

PRESS RELEASE - FOR IMMEDIATE RELEASE

Aspen Making Good Progress with Revenue of RM93.0 Million In 2Q FY2019

- *Net profit attributable to equity holders of the Company of RM5.2 million in 2Q FY2019 higher than the RM4.8 million achieved in 1Q FY2019*
- *Revenue in 2Q FY2019 reflects the completion of Tri Pinnacle and Vervea in 4Q FY2018 and 1Q FY2019 respectively. Construction progressing well at Vertu Resort and Beacon Executive Suites*
- *The success of the new IKEA Batu Kawan at Aspen Vision City will serve as a catalyst in the further development of Batu Kawan, Penang*
- *Vervea Trade and Exhibition Centre (VTEC), The Upper House, the boutique hotel in Vervea and the first phase of the integrated shopping centre are slated for operation by Q4 2019*
- *Three new residential projects at Aspen Vision City have received strong interests from purchasers: Vivo Executive Apartment, Vogue Lifestyle Residence and Viluxe*
- *Group is targeting the commencement of construction of Vivo Executive Apartment and Viluxe in 4Q FY2019. These new projects will expand the Group's revenue base from 4Q FY2019*

Singapore, 13 August 2019 – Aspen (Group) Holdings Limited (“**Aspen**” and together with its subsidiaries, the “**Group**”), co-developer of Aspen Vision City at Batu Kawan Penang with IKEA Southeast Asia, today announced its results for the second quarter ended 30 June 2019.

2Q FY2019 Results Review

The Group's revenue of RM93.0 million in 2Q FY2019 reflects the completion of Tri Pinnacle in 4Q FY2018 and Vervea in 1Q FY2019. Construction of majority presold Vertu Resort and Beacon

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Executive Suites is progressing on schedule and these projects have contributed to group revenue for the quarter. Incremental new sales at Tri Pinnacle and Vervea have also added to group revenue in 2Q FY2019. Depending on the number of ongoing projects, their sales and the pace of construction, revenue from property developments can vary from quarter to quarter.

During the quarter, administrative expenses remained stable while higher selling and distribution expenses were incurred for the marketing of Vivo Executive Apartment. After deducting the share of IKEA Southeast Asia, our co-developer of Aspen Vision City (“**AVC**”), net profit attributable to shareholders of the Company amounted to RM5.2 million in 2Q FY2019 and increase over the RM4.8 million achieved in 1Q FY2019.

The opening of the IKEA Store at Batu Kawan in March 2019 has generated positive publicity and significantly higher traffic flow to the area, creating a more vibrant community at AVC. The Group is capitalising on this by working to launch new residential developments at AVC.

Prospects

Despite the perceived situation of a property surplus in the Malaysian property market, the recently released Property Market Report 2018^[1] (the “Report”) by the National Property Information Centre indicated a 3.1% increase in the overall Malaysian House Price Index in 2018, bringing the average price of a Malaysian home to RM416,993. The Group is well positioned to cope with subdued conditions in the property market due to its focus on developing affordable residential and mixed development properties at strategic locations with good infrastructure and amenities for middle-income mass market purchasers. Our focus is consistent with a key recommendation in the Report.

AVC, with its close proximity to the North-South Highway and linked to Penang Island by the Penang Second Bridge, is well connected by infrastructure. The opening of the IKEA Batu Kawan at AVC has added important modern conveniences and brought significant traffic flow to the area. The IKEA Store will be further supported by the opening of the Vervea Trade and Exhibition Centre (VTEC), The Upper House Boutique Hotel at Vervea and the first phase of the integrated shopping centre (adjacent to the IKEA Store) from 4Q 2019. VTEC is a 38,000 square foot exhibition centre comprises versatile event halls, function rooms, food preparation and service areas that can cater for large scale trade fairs and events. The Upper House is a boutique hotel in Vervea with 89 rooms. Aimed to target the business and leisure travellers, the boutique hotel features a rooftop pool, business lounge and a café. The first phase of the integrated shopping centre will be linked directly

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to the IKEA store and has leased 85% of the space to tenants such as Sports Direct, Project Rock, 7-Eleven and Harvey Norman. Taking up 50,000 square feet, Harvey Norman is bringing its concept of a flagship superstore outside the Klang Valley for the first time. These attractions will anchor the building of a vibrant community at AVC, which will in turn attract more people to come and live at AVC.

The Group is capitalising on the success of AVC as a community well supported by infrastructure and commercial amenities by bringing Vivo Executive Apartment, Vogue Lifestyle Residence and Viluxe at AVC to the market. These three new projects have been well received by purchasers and the Group is targeting the commencement of construction of Vivo and Viluxe in 4Q FY2019. These new projects will expand the revenue base of the Group from 4Q FY2019.

To strategically expand on Penang Island, the Group recently teamed up with Singapore Exchange listed Oxley Holdings Limited to acquire a 29 acres land at Air Itam for mixed development called Aspen Park Hills (the “APH Development”). Targeted to launch in Q2 2020, the APH Development located in a mature residential enclave well supported by good road infrastructure and matured commercial amenities is expected to have more than 3,000 residential units and 200,000 square feet of commercial space with an estimated GDV of RM1.5 billion. As the controlling shareholder of Aspen Park Hills Sdn Bhd, the Group will be leading this development. This additional prime landbank is expected to contribute significantly to the Group’s top and bottom line from year 2021 onwards. The two residential developments in Selangor, is also targeted for launch in 2020.

The Group will continue to leverage its financial strength and strong liquidity position to explore new investment opportunities for growth as well as review fund raising options to finance its strategic plans.


This press release should be read in conjunction with Aspen’s 2Q FY2019 results announcement released on 13 August 2019 on the SGXNET.


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[1] <https://www.thestar.com.my/business/business-news/2019/05/11/malaysian-property-market-wake-up-and-smell-the-coffee/>

About Aspen (Group) Holdings Limited

Listed on the SGX-Catalist in 2017, Aspen (Group) Holdings Limited is a Malaysia-based property group developing residential and mixed development properties at strategic locations with good infrastructure and amenities at affordable price points. 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. With a gross development value of over RM13 billion, of which the Group has launched over RM2.17 billion of properties; Aspen Vision City features the first IKEA Store in the Northern Region of Malaysia and a state-of-the-art regional integrated shopping centre. In addition, the Group also has several property developments in Penang Island and Central Region of Malaysia, which captured a total gross development value of over RM2.5 billion. Combining its vision and powered by dynamic team, Aspen Group is poised to make a significant impact in the marketplace and soar to greater heights in the years to come. For more information about the Group and its projects, please visit <http://aspen.sg>.

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This press release has been prepared by the Company and its contents have been reviewed by the Company's sponsor, PrimePartners Corporate Finance Pte. Ltd. (the "Sponsor") in accordance with Rules 226(2)(b) and 753(2) of the Singapore Exchange Securities Trading Limited (the "SGX-ST") Listing Manual Section B: Rules of Catalist.

This press release has not been examined or approved by the SGX-ST. The SGX-ST assumes no responsibility for the contents of this press release, including the correctness of any of the statements or opinions made or reports contained in this press release.

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).

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