ASPEN (GROUP) HOLDINGS LIMITED
(Company Registration No. 201634750K)

Unaudited Financial Statement and Dividend Announcement
For the fourth quarter and the year ended 31 December 2018

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

Aspen (Group) Holdings Limited is a Malaysia-based property group developing affordable residential and mixed development properties at strategic locations with good infrastructure and amenities for middle-income mass market purchasers. The Group's flagship project, Aspen Vision City, a 245-acres freehold mixed development project well-located in Bandar Cassia, Batu Kawan – Penang's third satellite city, is a joint partnership with IKEA Southeast Asia. The Group also has several on-going developments in Penang Island as well as land bank in Selangor.

PART I – INFORMATION REQUIRED FOR ANNOUNCEMENT OF QUARTERLY (Q1, Q2 & Q3) AND FULL YEAR RESULTS

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

	Note	Group 3 Months Ended 31.12.18 Unaudited RM'000	Group 3 Months Ended 31.12.17 Restated RM'000	% Change	Group Year Ended 31.12.18 Unaudited RM'000	Group Year Ended 31.12.17 Restated RM'000	% Change
Revenue	8a(i)	191,186	207,125	(8)	569,973	453,073	26
Cost of sales	8a(ii)	(184,834)	(135,308)	37	(447,537)	(276,253)	62
Gross profit		6,352	71,817	(91)	122,436	176,820	(31)
Other income	8a(iii)	3,975	397	N.M.	8,439	1,516	N.M.
Administrative expenses		(9,960)	(8,825)	13	(38,999)	(35,992)	8
Selling and distribution expenses	8a(iv)	(4,556)	(6,807)	(33)	(11,449)	(14,018)	(18)
Other expenses	8a(v)	(45)	(172)	(74)	(56)	(243)	(77)
Results from operating activities		(4,234)	56,410	(108)	80,371	128,083	(37)
Finance income		694	691	N.M.	2,550	2,437	5
Finance costs	8a(vi)	(6,539)	(1,469)	N.M.	(7,806)	(2,804)	178
Net finance (costs)/ income		(5,845)	(778)	N.M.	(5,256)	(367)	N.M.
Share of results of associates, net of tax	8a(vii)	158	(575)	127	221	(566)	139
(Loss)/Profit before tax		(9,921)	55,057	118	75,336	127,150	(41)
Tax expense	8a(viii)	(1,284)	(12,041)	(89)	(26,432)	(32,558)	(19)
(Loss)/Profit for the period representing total comprehensive income for the period/year		(11,205)	43,016	(126)	48,904	94,592	(48)
(Loss)/Profit /total comprehensive (loss)/income attributable to:							
Equity holders of the Company		(9,258)	38,699	(124)	40,921	82,140	(50)
Non-controlling interest		(1,947)	4,317	(145)	7,983	12,452	(36)
		(11,205)	43,016	(126)	48,904	94,592	(48)

N.M. – Not meaningful

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

	Note	Group 3 Months Ended 31.12.18 Unaudited RM'000	Group 3 Months Ended 31.12.17 Restated RM'000	% Change	Group Year Ended 31.12.18 Unaudited RM'000	Group Year Ended 31.12.17 Restated RM'000	% Change
Profit before tax is arrived at:							
After crediting:							
Interest income		694	691	N.M.	2,550	2,437	5
Gain on disposal of property, plant and equipment		-	10		2	95	(98)
Amortisation of deferred income	8a(ii)	11,961	17,196	(30)	33,166	36,117	(8)
And after charging:							
Depreciation of property, plant and equipment		2,256	1,318	71	6,435	5,303	21
Interest expense	8a(vi)	6,539	1,469	N.M.	7,806	2,804	123
Listing expenses		-	965	N.M.	-	7,996	N.M.
Loss on disposal of property, plant and equipment		-	67		2	67	(97)
Payroll expense		3,766	3,625	4	13,290	10,259	30
Unrealised loss from downstream income from Associate		-	37	N.M.	12	61	(80)
Write off of property, plant and equipment		45	3	N.M.	54	74	(27)

