

**PRESS RELEASE - FOR IMMEDIATE RELEASE**

## **Aspen Records Revenue of RM108 Million in First Half of FY2020 Amidst Covid-19 Pandemic**

- *1H FY2020 revenue derived mainly from Vertu Resort which contributed RM83 million*
- *Marketing strategies deployed through social media and e-commerce platform*
- *Re-introduction of Home Ownership Campaign 2020 and various governmental initiatives are expected to boost sales*

**Singapore, 9 August 2020** – 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 half year ended 30 June 2020 (“**1H FY2020**”).

### **Half Year Ended 30 June 2020 Results Review**

1H FY2020 was underwhelming for the Group due primarily to the implementation of the Movement Control Order (“**MCO**”) by the Government of Malaysia to curb the spread of the Covid-19 infection in the country. The MCO had negatively impacted the Group’s operations, construction progress and sales efforts. Despite these challenges, the Group recorded a revenue of RM 108 million during the period.

Vertu Resort, an ongoing project, has contributed RM83 million in 1H FY2020. Despite the subdued market sentiments, the Group recorded incremental sales during the year and the Group’s revenue was derived from the progressive construction of Vertu Resort as well as new sales. Further, construction of Beacon Executive Suites is progressing on schedule and the Group recorded a revenue of RM13 million from the project in 1H FY2020.

### **Aspen Group**

Aspen House, 300, Jalan Macalister, 10450 George Town, Penang

Tel: +604- 227 5000 Fax: +604- 227 5000 [aspen.com.my](http://aspen.com.my) | [aspen.sg](http://aspen.sg)

E: [corporate@aspen.com.my](mailto:corporate@aspen.com.my)  [myaspengroup](https://www.facebook.com/myaspengroup)  [aspengroup.my](https://www.instagram.com/aspengroup.my)

The Group also recorded an increase in administrative expenses, which is partially due to the opening of its ramen restaurant, Kanada-Ya, in Singapore's PLQ Mall in December 2019. Moreover, the Group reported lower selling and distribution expenses considering that the sales and marketing activities having been deferred during the MCO.

## **Prospects**

The Government of Malaysia announced a stimulus package to address the economic challenges of Covid-19 including for the property sector<sup>(i)</sup>. One such measure is the reintroduction of the Home Ownership Campaign ("**HOC**") under Short-Term Economic Recovery Plan (*Penjana*) whereby homebuyers with sale and purchase agreements signed between 1 June 2020 until 31 May 2021 are granted stamp duty exemption for instruments of transfer (partial exemption) and loan agreements (full exemption). Further financing for investment properties are also relaxed with the lifting of the 70% maximum Loan to Value Ratio for the financing on the third property priced RM600,000 and above.

In line with the Home Ownership Campaign, the Penang State Government has announced a reduction in ceiling price for purchase of Penang properties by foreigners. The Group sees this as an opportunity to further promote its projects to the foreign market as foreign buyers will now have a lower entry point to invest in the Penang property market. Although there is restriction on international travel, demand from the Hong Kong market did not subside and several marketing efforts i.e. advertising via our new e-commerce platforms and social media such as Facebook have been carried out to reach out to potential buyers during this period.

The Group is in the midst of registering its residential projects for HOC and will continue through alternative measures in its ongoing sales and marketing efforts to capture the market share as our continued focus on affordable housing has placed us in a strategic position amid the pandemic.

Despite the MCO and strict Covid-19 prevention measures imposed by the Government of Malaysia, Aspen Group has adapted its sales and marketing activities to be fully online using various digital platforms and social media such as Facebook and Instagram to drive sales of on-going projects and inventory units. Now, potential purchasers are able to view virtual show units and complete their purchases online. There is a significant rise of successful purchases via the online platform during this period. Recently, the Group's subsidiary, Aspen Vision City Sdn Bhd, had successfully teamed up with Lazada to promote its Vivo Executive Apartment

### **Aspen Group**

Aspen House, 300, Jalan Macalister, 10450 George Town, Penang

Tel: +604- 227 5000 Fax: +604- 227 5000 [aspen.com.my](http://aspen.com.my) | [aspen.sg](http://aspen.sg)

E: [corporate@aspen.com.my](mailto:corporate@aspen.com.my)  [myaspengroup](https://www.facebook.com/myaspengroup)  [aspengroup.my](https://www.instagram.com/aspengroup.my)

project. The Group's intensive efforts through social media channels and digital platforms have generated a positive response amidst the pandemic.

Ongoing projects Vertu Resort, Beacon Executive Suites and Vivo Executive Apartment experienced downtime due to the MCO. However, all efforts will be put in to accelerate the construction progress to make up for the lost time and to mitigate any risk of late delivery.

The Group is currently in discussions with several third parties in relation to new revenue streams and joint ventures. The Company will provide shareholders with updates as and when there are any material developments on the aforementioned.

This press release should be read in conjunction with Aspen's 1H FY2020 results announcement released on 9 August 2020 on the SGXNET.

Source:-

(i) <https://www.bnm.gov.my/ar2019/emr-summary.php>

## **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 a 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>.

### **Aspen Group**

Aspen House, 300, Jalan Macalister, 10450 George Town, Penang

Tel: +604- 227 5000 Fax: +604- 227 5000 [aspen.com.my](http://aspen.com.my) | [aspen.sg](http://aspen.sg)

E: [corporate@aspen.com.my](mailto:corporate@aspen.com.my)  [myaspengroup](https://www.facebook.com/myaspengroup)  [aspengroup.my](https://www.instagram.com/aspengroup.my)

*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") 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 announcement has not been examined or approved by the SGX-ST. The SGX-ST assumes no responsibility for the contents of this announcement, including the correctness of any of the 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](mailto:sponsorship@ppcf.com.sg)).*

**Aspen Group**

Aspen House, 300, Jalan Macalister, 10450 George Town, Penang

Tel: +604- 227 5000 Fax: +604- 227 5000 [aspen.com.my](http://aspen.com.my) | [aspen.sg](http://aspen.sg)

E: [corporate@aspen.com.my](mailto:corporate@aspen.com.my)  [myaspengroup](https://www.facebook.com/myaspengroup)  [aspengroup.my](https://www.instagram.com/aspengroup.my)