 of the Companies Act, Chapter 50.

4. The instrument appointing a proxy or proxies, duly executed, must be deposited at the office of the Company's Share Registrar, Tricor Barbinder Share Registration Services at 80 Robinson Road, #11-02, Singapore 068898 not later than 72 hours before the time appointed for holding the AGM.

EXPLANATORY NOTES

1. Dr Lim Su Kiat (Non-Independent Non-Executive Director) will, upon re-election as Director of the Company, continue to serve as a member of the Audit Committee and Remuneration Committee. He is considered non-independent for the purposes of Rule 704(7) of the Catalist Rules. Dr. Lim Su Kiat does not have any relationships, including immediate family relationships between himself and the Directors and the Company. Dr. Lim Su Kiat holds seven per centum (7%) of the ordinary shares in Aspen Vision Group Sdn. Bhd. which is the controlling shareholder of the Company.

   Dato' Seri Nazir Ariff Bin Mushir Ariff (Executive Director) does not have any relationships including immediate family relationships between himself and the Directors and the Company. However, Dato' Seri Nazir Ariff Bin Mushir Ariff is deemed interested in the shares of the Company as he holds twenty per centum (20%) of the ordinary shares in Aspen Vision Group Sdn. Bhd. which is the controlling shareholder of the Company.

   Mr Cheah Teik Seng (Independent Non-Executive Director and Chairman) will, upon re-election as Director of the Company, continue to serve as the Chairman of the Audit Committee and Remuneration Committee as well as a member of the Nominating Committee. He is considered independent for the purposes of Rule 704(7) of the Catalist Rules. Mr. Cheah Teik Seng does not have any relationships including immediate family relationships between himself and the Directors, the Company and the 10% shareholders.

Dato' Alan Teo Kwong Chia (Independent Non-Executive Director) will, upon re-election as Director of the Company, continue to serve as the Chairman of the Nominating Committee as well as a member of the Audit Committee and Remuneration Committee. He is considered independent for the purposes of Rule 704(7) of the Catalist Rules. Dato' Alan Teo Kwong Chia does not have any relationships including immediate family relationships between himself and the Directors, the Company and the 10% shareholders.

Detailed information on Dr Lim Su Kiat, Dato' Seri Nazir Ariff Bin Mushir Ariff, Mr Cheah Teik Seng and Dato' Alan Teo Kwong Chia can be found in the Corporate Governance Report and under the "Board of Directors" section of the Company's Annual Report 2017.

2. Ordinary Resolution 8, if passed, will empower the Directors of the Company from the date of this AGM until the date of the next AGM, to allot and issue Shares and/or Instruments (as defined above). The aggregate number of new Shares (including Shares to be issued in pursuance of Instruments made or granted) which the Directors may issue under this Resolution shall not exceed 100% of the total number of issued Shares (excluding treasury shares and subsidiary holdings) of the Company at the time of passing of this Resolution. For issue of Shares and convertible securities other than on a pro-rata basis, the aggregate number of Shares and convertible securities to be issued shall not exceed 50% of the total number of issued Shares (excluding treasury shares and subsidiary holdings) of the Company at the time of passing of this Resolution. This authority will, unless revoked or varied at a general meeting, expire on the date of the next AGM of the Company or on the date by which the next AGM of the Company is required by law to be held, whichever is earlier.

3. Ordinary Resolution 9, if passed, will empower the Directors of the Company to offer and grant options, and allot and issue new Shares pursuant to the ESOS provided that the aggregate number of new Shares to be allotted and issued pursuant to the ESOS and other share-based incentive scheme(s) or plan(s) to be implemented by the Company (if any) shall not exceed 15% of the total number of issued Shares (excluding treasury shares and subsidiary holdings) of the Company. This authority will, unless revoked or varied at a general meeting, expire at the next AGM of the Company or by the date by which the next AGM of the Company is required by law to be held, whichever is earlier.

4. Ordinary Resolution 10, if passed, will empower the Directors of the Company to allot and issue new Shares pursuant to PSP, provided that the aggregate number of new Shares to be allotted and issued pursuant to the PSP and other share scheme(s) to be implemented by the Company (if any) shall not exceed 15% of the total number of issued Shares (excluding treasury shares and subsidiary holdings) of the Company. This authority will, unless revoked or varied at a general meeting, expire at the next AGM of the Company or by the date by which the next AGM of the Company is required by law to be held, whichever is earlier.