N.M. – Not meaningful

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

		Group			Company	
	Note	**31.12.18** **Unaudited** **RM'000**	**31.12.17** **Restated** **RM'000**	**01.01.17** **Restated** **RM'000**	**31.12.18** **Unaudited** **RM'000**	**31.12.17** **Restated** **RM'000**
Non-current assets						
Property, plant and equipment		86,809	55,541	44,771	-	-
Land rights		22,875	30,468	30,782	-	-
Investment in subsidiaries		-	-	-	213,141	151,041
Investment in associates		69,969	48,700	22,177	-	-
Deferred tax assets		8,546	11,434	9,819	-	-
	8b(i)	188,199	146,143	107,549	213,141	151,041
Current assets						
Development properties		348,995	275,373	191,307	-	-
Inventories		17,603	99,703	99,703	-	-
Contract assets		33,350	12,407	-	-	-
Trade and other receivables		190,448	83,717	25,422	9,198	-
Cash and cash equivalents		163,035	139,988	103,383	50,278	9,124
	8b(ii)	753,431	611,188	419,815	59,476	9,124
Total assets		941,630	757,331	527,364	272,617	160,165
Current liabilities						
Loans and borrowings		42,985	45,624	73,367	358	-
Trade and other payables		311,204	217,458	125,099	625	654
Contract liabilities		45,782	59,153	139,439	-	-
Current tax liabilities		245	4,547	4,126	-	-
	8b(iii)	400,216	326,782	342,031	983	654
Non-current liabilities						
Loans and borrowings		116,150	71,645	45,339	45,738	-
Deferred income		-	48,569	84,686	-	-
Deferred tax liabilities		10,506	13,376	12,903	-	-
	8b(iv)	126,656	133,590	142,928	45,738	-
Total liabilities		526,872	460,372	484,959	46,721	654
Equity						
Share capital		237,241	168,346	46,272	237,241	168,346
Reserves		153,825	112,904	(7,124)	(11,345)	(8,835)
Equity attributable to owners of the Company		391,066	281,250	39,148	225,896	159,511
Non-controlling interests		23,692	15,709	3,257	-	-
Total equity		414,758	296,959	42,405	225,896	159,511
Total equity and liabilities		941,630	757,331	527,364	272,617	160,165

1(b)(ii) Aggregate amount of group's borrowings and debt securities

Amount repayable in one year or less, or on demand

As at 31.12.18 Unaudited		As at 31.12.17 Restated	
Secured RM'000	Unsecured RM'000	Secured RM'000	Unsecured RM'000
42,985	-	45,624	-

Amount repayable after one year

As at 31.12.18 Unaudited		As at 31.12.17 Restated	
Secured RM'000	Unsecured RM'000	Secured RM'000	Unsecured RM'000
106,750	9,400	62,245	9,400

Details of any collateral

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

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

Consolidated Statement of Cash Flows

	Group 3 Months Ended		Group Year Ended	
	31.12.18 Unaudited RM'000	**31.12.17 Restated RM'000**	**31.12.18 Unaudited RM'000**	**31.12.17 Restated RM'000**
Cash flows from operating activities				
(Loss)/Profit before tax	(9,921)	55,057	75,336	127,150
Adjustments for:				
Depreciation of property, plant and equipment	2,256	1,318	6,435	5,303
Gain on disposal of property, plant and equipment	-	(10)	(2)	(95)
Amortisation of deferred income	(11,961)	(17,196)	(33,166)	(36,117)
Interest expense	6,539	1,469	7,806	2,804
Interest income	(694)	(691)	(2,550)	(2,437)
Listing expenses	-	965	-	7,996
Loss on disposal of property, plant and equipment	-	67	2	67
Share of results of equity-accounted investees	(158)	575	(221)	566
Unrealised loss from downstream income from associate	-	37	12	61
Write off of property, plant and equipment	45	3	54	74
	(13,894)	41,594	53,706	105,372
Changes in development properties	50,922	(64,099)	3,843	(75,498)
Changes in contract assets	(1,592)	(12,407)	(20,943)	(12,407)
Changes in trade and other receivables	(105,154)	(711)	(93,682)	(62,443)
Changes in trade and other payables	54,309	78,529	93,150	93,107
Changes in contract liabilities	(2,454)	(79,427)	(13,371)	(80,286)
Cash generated (used in)/from operations	(17,863)	(36,521)	22,703	(32,155)
Tax paid	(17,495)	(19,271)	(43,765)	(27,465)
Net cash used in operating activities	(35,358)	(55,792)	(21,062)	(59,620)
Cash flows from investing activities				
Acquisition of property, plant and equipment	(25,554)	(2,569)	(36,609)	(20,627)
Proceeds from disposal of property, plant and equipment	4	346	12	708
Interest received	694	691	2,550	2,437
Additions of investment in associates	(1,200)	(6,000)	(21,060)	(27,150)
Net cash used in investing activities	(26,056)	(7,532)	(55,107)	(44,632)

Consolidated Statement of Cash Flows (Cont'd)

