
Unaudited Financial Statement and Dividend Announcement
For the first quarter ended 31 March 2019

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 and Selangor.

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

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

	Note	Group 3 Months Ended		% Change
		31.03.19 Unaudited RM'000	31.03.18 Unaudited RM'000	
Revenue	8a(i)	80,890	102,704	(21)
Cost of sales	8a(ii)	(52,861)	(71,287)	(26)
Gross profit		<u>28,029</u>	<u>31,417</u>	(11)
Other income	8a(iii)	724	817	(11)
Administrative expenses		(10,264)	(10,613)	(3)
Selling and distribution expenses		(3,393)	(3,572)	(5)
Other operating expenses	8a(iv)	(583)	(232)	151
Results from operating activities		<u>14,513</u>	<u>17,817</u>	(19)
Finance income	8a(v)	525	605	(13)
Finance costs	8a(vi)	(2,417)	(1,094)	121
Net finance (costs)/income		<u>(1,892)</u>	<u>(489)</u>	175
Share of results of associates, net of tax	8a(vii)	(214)	506	N.M.
Profit before tax		<u>12,407</u>	<u>17,834</u>	(30)
Tax expense	8a(viii)	(5,149)	(5,694)	(10)
Profit for the period representing total comprehensive income for the period		<u>7,258</u>	<u>12,140</u>	(40)
Profit/total comprehensive income attributable to:				
Equity holders of the Company		4,815	9,442	(49)
Non-controlling interest		2,443	2,698	(9)
		<u>7,258</u>	<u>12,140</u>	(40)

N.M. – Not meaningful

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

	Note	Group 3 Months Ended		% Change
		31.03.19 Unaudited RM'000	31.03.18 Unaudited RM'000	
Profit before tax is arrived at:				
After crediting				
Interest income	8a(v)	525	605	(13)
Gain on disposal of property, plant and equipment		-	2	(100)
Amortisation of deferred income	8a(ix)	-	6,375	(100)
And after charging:				
Depreciation of property, plant and equipment		2,427	1,497	62
Interest expense	8a(vi)	2,417	1,094	121
Payroll expenses		4,372	2,457	78
Unrealised loss from downstream income from Associate		-	12	(100)

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

	Note	Group		Company	
		31.03.19 Unaudited RM'000	31.12.18 Audited RM'000	31.03.19 Unaudited RM'000	31.12.18 Audited RM'000
Non-current assets					
Property, plant and equipment		91,836	86,809	-	-
Investment property		3,500	-	-	-
Land rights		18,403	22,875	-	-
Investment in subsidiaries		-	-	213,141	213,141
Investment in associates		72,095	69,969	-	-
Deferred tax assets		8,120	8,546	-	-
	8b(i)	<u>193,954</u>	<u>188,199</u>	<u>213,141</u>	<u>213,141</u>
Current assets					
Development properties		350,064	346,009	-	-
Contract costs		29,082	2,986	-	-
Contract assets		47,596	33,350	-	-
Inventories		17,603	17,603	-	-
Trade and other receivables		254,263	190,448	18,987	9,198
Cash and cash equivalents		142,593	163,035	39,530	50,278
	8b(ii)	<u>841,201</u>	<u>753,431</u>	<u>58,517</u>	<u>59,476</u>
Total assets		<u><u>1,035,155</u></u>	<u><u>941,630</u></u>	<u><u>271,658</u></u>	<u><u>272,617</u></u>
Current liabilities					
Loans and borrowings		55,269	42,628	-	-
Lease liabilities		7,384	-	-	-
Trade and other payables		280,509	311,561	1,793	983
Contract liabilities		34,175	45,782	-	-
Current tax liabilities		178	245	-	-
	8b(iii)	<u>377,515</u>	<u>400,216</u>	<u>1,793</u>	<u>983</u>
Non-current liabilities					
Loans and borrowings		225,834	116,150	45,738	45,738
Deferred tax liabilities		10,435	10,506	-	-
	8b(iv)	<u>236,269</u>	<u>126,656</u>	<u>45,738</u>	<u>45,738</u>
Total liabilities		<u>613,784</u>	<u>526,872</u>	<u>47,531</u>	<u>46,721</u>
Equity					
Share capital		237,241	237,241	237,241	237,241
Treasury shares		(10)	-	(10)	-
Reserves		158,005	153,825	(13,104)	(11,345)
Equity attributable to owners of the Company		<u>395,236</u>	<u>391,066</u>	<u>224,127</u>	<u>225,896</u>
Non-controlling interests		26,135	23,692	-	-
Total equity		<u>421,371</u>	<u>414,758</u>	<u>224,127</u>	<u>225,896</u>
Total equity and liabilities		<u><u>1,035,155</u></u>	<u><u>941,630</u></u>	<u><u>271,658</u></u>	<u><u>272,617</u></u>

