

ASPEN (GROUP) HOLDINGS LIMITED

(Company Registration No. 201634750K)

Unaudited Financial Statement and Dividend Announcement

For the second quarter and the half year ended 30 June 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 HALF-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

		Group 3 Months Ended		%	Group Half Year Ended		%
	Note	30.06.18 Unaudited RM'000	30.06.17 Unaudited RM'000	Change	30.06.18 Unaudited RM'000	30.06.17 Unaudited RM'000	Change
Revenue	8a(i)	131,770	69,986	88	234,474	108,028	117
Cost of sales	8a(ii)	(86,557)	(37,402)	131	(153,403)	(58,339)	163
Gross profit		45,213	32,584	39	81,071	49,689	63
Other income	8a(iii)	571	36	N.M.	1,388	190	631
Administrative expenses		(9,344)	(8,863)	5	(19,957)	(14,195)	41
Selling and distribution expenses	8a(iv)	(1,762)	(2,265)	(22)	(5,334)	(5,203)	3
Other expenses	8a(v)	171	-	100	(61)	-	100
Results from operating activities		34,849	21,492	62	57,107	30,481	87
Finance income	8a(vi)	607	335	81	1,212	696	74
Finance costs	8a(vii)	(423)	(564)	(25)	(845)	(846)	N.M.
Net finance income/(cost)		184	(229)	180	367	(150)	345
Share of profit of associates, net of tax		34	6	N.M.	540	12	N.M.
Profit before tax		35,067	21,269	65	58,014	30,343	91
Tax expense	8a(viii)	(10,796)	(5,661)	91	(17,555)	(8,314)	111
Profit for the period representing total comprehensive income for the period		24,271	15,608	56	40,459	22,029	84
Profit /total comprehensive income attributable to:							
Equity holders of the Company		20,157	13,368	51	33,305	18,494	80
Non-controlling interest		4,114	2,240	84	7,154	3,535	102
		24,271	15,608	56	40,459	22,029	84

N.M. – Not meaningful

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

		Group 3 Months Ended		%	Group Half Year Ended		%
	Note	30.06.18 Unaudited RM'000	30.06.17 Unaudited RM'000	Change	30.06.18 Unaudited RM'000	30.06.17 Unaudited RM'000	Change
Profit before tax is arrived at:							
After crediting:							
Interest income	8a(vi)	607	335	81	1,212	696	74
Gain on disposal of property, plant and equipment		-	-		2	85	(98)
Amortisation of deferred income	8a(ii)	8,434	8,369	78	14,809	10,540	41
Write off of property, plant and equipment		9	-	100	9	-	100
And after charging:							
Depreciation of property, plant and equipment		1,280	1,339	(4)	2,778	2,512	11
Interest expense	8a(vii)	423	564	(25)	845	846	N.M.
Payroll expense		3,263	2,269	44	5,720	4,326	32
Unrealised loss from downstream income from Associate		-	-		12	-	100
Non-capitalised project expenses	8a(ix)	-	2,427	(100)	-	2,629	(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	
		30.06.18 Unaudited RM'000	31.12.17 Audited RM'000	30.06.18 Unaudited RM'000	31.12.17 Audited RM'000
Non-current assets					
Property, plant and equipment		60,063	55,541	-	-
Land rights		30,468	30,468	-	-
Investment in subsidiaries		-	-	151,041	151,041
Investment in associates		68,788	48,700	-	-
Deferred tax assets		10,799	10,550	-	-
	8b(i)	170,118	145,259	151,041	151,041
Current assets					
Development properties		307,460	282,726	-	-
Inventories		99,703	99,703	-	-
Contract assets		13,872	12,407	-	-
Trade and other receivables		82,104	83,717	14,744	-
Cash and cash equivalents		153,378	139,988	61,511	9,124
	8b(ii)	656,517	618,541	76,255	9,124
Total assets		826,635	763,800	227,296	160,165
Current liabilities					
Trade and other payables		156,722	217,458	411	654
Contract liabilities		77,979	59,153	-	-
Loans and borrowings		24,606	45,624	-	-
Current tax liabilities		2,026	4,547	-	-
	8b(iii)	261,333	326,782	411	654
Non-current liabilities					
Trade and other payables		34,370	-	-	-
Loans and borrowings		71,210	71,645	-	-
Deferred income		33,760	48,569	-	-
Deferred tax liabilities		14,060	14,256	-	-
	8b(iv)	153,400	134,470	-	-
Total liabilities		414,733	461,252	411	654
Equity					
Share capital		237,241	168,346	237,241	168,346
Reserves		151,241	117,936	(10,356)	(8,835)
Equity attributable to owners of the Company		388,482	286,282	226,885	159,511
Non-controlling interests		23,420	16,266	-	-
Total equity		411,902	302,548	226,885	159,511
Total equity and liabilities		826,635	763,800	227,296	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 30.06.18 Unaudited		As at 31.12.17 Audited	
Secured RM'000	Unsecured RM'000	Secured RM'000	Unsecured RM'000
24,606	-	45,624	-