	Group 3 Months Ended		Group Year Ended	
	31.12.18 Unaudited RM'000	31.12.17 Restated RM'000	31.12.18 Unaudited RM'000	31.12.17 Restated RM'000
Cash flows from financing activities				
Proceeds from issuance of shares	-	-	-	128,418
Proceeds from issuance of shares through private placement	-	-	68,895	-
Listing expenses	-	(1,185)	-	(12,409)
Changes in fixed deposit pledged	(1,818)	(188)	(3,077)	(2,764)
Proceeds from loans and borrowings	63,791	73,851	67,262	129,811
Repayment of loans and borrowings	(2,978)	(26,042)	(25,762)	(98,043)
Repayment of finance lease liabilities	(230)	(586)	(794)	(1,484)
Interest paid	(8,258)	(3,810)	(10,385)	(5,436)
Net cash generated from financing activities	50,507	42,040	96,139	138,093
Net (decrease)/increase in cash and cash equivalents	(10,907)	(21,284)	19,970	33,841
Cash and cash equivalents at the beginning of financial period/year	165,139	155,546	134,262	100,421
Cash and cash equivalents at end of the financial period/year	154,232	134,262	154,232	134,262

Cash and cash equivalents included in the consolidated statement of cash flows comprises the followings:

	Group	
	31.12.18 Unaudited RM'000	31.12.17 Audited RM'000
Cash and cash equivalents	163,035	139,988
Less: Fixed deposits pledged to financial institutions	(8,803)	(5,726)
	154,232	134,262

Significant non-cash transactions

Acquisition of property, plant and equipment

During the financial year ended 31 December 2018, the Group acquired property, plant and equipment with an aggregate cost of RM37,770,000 (2017 : RM22,449,000), of which RM1,160,000 (2017: RM1,822,000) was acquired by means of finance lease arrangements.

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

Consolidated Statement of Changes in Equity

Group	Share capital RM'000	Merger reserves RM'000	Retained earnings RM'000	Total RM'000	Non-controlling interests RM'000	Total equity RM'000
At 1 January 2018, as previously reported	168,346	37,442	80,494	286,282	16,266	302,548
Impact of adopting IFRS Interpretations Committee Agenda Decision on IAS 23	-	-	(5,032)	(5,032)	(557)	(5,589)
At 1 January 2018 (Restated)	168,346	37,442	75,462	281,250	15,709	296,959
Issuance of ordinary shares through private placement	68,895	-	-	68,895	-	68,895
Profit for the period representing total comprehensive income for the period	-	-	50,179	50,179	9,930	60,109
At 30 September 2018 (Restated)	237,241	37,442	125,641	400,324	25,639	425,963
Loss for the period representing total comprehensive income for the period	-	-	(9,258)	(9,258)	(1,947)	(11,205)
At 31 December 2018	237,241	37,442	116,383	391,066	23,692	414,758

Consolidated Statement of Changes in Equity (Cont'd)

Group (Restated)	Share capital RM'000	Other Reserves RM'000	Merger reserves RM'000	(Accumulated losses)/ Retained earnings RM'000	Total RM'000	Non-controlling interests RM'000	Total equity RM'000
At 1 January 2017, as previously reported	46,272	1,228	(1,674)	(4,914)	40,912	3,378	44,290
Impact of adopting IFRS Interpretations Committee Agenda Decision on IAS 23	-	-	-	(1,764)	(1,764)	(121)	(1,885)
At 1 January 2017 (Restated)	46,272	1,228	(1,674)	(6,678)	39,148	3,257	42,405
Profit for the period representing total comprehensive income for the period	-	-	-	43,441	43,441	8,135	51,576
Issuance of New Shares pursuant to IPO	128,418	-	-	-	128,418	-	128,418
Capitalisation of listing expenses	(4,193)	-	-	-	(4,193)	-	(4,193)
Adjustment pursuant to restructuring exercise	(1,931)	(1,228)	39,116	-	35,957	-	35,957
At 30 September 2017 (Restated)	168,566	-	37,442	36,763	242,771	11,392	254,163
Profit for the period representing total comprehensive income for the period	-	-	-	38,699	38,699	4,317	43,016
Capitalisation of listing expenses	(220)	-	-	-	(220)	-	(220)
At 31 December 2017	168,346	-	37,442	75,462	281,250	15,709	296,959

Statement of Changes in Equity

Company	Share capital RM'000	Accumulated losses RM'000	Total equity RM'000
At 1 January 2018	168,346	(8,835)	159,511
Issuance of ordinary shares through private placement	68,895	-	68,895
Loss for the period representing total comprehensive income for the period	-	(851)	(851)
At 30 September 2018	237,241	(9,686)	227,555
Loss for the period representing total comprehensive income for the period	-	(1,659)	(1,659)
At 31 December 2018	237,241	(11,345)	225,896