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

As at 31.03.19 Unaudited		As at 31.12.18 Audited	
Secured RM'000	Unsecured RM'000	Secured RM'000	Unsecured RM'000
55,269	-	42,628	-

Amount repayable after one year

As at 31.03.19 Unaudited		As at 31.12.18 Audited	
Secured RM'000	Unsecured RM'000	Secured RM'000	Unsecured RM'000
216,434	9,400	106,750	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	
	31.03.19	31.03.18
	Unaudited	Unaudited
	RM'000	RM'000
Cash flows from operating activities		
Profit before tax	12,407	17,834
Adjustments for:		
Depreciation of property, plant and equipment	2,427	1,497
Gain on disposal of property, plant and equipment	-	(2)
Amortisation of deferred income	-	(6,375)
Interest expense	3,311	5,535
Interest income	(525)	(605)
Share of results of equity-accounted investees	214	(506)
Unrealised loss from downstream income from associate	-	12
	17,834	17,390
Changes in development properties	417	(10,543)
Changes in contract costs	(26,096)	6,211
Changes in contract assets	(14,246)	12,407
Changes in trade and other receivables	(57,134)	(6,639)
Changes in trade and other payables	(31,771)	(24,083)
Changes in lease liabilities	(210)	-
Changes in contract liabilities	(11,607)	26,875
Cash (used in)/generated from operations	(122,813)	21,618
Tax paid	(11,542)	(13,538)
Net cash (used in)/from operating activities	(134,355)	8,080
Cash flows from investing activities		
Acquisition of property, plant and equipment	(682)	(1,965)
Acquisition of investment property	(3,500)	-
Proceeds from disposal of property, plant and equipment	-	3
Interest received	525	605
Additions of investment in associates	(2,340)	(900)
Net cash used in investing activities	(5,997)	(2,257)
Cash flows from financing activities		
Purchase of treasury shares	(10)	-
Changes in fixed deposit pledged	(36)	(23)
Proceeds from drawdown of loans and borrowings	128,926	-
Repayment of loans and borrowings	(6,380)	(12,353)
Repayment of finance lease liabilities	(221)	(188)
Interest paid	(2,405)	(1,441)
Net cash from/(used in) financing activities	119,874	(14,005)

Consolidated Statement of Cash Flows (Cont'd)

	Group	
	3 Months Ended	
	31.03.19	31.03.19
	Unaudited	Restated
Net decrease in cash and cash equivalents	(20,478)	(8,182)
Cash and cash equivalents at the beginning of financial period	154,232	134,262
Cash and cash equivalents at end of the financial period	<u>133,754</u>	<u>126,080</u>

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

	Group	
	31.03.19	31.03.18
	Unaudited	Unaudited
	RM'000	RM'000
Cash and cash equivalents	142,593	131,829
Less: Fixed deposits pledged to financial institutions	(8,839)	(5,749)
	<u>133,754</u>	<u>126,080</u>

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	Treasury Shares 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 2019, as previously reported	237,241	-	37,442	116,383	391,066	23,692	414,758
Impact of adopting SFRS 16	-	-	-	(635)	(635)	-	(635)
At 1 January 2019 (Restated)	237,241	-	37,442	115,748	390,431	23,692	414,123
Profit for the period representing total comprehensive income for the period	-	-	-	4,815	4,815	2,443	7,258
Purchase of treasury shares	-	(10)	-	-	(10)	-	(10)
At 31 March 2019	237,241	(10)	37,442	120,563	395,236	26,135	421,371

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	168,346	37,442	80,494	286,282	16,266	302,548
Profit for the period representing total comprehensive income for the period	-	-	9,442	9,442	2,698	12,140
At 31 March 2018	168,346	37,442	89,936	295,724	18,964	314,688

Statement of Changes in Equity

Company	Share capital RM'000	Treasury shares RM'000	Accumulated losses RM'000	Total equity RM'000
At 1 January 2019	237,241	-	(11,345)	225,896
Purchase of treasury shares	-	(10)	-	(10)
Loss for the period representing total comprehensive income for the period	-	-	(1,759)	(1,759)
At 31 March 2019	237,241	(10)	(13,104)	224,127

Company	Share capital RM'000	Accumulated losses RM'000	Total equity RM'000
At 1 January 2018	168,346	(8,835)	159,511
Loss for the period representing total comprehensive income for the period	-	(729)	(729)
At 31 March 2018	168,346	(9,564)	158,782

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 31 December 2018	963,617,900	237,240,944
Less: Treasury shares	(22,600)	(9,842)
Balance as at 31 March 2019	<u>963,595,300</u>	<u>237,231,102</u>

Treasury Shares

During 1Q FY2019, the Company bought back 22,600 shares by way of market acquisition and all shares acquired are held as treasury shares. Following the purchase, the Company has 22,600 treasury shares as at 31 March 2019 (31 March 2018: Nil). The treasury shares held constitute 0.002% of the total number of ordinary shares outstanding.