PERSONAL DATA PRIVACY

By submitting an instrument appointing a proxy(ies) and/or representative(s) to attend, speak and vote at the AGM and/or any adjournment thereof, a member of the Company: (i) consents to the collection, use and disclosure of the member's personal data by the Company (or its agents or service providers) for the purpose of the processing, administration and analysis by the Company (or its agents or service providers) of proxies and representatives appointed for the AGM (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the AGM (including any adjournment thereof), and in order for the Company (or its agents or service providers) to comply with any applicable laws, listing rules, regulations and/or guidelines (collectively, the "Purposes"); (ii) warrants that where the member discloses the personal data of the member's proxy(ies) and/or representative(s) to the Company (or its agents or service providers), the member has obtained the prior consent of such proxy(ies) and/or representative(s) for the collection, use and disclosure by the Company (or its agents or service providers) of the personal data of such proxy(ies) and/or representative(s) for the Purposes; and (iii) agrees that the member will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the member's breach of warranty.

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

IMPORTANT
1. For investors who have used their CPF monies ("CPF Investors") and/or their SRS monies ("SRS Investors") to buy shares in the capital of Aspen (Group) Holdings Limited, this Annual Report 2017 is forwarded to them at the request of their CPF and/or SRS Approved Nominees (as the case may be) and is sent solely FOR INFORMATION ONLY.
2. This Proxy Form is not valid for use by CPF Investors and SRS Investors and shall be ineffective for all intents and purposes if used or purported to be used by them.
3. CPF Investors and SRS Investors may attend and cast their votes at the AGM in person. CPF Investors and SRS Investors who are unable to attend the AGM but would like to vote, may inform their CPF and/or SRS Approved Nominees (as the case may be) to appoint the Chairman of the AGM to act as their proxy, in which case, the respective CPF Investors and/or SRS Investors shall be precluded from attending the AGM.

Personal Data Privacy
By submitting an instrument appointing a proxy(ies) and/or representative(s), the member accepts and agrees to the personal data privacy terms set out in the Notice of Annual General Meeting dated 10 April 2018.

PROXY FORM

I / We, ________________________ (Name) of NRIC/Passport/Company Registration No, ____________________ of
____ (Address)

being a member/members of Aspen (Group) Holdings Limited (the "**Company**"), hereby appoint:

Name	**NRIC/Passport No.**	**Proportion of Shareholding(s)**	
		No. of Shares	**%**
Address			

and/or (delete where appropriate)

Name	**NRIC/Passport No.**	**Proportion of Shareholding(s)**	
		No. of Shares	**%**
Address			

as my/our proxy/proxies, or failing him/them, the Chairman of the Annual General Meeting ("AGM") of the Company, to vote for me/us on my/our behalf and, if necessary, to demand a poll, at the AGM of the Company to be held at Ballroom 1, Lobby Level, Mandarin Oriental Singapore, 5 Raffles Ave, Marina Square, Singapore 039797 on Wednesday, 25 April 2018 at 10.00 a.m. and at any adjournment thereof. I/We direct my/our proxy/proxies to vote for or against the Ordinary Resolutions to be proposed at the AGM as indicated with an "X" in the spaces provided hereunder. If no specified directions as to voting are given, the proxy/proxies will vote or abstain from voting at his/their discretion.

Resolution No.	**Ordinary Resolutions**	**For**	**Against**
1.	Adoption of the Audited Financial Statements of the Company for the financial period from 22 December 2016 (date of incorporation) to 31 December 2017, the Statement of Directors and the Report of the Auditors thereon.		
2.	Approval of the payment of Directors' fees of RM112,000.00 for the financial period from 22 December 2016 (date of incorporation) to 31 December 2017.		
3.	Re-election of Dr. Lim Su Kiat as Director.		
4.	Re-election of Dato' Seri Nazir Ariff Bin Mushir Ariff as Director.		
5.	Re-election of Mr. Cheah Teik Seng as Director.		
6.	Re-election of Dato' Alan Teo Kwong Chia as Director.		
7.	Re-appointment of Messrs KPMG LLP as Auditors of the Company and to authorise the Directors to fix their remuneration.		
8.	Authority to allot and issue shares in the capital of the Company and/or instruments pursuant to Section 161 of the Companies Act.		
9.	Authority to allot and issue shares under the AV Employee Share Option Scheme.		
10.	Authority to allot and issue shares under the AV Performance Share Plan.		