Company	Share capital RM'000	Accumulated losses RM'000	Total equity RM'000
At date of incorporation 22 December 2016	-*	-	-*
Issue of share for acquisition of subsidiaries	44,341	-	44,341
Issuance of New Shares pursuant to IPO	128,418	-	128,418
Capitalisation of listing expenses	(4,193)	-	(4,193)
Loss for the period representing total comprehensive income for the period	-	(7,241)	(7,241)
At 30 September 2017	168,566	(7,241)	161,325
Capitalisation of listing expenses	(220)	-	(220)
Loss for the period representing total comprehensive income for the period	-	(1,594)	(1,594)
At 31 December 2017	168,346	(8,835)	159,511

* Less than RM1,000

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

Share Capital – Ordinary Shares

	No. of issued shares	Issued and paid-up capital RM
Balance as at 30 September 2018 and 31 December 2018	963,617,900	237,240,944

As at 31 December 2018, the Company has a convertible loan due of an aggregate amount of USD$11,000,000 ("**Convertible Loan**"), of which 50% of the Convertible Loan may be converted to approximately 21,094,857 new fully paid ordinary shares of the Company based on a fixed conversion price of S$0.35 per share (assuming an exchange rate of US$1: S$1.3424). Further details on this Convertible Loan can be found in the Company's SGXNET announcement dated 20 May 2018. Save for the Convertible Loan, the Company did not have any other outstanding options and convertibles as at 31 December 2018. The Company did not have any outstanding options and convertibles as at 31 December 2017. There were no treasury shares and subsidiary holdings as at 31 December 2018 and 31 December 2017.

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

	31.12.18	31.12.17
Total number of issued shares (excluding treasury shares)	963,617,900	866,617,900

There were no treasury shares as at 31 December 2018 and 31 December 2017.

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

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

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

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

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

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

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

Not applicable.

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

Except as disclosed in paragraph 5 below, the accounting policies and methods of computation adopted in the financial statements for the current reporting period are consistent with those disclosed in the audited financial statements for the financial year ended 31 December 2017.

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

In December 2017, the Accounting Standards Council ("ASC") issued the Singapore Financial Reporting Standards (International) (SFRS(I)s). 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)s with effect from annual periods beginning on or after 1 January 2018. The financial information of the Group for the year ended 31 December 2018 is prepared in accordance with SFRS(I)s.

In the previous financial year, the financial statements were prepared in accordance with Financial Reporting Standards in Singapore ("FRS"). The Group has applied SFRS(I) 1 with 1 January 2017 as the date of transition for the Group. The adoption of the new framework, SFRS(I)s, amendments to and interpretations of SFRS(I) does not result in changes to the Group's accounting policies and has no material effect on the amounts reported for current period or prior years.

Borrowing Costs Relating to Development Properties

Arising from the Tentative Agenda Decision issued by the IFRS Interpretation Committee (IFRIC) relating to the capitalisation of borrowing costs for the construction of a residential multi-unit estate development where revenue is recognised over time, the Group has ceased capitalisation of borrowing costs on development properties. A summary of the retrospective adjustments is shown in the table below:

Consolidated statements of financial position

	31 December 2017 RM'000	1 January 2017 RM'000
Increase in deferred tax assets	884	404
Decrease in development properties	(7,353)	(2,480)
Decrease in deferred tax liabilities	(880)	(191)
Decrease in reserves	(5,032)	(1,764)
Decrease in non-controlling interests	(557)	(121)

Consolidated Income statement

	3 Months ended 31 December 2017 RM'000	Year ended 31 December 2017 RM'000
Increase in cost of sales	3,889	3,889
Increase in finance cost	984	984
Decrease in tax expense	(1,169)	(1,169)
Decrease in profit attributable to non-controlling interests	(3,268)	(3,268)
Decrease profit attributable to owners of the Company	(436)	(436)
Decrease in basic earnings per share (cents)	(0.43)	(0.42)

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

	Group 3 Months Ended		Group Year Ended	
	31.12.18 Unaudited	31.12.17 Restated	31.12.18 Unaudited	31.12.17 Restated
(Loss)/Profit attributable to equity holders of the Company (RM'000)	(9,258)	38,699	40,921	82,140
Weighted average number of ordinary shares ('000)[1]	926,147	767,878	926,147	767,878
Basic and diluted (loss)/earnings per share (RM cents)[2][3]	(1.00)	5.04	4.42	10.70

Notes:

1) (Loss)/earnings per share for the current financial period has been computed based on share capital of 926,146,667 shares. For comparative purposes, the earnings per share for the corresponding period of the immediately preceding financial year has been computed based on share capital of 767,877,736 shares assuming the Restructuring Exercise has been completed as at 1 January 2017.
2) The basic and diluted earnings per share for the 3 months and full year periods ended 31 December 2017 are the same as the Company did not have any potentially dilutive instruments as at 31 December 2017.
3) The diluted (loss)/earnings per share for the 3 months and full year periods ended 31 December 2018 is the same as the basic (loss)/earnings per share assuming that no potential ordinary shares are to be issued under the Convertible Loan as the conversion price is higher than the prevailing market price as at 31 December 2018.