Outstanding Convertibles

As at 31 March 2019, the Company has a convertible loan due of an aggregate amount of USD11,000,000 ("**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 March 2019. The Company did not have any outstanding options and convertibles as at 31 March 2018.

There were no subsidiary holdings as at 31 March 2019 and 31 March 2018.

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

	31.03.19	31.12.18
Total number of issued shares (excluding treasury shares)	<u>963,595,300</u>	<u>963,617,900</u>

There were no treasury shares as at 31 December 2018.

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.

There were no sales, transfers, cancellation or use of 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 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 2018.

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

The Group has adopted the following SFRS(I)s, interpretations of SFRS(I)s and requirements of SFRS(I)s which are mandatorily effective from 1 January 2019:

- SFRS(I) 16 *Leases* 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;
- SFRS(I) INT 23 *Uncertainty over Income Tax Treatments*
- *Long-term interests in Associates and Joint Ventures* (Amendments to SFRS(I) 1-28)
- *Prepayment Features with Negative Compensation* (Amendments to SFRS(I) 9)
- *Borrowing Costs Eligible for Capitalisation* (Amendments to SFRS(I) 1-23)

The Group does not expect the application of the above standards and interpretations to have a significant impact on the consolidated financial statements for the current financial period reported on and prior years.

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	
	31.03.19	31.03.18
Profit attributable to equity holders of the Company (RM'000)	4,815	9,442
Weighted average number of ordinary shares ('000) ⁽¹⁾	963,600	866,618
Basic and diluted earnings per share ("EPS")(RM cents)	0.50 ⁽²⁾	1.09 ⁽³⁾

Notes:

- 1) EPS have been computed based on share capital of 963,600,261 shares and 866,617,900 shares for the respective financial periods ended 31 March 2019 and 31 March 2018.
- 2) The diluted EPS for the 3 months ended 31 March 2019 is the same as the basic EPS 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 March 2019.
- 3) The basic and diluted EPS are the same for the 3 months ended 31 March 2018 as the Company did not have any potentially dilutive instruments for the said financial period.

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	
	31.03.19	31.12.18	31.03.19	31.12.18
Net asset value (RM'000)	395,236	391,066	224,127	225,896
Number of ordinary shares in issue ('000)	963,595	963,618	963,595	963,618
Net asset value per ordinary share (RM cents)	41.02	40.58	23.26	23.44

8. A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. The review must discuss:-

- (a) any significant factors that affected the turnover, costs, and earnings of the group for the current financial period reported on, including (where applicable) seasonal or cyclical factors; and**

Review for the performance of the Group for the 3 months ended 31 March 2019 ("1Q FY2019) as compared to the previous corresponding quarter ended 31 March 2018 ("1Q FY2018").

Consolidated Statement of Comprehensive Income
1Q FY2019 compared to 1Q FY2018

- (i) Revenue
The Group recorded revenue of RM80.89 million for 1Q FY2019, with contributions coming from the completion of Vervea and further progress of construction of our on-going projects, Vertu Resorts & Beacon Executive Suites. The revenue decrease of 21% as compared to the previous year corresponding quarter was mainly due to the completion of Tri Pinnacle project in 4Q FY2018 and Vervea in 1Q FY2019.
- (ii) Cost of sales
Cost of sales decreased by 26% to RM52.86 million for 1Q FY2019 consistent with the drop in revenue as there are only 2 on-going projects, Vertu Resorts & Beacon Executives Suites during 1Q FY2019; as compared to 3 on-going projects during 1Q FY2018.
- (iii) Other income
Other income decreased by 11% to RM0.72 million for 1Q FY2019. The higher other income incurred in 1Q FY2018 was mainly due to project management fees charged to external parties during the period.
- (iv) Other operating expenses
Other operating expenses increased to RM0.58 million in 1Q FY2019 due to unrealised foreign exchange translation loss from fixed deposits placed.
- (v) Finance income
Finance income decreased by 13% to RM0.53 million in 1Q FY2019 due to lower interest income arising from lower average balance of deposit in financial institutions in 1Q FY2019 as compared to 1Q FY2018. The interest income relates mainly to the unutilised portions of the placement proceeds and convertible loan.
- (vi) Finance costs
Finance costs increased by 87% to RM2.42 million in 1Q FY2019 due to the increase in interest served on term loan drawn in 1Q FY2019 to finance the purchase of the Batu Kawan land.
- (vii) Share of results of associates
The share of loss of associates increased to RM0.21 million in 1Q FY2019. The share of profit incurred in 1Q FY2018 was mainly from the capitalisation of financing cost incurred by the associate in funding the construction of its regional integrated shopping centre.
- (viii) Tax expense
In 1Q FY2019, a lower tax expense is accounted as the Group recorded lower taxable profits.
- (ix) Amortisation of deferred income
Deferred income on housing quotas are amortised to profit or loss based on the progress of construction of the Tri Pinnacle project. As the project has been completed in 4Q FY2018, there is no amortisation of deferred income in the current financial period.