Dated this __________ day of ____________________ 2018

Total number of Shares in:	No. of Shares held
(a) CDP Register	
(b) Register of Members	

____
Signature(s) of Member(s) / Seal

IMPORTANT: Please read notes overleaf

Glue all sides firmly. Stapling and spot sealing are disallowed.

Glue all sides firmly. Stapling and spot sealing are disallowed.

Glue all sides firmly. Stapling and spot sealing are disallowed.

1. Please insert the total number of shares held by you. If you have shares entered against your name in the Depository Register (as defined in Section 81SF of the Securities and Future Act, (Chapter 289) of Singapore), you should insert that number of shares. If you have shares registered in your name in the Register of Members of the Company, you should insert that number of shares. If you have shares entered against your name in the Depository Register and shares registered in your name in the Register of Members, you should insert the aggregate number of shares. If no number is inserted, the instrument appointing a proxy or proxies shall be deemed to relate to all the shares held by you.

2. (a) A member of the Company who is entitled to attend and vote at the Annual General Meeting and who is not a relevant intermediary is entitled to appoint not more than two (2) proxies to attend and vote on his behalf. Where such member appoints more than one (1) proxy, he/she shall specify the proportion or number of his/her shareholding to be represented by each proxy. If no such proportion or number is specified the first named proxy may be treated as representing 100% of the shareholding and any second named proxy as an alternate to the first named. A proxy need not be a member of the Company. If the appointer is a corporation, the proxy must be executed under seal or the hand of its duly authorised officer or attorney.

   (b) A member of the Company who is entitled to attend and vote at the Annual General Meeting and who is a relevant intermediary is entitled to appoint more than two (2) proxies to attend and vote in his stead. Where such member appoints more than one (1) proxy, the number of shares in relation to which each proxy has been appointed shall be specified in the form of proxy.

   "**Relevant intermediary**" has the meaning ascribed to it in Section 181 of the Companies Act, Chapter 50.

3. The instrument appointing a proxy or proxies must be under the hand of the appointor or his/her attorney duly authorised in writing. Where the instrument appointing a proxy or proxies is executed by a corporation, it must be executed either under its seal or under the hand of an officer or attorney duly authorised. Where the instrument appointing a proxy or proxies is executed by an attorney on behalf of the appointor, the power of attorney or a duly certified copy thereof must be lodged with the instrument.

4. A corporation which is a member may authorise by resolution of its directors or other governing body such person as it thinks fit to act as its representative at the Annual General Meeting in accordance with Section 179 of the Companies Act, Chapter 50.

5. The instrument appointing a proxy or proxies must be deposited at the office of the Company's Share Registrar, Tricor Barbinder Share Registration Services at 80 Robinson Road, #11-02, Singapore 068898 not later than 72 hours before the time appointed for the Annual General Meeting.

6. The Company shall be entitled to reject the instrument appointing a proxy or proxies if it is incomplete, improperly completed or illegible or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified in the instrument appointing a proxy or proxies. In addition, in the case of shares entered in the Depository Register, the Company may reject any instrument appointing a proxy or proxies lodged if such member(s) are not shown to have shares entered against his/her/their name(s) in the Depository Register as at 72 hours before the time appointed for holding the Annual General Meeting, as certified by The Central Depository (Pte) Limited to the Company.

7. A Depositor shall not be regarded as a member of the Company entitled to attend the Annual General Meeting and to speak and vote thereat unless his/her name appears on the Depository Register 72 hours before the time appointed for the Annual General Meeting.

Fold along this line

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Postage
Stamp
Here

ASPEN (GROUP) HOLDINGS LIMITED
Company's Share Registrar
Tricor Barbinder Share Registration Services
80 Robinson Road
#11-02
Singapore 068898

ASPEN GROUP

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