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

	Group		**Company**	
	31.12.18 Unaudited	**31.12.17 Restated**	**31.12.18 Unaudited**	**31.12.17 Restated**
Net asset value (RM'000)	391,066	281,250	225,896	159,511
Number of ordinary shares in issue ('000)	963,618	866,618	963,618	866,618
Net asset value per ordinary share (RM cents)	40.58	32.45	23.44	18.41

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

Review for the performance of the Group for the full year ended 31 December 2018 ("FY2018") as compared to the previous year ended 31 December 2017 ("FY2017").

Consolidated Statement of Comprehensive Income
FY2018 compared to FY2017

(i) Revenue
The Group recorded revenue of RM569.97 million for FY2018, an increase of 26% as compared to FY2017. Revenue was contributed mainly by the completion of Tri Pinnacle project and further progress of construction at our three on-going projects, Vervéa, Beacon and Vertu Resorts.

(ii) Cost of sales
Cost of sales increased by 62% to RM447.54 million for FY2018 as a result of the completion of Tri Pinnacle project and on-going construction activities for Vervéa, Beacon and Vertu Resorts projects. Deferred income on housing quotas are amortised to profit or loss based on the progress of construction of the Tri Pinnacle project. In Q4 FY2018, enhancements were made facilities located at both Tri Pinnacle and Vervea and these have added to cost of sales.

(iii) Other income
Other income increased to RM8.44 million for FY2018. This is mainly due to an increase in project management fees income of RM4.73 million, unrealised foreign exchange translation gain from fixed deposits placed of RM1.08 million and forfeiture income of RM1.11 million.

(iv) Selling and distribution expenses
Selling and distribution expenses decreased by 18% to RM11.45 million in FY2018 mainly due to the scaling down of marketing and promotional activities consistent with subdued market sentiments during second half of FY2018.

(v) Other expenses
Other expenses decreased in FY2018 due to lower unrealised foreign exchange translation loss from the weakening of RM against the USD & SGD.

(vi) Finance costs
Finance costs increased by 178% to RM7.81 million in FY2018 mainly due to the charging out of borrowing costs incurred on development properties which were previously capitalised, as explained in Note 5. In addition, the drawdown of convertible loan during Q4 FY2018, resulted in the increase in finance cost of RM0.60 million, offset against the decrease in interest incurred on revolving credit as the Group had fully settled its revolving credit facility in Q3 FY2017.

(vii) Share of results of associates
The share of profit of associates increased to RM0.22 million in FY2018 mainly due to the capitalisation of financing cost incurred by the associate in funding the construction of its regional integrated shopping centre in FY2018.

(viii) Tax expense
In FY2018, lower tax expense incurred is in line with the lower taxable profits of the Group.

(b) any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on

Consolidated Statement of Financial Position

(i) Non-current assets
The Group's non-current assets increased by RM42.06 million from RM146.14 million in FY2017 to RM188.20 million in FY2018, primarily due to the following:-

- increase in property, plant and equipment of RM31.27 million mainly due to additional RM37.77 million capital investment attributable to the construction of a carpark and conventional hall, offset against depreciation charge of RM6.44 million;
- additional capital injection of RM4.50 million into associate, Bandar Cassia Properties (SC) Sdn. Bhd. and RM16.56 million into associate, Global Vision Logistics Sdn. Bhd. and profit of RM0.22 million from investment in associates; offset against
- decrease in land rights of by RM7.59 million due to the utilisation of rights to acquire the freehold land situated in Batu Kawan from Penang Development Corporation;
- decrease in deferred tax assets of RM2.88 million from the reversal of deferred tax assets recognised on unrealised profits.

(ii) Current assets
The Group's current assets increased by RM142.24 million from RM611.19 million in FY2017 to RM753.43 million in FY2018, primarily due to the followings:

- increase in trade and other receivables of RM106.73 million mainly from the deposit paid for purchase of land for HH Park Residence of RM53.19 million and the increase in trade receivables contributed by increase in progress billings for on-going projects;
- increase in development properties of RM73.62 million from development costs incurred for the on-going projects and the purchase of development land for Aspen Vision City and land acquired from Tropicana Kajang Hill Sdn. Bhd.;

- increase in cash and cash equivalents of RM23.05 million due to proceeds from private placement of RM68.90 million, offset against the repayment of loans and borrowings and the acquisition of property, plant and equipment;
- increase in contract assets amounting to RM20.94 million from the increase in cost incurred and profits recognised for Tri Pinnacle and Vertu projects which exceeded progress billings; offset against
- decrease in inventories of RM82.10 million from the completion of sale of housing quota for Tri Pinnacle project.