(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 RM5.75 million from RM188.20 million as at 31 December 2018 to RM193.95 million as at 31 March 2019, primarily due to the following:-

- Increase in property, plant and equipment of RM5.03 million due to the recognition of operating lease of RM6.60 million upon the adoption of SFRS 16, additional RM0.68 million capital investment attributable to the construction of a carpark and purchase of office equipments, offset against depreciation charge of RM2.43 million;
- increase in investment property due to purchase of investment property of RM3.50 million for investment purposes; and
- additional capital injection of RM2.10 million into associate, Global Vision Logistics Sdn. Bhd. and RM0.24 million into associate, Bandar Cassia Properties (SC) Sdn. Bhd. and loss of RM0.22 million from investment in associates; offset against
- decrease in land rights of RM4.47 million due to the utilisation of rights to acquire the freehold land situated in Batu Kawan from Penang Development Corporation; and
- decrease in deferred tax assets of RM0.43 million from the reversal of deferred tax assets recognised on unrealised profits.

(ii) Current assets

The Group's current assets increased by RM87.77 million from RM753.43 million as at 31 December 2018 to RM841.20 million as at 31 March 2019, primarily due to the followings:

- increase in trade and other receivables of RM63.81 million mainly from the deposit paid for purchase of land at Batu Kawan of RM70.00 million; offset against decrease in trade receivables due to collection of progress billings;
- increase in development properties and contract costs of RM30.15 million from development costs incurred for the on-going projects;
- increase in contract assets amounting to RM14.25 million from the increase in cost incurred and profit recognised for Vertu project which exceeded progress billings; offset against
- decrease in cash and cash equivalents of RM20.44 million due to the repayment of creditors and borrowings.

(iii) Current liabilities

The Group's current liabilities decreased by RM22.70 million from RM400.22 million as at 31 December 2018 to RM377.52 million as at 31 March 2019, primarily due to the followings:

- decrease in trade and other payables of RM31.05 million due to repayment made to contractors for on-going development projects;
- decrease in contract liabilities for Beacon project amounting to RM11.61 million. Contract liabilities represent the progress billings in excess of the cost incurred and profits recognised; offset against
- increase in loans and borrowings of RM12.64 million being drawdown of loans and borrowings for current project development purposes; and
- increase in lease liabilities of RM7.38 million being liabilities incurred on operating lease recognised upon the adoption of SFRS 16.

(iv) Non-current liabilities

The Group's non-current liabilities increased by RM109.63 million from RM126.66 million as at 31 December 2018 to RM236.29 million as at 31 March 2019, primarily due the increase in loans and borrowings due to the drawdown of loans and borrowings for the purchase of Batu Kawan land.

The Group has a positive working capital of RM463.69 million as at 31 March 2019.

Consolidated Statement of Cash Flows

The Group recorded net cash outflow from operating activities of RM134.36 million, which comprised operating cash outflows after working capital changes of RM122.81 million, net tax payments of RM11.54 million. The net cash outflow from operations was mainly due to deposit paid for the purchase of Batu Kawan land.

Net cash used in investing activities amounted to RM6.00 million mainly from the acquisition of investment property of RM3.50 million, additional investment in associates, Global Vision Logistics Sdn. Bhd. and Bandar Cassia Properties Sdn. Bhd. of RM2.34 million and acquisition of property, plant and equipment of RM0.68 million, offset against interest received of RM0.53 million.