(iii) Current liabilities

The Group's current liabilities increased by RM73.44 million from RM326.78 million in FY2017 to RM400.22 million in FY2018, primarily due to the followings:

- increase in trade and other payables of RM93.74 million due to amount owing to contractors for completed and on-going development projects; offset against
- decrease in contract liabilities for Vervéa project amounting to RM13.37 million. Contract liabilities represent the progress billings in excess of the cost incurred and profits recognised;
- decrease in current tax liabilities of RM4.30 million due to tax paid during the year;
- decrease in loans and borrowings of RM2.64 million due to repayment.

(iv) Non-current liabilities

The Group's non-current liabilities decreased by RM6.93 million from RM133.59 million in FY2017 to RM126.66 million in FY2018, primarily due to the following:-

- increase in loans and borrowings of RM44.50 million mainly due to the drawdown of convertible loan; offset against
- decrease in deferred income of RM48.57 million, which is due to the amount of housing quota amortised to income statement due to completion of construction for Tri Pinnacle project and the reclassification of balance deferred income to inventories; and
- decrease in deferred tax liabilities of RM2.87 million mainly attributable to temporary differences on land rights.

The Group has a positive working capital of RM353.21 million as at 31 December 2018.

Consolidated Statement of Cash Flows

The Group recorded net cash outflow from operating activities of RM21.06 million in FY2018, which comprised operating cash inflows after working capital changes of RM22.70 million, net tax payments of RM43.76 million. The net cash outflow from operations was mainly due to the higher tax paid during the year.

Net cash used in investing activities amounted to RM55.11 million mainly from the acquisition of property, plant and equipment of RM36.61 million and the additional investment in associates, both Global Vision Logistics Sdn. Bhd. and Bandar Cassia Properties Sdn. Bhd. of RM21.06 million, offset against interest received of RM2.55 million.

Net cash inflow from financing activities amounted to RM96.14 million being proceeds from private placement of RM68.90 million, drawdown of loan of RM67.26 million which was utilised for property development activities, offset against the repayment of loans and borrowings and finance lease liabilities of RM26.56 million, interest paid on loans and borrowings of RM10.39 million and additional fixed deposit pledged to financial institutions of RM3.07 million.

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

As disclosed in the dividend policy announcement dated 7 September 2017, the Company will declare annual dividends, including interim dividends, of not less than 20% of the Company's consolidated profit after tax and non-controlling interest, excluding non-recurring, one-off and exceptional items, in respect of any financial year commencing financial year ending 31 December 2018 to its shareholders, subject to inter alia the Company's retained earnings, financial position, capital expenditure requirements, future expansion, investment plans, approval from lenders and other relevant factors. However, with the challenging global and domestic economy, increased cost of living and oversupply in the residential property segment, the management sees the soft property market as increased opportunities to acquire prime land bank as well as explore joint ventures with landowners as the land valuation for such development have become much more reasonable. In view of this, the management plans to conserve cash to take advantage of such opportunities. As such, the Board has decided that no dividend will be declared or recommended for the financial year ended 31 December 2018. However, the dividend policy remains in place. The Board may declare the payment of dividends when the property market conditions improve and are more favourable.

10. A commentary at the date of the announcement of the significant trends and competitive conditions of the industry in which the group operates and any known factors or events that may affect the group in the next reporting period and the next 12 months.

As the initial optimism post-14th General Election wears off, consumer confidence in Malaysia decrease 9 points to 118 points in Q4 FY2018. The government's introduction of new policies and incentives such as the National Housing Policy 2.0 and Property Crowdfunding Platform targeted towards the property market has increased market enquiries, but the wait-and-see attitude and persistent challenges faced by buyers in securing housing loans continue to affect the property market.

In view of the prevailing soft property market, the Group shall focus on the timely completion of its on-going residential developments, namely Vertu Resort and Beacon SOHO. At the same time, the Group will continue to embark on various marketing campaigns, introduce attractive sales packages for buyers as well as enter into collaborative strategic partnerships to drive sales performance.

In Q4 FY2018 and Q1 FY2019, the Group has successfully achieved vacant possession and handed over its maiden residential project and maiden commercial project, Tri Pinnacle and Vervéa, respectively.

Moving forward, the Group will continue to focus on market-driven products and unlock the value of its land bank at strategic locations across the Northern Region of Malaysia, especially its flagship development Aspen Vision City ("AVC") at Batu Kawan, a joint development by the Group and IKEA Southeast Asia. The IKEA Store in AVC will open for business on 14 March 2019. The resultant traffic, vibrancy and publicity generated is expected to enhance the values of the residential and commercial properties in AVC. Simultaneously, with the momentum of the opening of the IKEA Store, the Group will be launching two new residential projects in AVC. These two affordably priced projects, targeted towards first home owners and upgraders, will provide additional alternatives for residents to choose from, whether their preference is landed properties or executive apartment but with co-working space and social kitchen facilities provided. By adopting a strategic and prudent approach, the Group will continue to focus on developing quality properties at affordable prices.

11. Dividend

(a) Current Financial Period Reported On:
Any dividend declared for the current financial period reported on?

No dividend was declared for the current financial period reported on.

(b) Corresponding Period of the Immediately Preceding Financial Year:
Any dividend declared for the corresponding period of the immediately preceding financial year?

No dividend was declared for the corresponding period of the immediately preceding financial year.

(c) Date payable:

Not applicable.

(d) Books closure date:

Not applicable.

12. If no dividend has been declared/recommended, a statement to that effect and the reason(s) for the decision.

With the challenging global and domestic economy, increased cost of living and overhang in the residential property segment, the management sees the soft property market as increased opportunities to acquire prime land bank as well as explore joint ventures with landowners as the land valuation for such development have become much more reasonable. In view of this, the management plan to conserve cash to take advantage of such opportunities. As such, no dividend has been declared or recommended for the financial year ended 31 December 2018. However, the dividend policy remains in place. The Board may declare the payment of dividends when the property market conditions improve and are more favourable.

13. If the group has obtained a general mandate from shareholders for interested person transactions ("IPT"), the aggregate value of such transactions as required under Rule 920(1)(a)(ii). If no IPT mandate has been obtained, a statement to that effect.

The Group does not have an existing general mandate from shareholders for IPT.

As announced on 9 March 2018, a subsidiary of the Group, Aspen Vision Builders Sdn. Bhd. ("AVB") has sold a property unit of Beacon Executive Suites to Trade Empire Sdn. Bhd. ("Trade Empire") at RM627,950. Trade Empire is held 60% by Mr. Lee Peng Cheong, an Executive Director of AVB and the remaining 40% is held by Datin Lee Ke Sin, the spouse of Dato' Murly Manokharan, the Group's Executive Director, President and Group Chief Executive Officer.

Other than the interested person transactions as disclosed above and on pages 196 to 201 of the Offer Document, there are no IPTs exceeding S$100,000 and above during the financial period under review.

14. Use of IPO proceeds

The Company refers to the net proceeds amounting to S$36.72 million (excluding listing expenses of approximately S$3.13 million) raised from the IPO on the Catalist of the SGX-ST on 28 July 2017.
As at the date of this announcement, the status on the use of the IPO net proceeds is as follow:

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	(25,000) (1)	-
Repayment of bank borrowings from CIMB Islamic Bank Berhad	2,000	(2,000)	-
Working capital	9,720	(9,720) (2)	-
Total	36,720	(36,720)	-

Notes:
(1) S$6.28 million utilised for the payment of 80% of Parcel 4 land purchase price and the development of a regional integrated shopping centre by an associate, Bandar Cassia Properties Sdn Bhd, S$6.59 million for the payment of 20% of Parcel 5 land purchase price by subsidiary, Aspen Vision City Sdn Bhd as announced on 30 August 2017, S$2.13 million for the payment of 10% deposit for purchase of the freehold land located in Semenyih by a subsidiary, Aspen Vision Development (Central) Sdn Bhd as announced on 28 September 2017, S$7.16 million for the purchase of 3 pieces of leasehold industrial land by an associate, Global Vision Logistics Sdn. Bhd. as announced on 13 June 2018 and 25 July 2018 and S$2.84 million for payment of planning stage expenses for the Beacon and HH Residence projects. The exchange rate as at 2 August 2017 of RM3.1520: S$1.00 is used for the above compilation.
(2) S$9.72 million utilised for working capital consist of payroll payment of S$1.35 million, tax payment of S$6.84 million, repayment of revolving credit interest amounting to S$0.09 million and S$1.44 million for general operational and administrative expenses. The exchange rate as at 2 August 2017 of RM3.1520: S$1.00 is used for the above compilation.