Net cash inflow from financing activities amounted to RM119.87 million due to the drawdown of loan of RM128.93 million which was utilised for land purchase and property development activities, offset against repayment of loans and borrowings and finance lease liabilities of RM6.60 million, interest paid on loans and borrowing of RM2.41 million and additional fixed deposit pledged to financial institutions of RM0.04 million.

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

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

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

The Malaysian property market is encountering challenging conditions with declines in the volume and value of property transactions in 2018. The introduction of new policies and incentives by the government aimed at stimulating the property market such as the National Housing Policy 2.0 and property crowdfunding platform have created some optimism in anticipation of improvements in market conditions.

The Group's flagship project Aspen Vision City ("AVC") at Batu Kawan is strongly supported by major infrastructure like the Penang Second Bridge and the North South Highway. Due to its good potential for growth, AVC has attracted the investment of an IKEA Store. The opening of the IKEA Store in March 2019 has successfully attracted visitors from Penang Island using the Second Bridge and the Northern Region of Peninsula Malaysia via the North-South Highway. Located strategically at AVC, the IKEA Store can be accessed easily by an estimated 6.5 million population in the Northern Region.

The IKEA Store will serve as a major anchor to support a thriving community at AVC, which will in turn serve as a catalyst in the further development of AVC and Batu Kawan. Despite a subdued start for the property market in 2019, The Group has capitalised on the potential and attractions of AVC to launch our latest residential project, Vivo Executive Apartment. The well-designed Vivo Executive Apartment at the correct price points has received overwhelming response with 90% of the total project booked during a unit selection event held on 20th and 21st April 2019. Strategically integrating with the regional integrated shopping centre anchored by IKEA Batu Kawan, Vivo Executive Apartment enjoys great accessibility and connectivity to the North South Highway, Second Penang Bridge, Central Island Park and all other amenities and conveniences within Aspen Vision City.

The Vivo project is expected to commence construction in Q4 FY2019 and slated for completion in Q4 2023. To capitalise on the growing popularity of AVC as a residential community well supported by infrastructure and commercial amenities, the Group will also be launching Vogue Lifestyle Residence and Viluxe landed homes in 2019 to expand its market share.

The Group continues to maintain a strong liquidity position and will use its financial strength to explore various investment opportunities for growth as well as review fund raising options to finance strategic plans to the benefit of the Group.

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) Whether the dividend is before tax, net of tax or tax exempt.

Not applicable. No dividend has been declared or recommended for the current financial period reported on and the corresponding period of the immediately preceding financial year.

(d) Date payable:

Not applicable.

(e) 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

No dividend has been declared or recommended for the first quarter ended 31 March 2019 as management plans to conserve cash to take advantage of opportunities in the soft property market to acquire prime land bank as well as explore joint ventures with landowners.

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

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

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

14. 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	(15,486) ⁽¹⁾	785
Working capital requirements	6,974	(6,974) ⁽²⁾	-
Total	23,245	(22,460)	785

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\$5.30 million utilised for payment for common infrastructure at Aspen Vision City, S\$1.91 million utilised for initial payment to the Selangor Agricultural Development Corporation for the redevelopment of a piece of leasehold commercial land as announced on 10 April 2019, S\$1.83 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 above utilisations are in accordance with the intended use of the proceeds from the private placement and percentage allocated, as stated in the announcement dated 30 April 2018.

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.

15. 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	(511) ⁽¹⁾	4,934
Construction of Central Park	3,267	(3,267) ⁽²⁾	-
Investment in Bandar Cassia Properties (SC) Sdn. Bhd.	2,178	(730) ⁽³⁾	1,448
Total	10,890	(4,508)	6,382

Notes:

(1) USD\$0.51 million utilised for investment in Global Vision Logistics Sdn. Bhd. which intends to develop a sustainable integrated logistics and warehousing hub as announced on 13 June 2018.

(2) USD\$3.27 million utilised for the construction of Central Park located in Aspen Vision City.

(3) USD\$0.73 million utilised for investment in Bandar Cassia Properties (SC) Sdn. Bhd. which intends to construct the Regional Integrated Shopping Centre.

(4) The exchange rate as at 28 January 2019 of RM4.1080: USD\$1.00 is used for the above compilation.

The above utilisations are in accordance with the intended use of the proceeds from the Convertible Loan and percentage allocated, as stated in the announcement dated 20 May 2018.

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.

16. 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).

17. Negative confirmation by the Board pursuant to Rule 705(5)

To the best of the Board of Directors' knowledge, nothing has come to their attention which may render the unaudited financial results for the first quarter ended 31 March 2019 to be false or misleading in any material aspect.

BY ORDER OF THE BOARD

Dato' Murly Manokharan

President & Group Chief Executive Officer

10 May 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).