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

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

15. Use of proceeds from Private Placement

The Company refers to the net proceeds amounting to S$23.25 million (excluding placement expenses of approximately S$0.04 million) raised from the private placement which was completed on 21 May 2018.
As at the date of this announcement, the status on the use of the proceeds from the private placement is as follows:

Use of Net Proceeds from Private Placement	Amount allocated S$'000	Amount utilised S$'000	Balance S$'000
Acquisition of land banks and future developments	16,271	(11,780)[(1)]	4,491
Working capital requirements	6,974	(6,974)[(2)]	-
Total	23,245	(18,754)	4,491

Notes:
(1) S$5.90 million utilised for late payment interest incurred and balance payment for purchase of the freehold land located in Semenyih by a subsidiary, Aspen Vision Development (Central) Sdn Bhd as announced on 28 September 2017, S$3.92 million utilised for payment for common infrastructure at Aspen Vision City, S$1.42 million utilised for payment of planning stage expenses for Beacon and HH Residence projects and S$0.54 million utilised for payment for Tri Pinnacle authority contribution. The exchange rate as at 6 June 2018 of RM2.9770: S$1.00 is used for the above compilation.
(2) S$6.97 million utilised for working capital consist of payment for renovation of the Experience Center ("EC") of S$0.98 million, payroll payment of S$1.96 million, repayment of interest from borrowings and hire purchase instalments amounting to S$1.23 million, tax payment of S$0.09 million and S$2.71 million for general operational and administrative expenses. The exchange rate as at 6 June 2018 of RM2.9770: S$1.00 is used for the above compilation.

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

16. Use of disbursement from Convertible Loan

The Company refers to the disbursement amounting to USD$10.89 million (excluding arranger fee of USD$0.11 million) from the acceptance of Convertible Loan from Haitong International Financial Products (Singapore) Pte. Ltd. as announced on 20 May 2018 and 19 October 2018.

As at the date of this announcement, the status on the use of disbursements from the Convertible Loan is as follows:

Use of Net Disbursement from Convertible Loan	Amount allocated USD$'000	Amount utilised USD$'000	Balance USD$'000
Investment in Global Vision Logistics Sdn. Bhd.	5,445	-	5,445
Construction of Central Park	3,267	(3,267)[(1)]	-
Investment in Bandar Cassia Properties (SC) Sdn. Bhd.	2,178	-	2,178
Total	10,890	(3,267)	7,623

Notes:
(1) USD$3.27 million utilised for the construction of Central Park located in Aspen Vision City. The exchange rate as at 28 January 2019 of RM4.1080: USD$1.00 is used for the above compilation.

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

17. Confirmation that the issuer has procured undertakings from all its directors and executive officers pursuant to Rule 720(1)

The Company confirms that it has procured undertakings from all its directors and executive officers pursuant to Rule 720(1).

PART II – ADDITIONAL INFORMATION REQUIRED FOR FULL YEAR ANNOUNCEMENT

18. Segmented revenue and results for operating segment (of the Group) in the form presented in the issuer's most recently audited annual financial statements, with comparative information for the immediately preceding year.

The Group operates under one business segment, which is property development and solely in Malaysia. Hence no breakdown of performances by business segments and geographical markets are presented.

19. In the review of performance, the factors leading to any material changes in contributions to turnover and earnings by the operating segments.

Please refer to Paragraph 8

20. A breakdown of sales as follows:

	Group Year Ended		%
	31.12.18 Unaudited RM'000	**31.12.17 Restated RM'000**	**Change**
Revenue reported for first half year	234,474	108,028	117
Operating profit after tax before deducting minority interests reported for first half year	33,305	18,494	80
Revenue reported for second half year	335,499	345,045	(3)
Operating profit after tax before deducting minority interests reported for second half year	7,616	63,646	(88)

21. A breakdown of the total annual dividend (in ringgit value) for the issuer's latest full year and its previous full year as follows:

(a) Ordinary

Not applicable

(b) Preference

Not applicable

(c) Total

Not applicable

There are no dividends declared for the current financial year and the previous full year.

21. Disclosure of person occupying a managerial position in the issuer or any of its principal subsidiaries who is a relative of a director or chief executive officer or substantial shareholder of the issuer pursuant to Rule 704(10) in the format below. If there are no such persons, the issuer must make an appropriate negative statement.

The Company confirms that there is no person occupying a managerial position in the Company or in any of its principal subsidiaries who is a relative of a director, chief executive officer or substantial shareholder of the Company.

BY ORDER OF THE BOARD

Dato' Murly Manokharan

President & Group Chief Executive Officer

28 February 2019

*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 announcement has been prepared by the Company and its contents have been reviewed by the Company's Sponsor, PrimePartners Corporate Finance Pte. Ltd. (the "Sponsor") for compliance with the Singapore Exchange Securities Trading Limited (the "SGX-ST") Listing Manual Section B: Rules of Catalist. The Sponsor has not verified the contents of this announcement.

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

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