Amount repayable after one year

As at 30.06.18 Unaudited		As at 31.12.17 Audited	
Secured RM'000	Unsecured RM'000	Secured RM'000	Unsecured RM'000
61,810	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		Group	
	3 Months Ended		Half Year Ended	
	30.06.18	30.06.17	30.06.18	30.06.17
	Unaudited	Unaudited	Unaudited	Unaudited
	RM'000	RM'000	RM'000	RM'000
Cash flows from operating activities				
Profit before tax	35,067	21,269	58,014	30,343
Adjustments for:				
Depreciation of property, plant and equipment	1,280	1,339	2,778	2,512
Gain on disposal of property, plant and equipment	-	-	(2)	(85)
Amortisation of deferred income	(8,434)	(8,369)	(14,809)	(10,540)
Interest expense	423	564	845	846
Interest income	(607)	(335)	(1,212)	(696)
Share of results of equity-accounted investees	(34)	(6)	(540)	(12)
Unrealised loss from downstream income from associate	-	-	12	-
Write off of property, plant and equipment	9	-	9	-
	27,704	14,462	45,095	22,368
Changes in development properties	(19,541)	(33,039)	(23,874)	(28,006)
Changes in contract assets	(13,872)	-	(1,465)	-
Changes in trade and other receivables	9,180	(4,153)	2,541	(6,746)
Changes in trade and other payables	(2,283)	41,880	(26,366)	(6,468)
Changes in contract liabilities	(8,049)	3,736	18,826	27,355
Cash generated from/(used in) operations	(6,861)	22,886	14,757	8,503
Tax paid	(7,911)	(3,106)	(21,449)	(4,493)
Net cash from/(used in) operating activities	(14,772)	19,780	(6,692)	4,010
Cash flows from investing activities				
Acquisition of property, plant and equipment	(5,285)	(1,933)	(7,250)	(4,228)
Proceeds from disposal of property, plant and equipment	1	-	4	362
Interest received	607	335	1,212	696
Additions of investment in associates	(18,660)	(3,750)	(19,560)	(3,750)
Net cash used in investing activities	(23,337)	(5,348)	(25,594)	(6,920)
Cash flows from financing activities				
Proceeds from issuance of shares through private placement	68,895	-	68,895	-
Changes in fixed deposit pledged	(200)	(1,137)	(223)	(1,181)
Proceeds from drawdown of loans and borrowings	23	25,979	23	27,242
Repayment of loans and borrowings	(8,804)	(28,488)	(21,157)	(31,686)
Repayment of finance lease liabilities	(192)	(181)	(380)	(707)
Interest paid	(264)	(1,063)	(1,705)	(1,146)
Net cash used in financing activities	59,458	(4,890)	45,453	(7,478)

	Group 3 Months Ended		Group Half Year Ended	
	30.06.18	30.06.17	30.06.18	30.06.17
	Unaudited	Unaudited	Unaudited	Unaudited
	RM'000	RM'000	RM'000	RM'000
Net increase/(decrease) in cash and cash equivalents	21,349	9,542	13,167	(10,388)
Cash and cash equivalents at the beginning of financial period	126,080	80,492	134,262	100,422
Cash and cash equivalents at end of the financial period	147,429	90,034	147,429	90,034

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

	Group	
	30.06.18	30.06.17
	Unaudited	Unaudited
	RM'000	RM'000
Cash and cash equivalents	153,378	94,177
Less: Fixed deposits pledged to financial institutions	(5,949)	(4,143)
	147,429	90,034

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 April 2018	168,346	37,442	93,642	299,430	19,306	318,736
Issuance of ordinary shares through private placement	68,895	-	-	68,895	-	68,895
Profit for the period representing total comprehensive income for the period	-	-	20,157	20,157	4,114	24,271
At 30 June 2018	237,241	37,442	113,799	388,482	23,420	411,902

Group	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 April 2017	46,272	1,228	(1,674)	212	46,038	4,673	50,711
Profit for the period representing total comprehensive income for the period	-	-	-	13,368	13,368	2,240	15,608
Adjustment pursuant to restructuring exercise	(1,931)	(1,228)	39,116	-	35,957	-	35,957
At 30 June 2017	44,341	-	37,442	13,580	95,363	6,913	102,276

Statement of Changes in Equity

Company	Share capital RM'000	Accumulated losses RM'000	Total equity RM'000
At 1 April 2018	168,346	(9,564)	158,782
Issuance of ordinary shares through private placement	68,895	-	68,895
Loss for the period representing total comprehensive income for the period	-	(792)	(792)
At 30 June 2018	237,241	(10,356)	226,885

Company	Share capital RM'000	Accumulated losses RM'000	Total equity RM'000
At 1 April 2017	-*	-	-*
Issue of share for acquisition of subsidiaries	44,341	-	44,341
Loss for the period representing total comprehensive income for the period	-	(7)	(7)
At 30 June 2017	44,341	(7)	44,334

* 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 31 March 2018	866,617,900	168,346,112
Private placement of 97 million ordinary shares ⁽¹⁾	97,000,000	68,894,832
Balance as at 30 June 2018	<u>963,617,900</u>	<u>237,240,944</u>

Notes:

(1) The placement shares were issued at S\$0.24 per share. The exchange rate as at 21 May 2018 of RM2.9594: S\$1.00 is used for the above compilation.

The Company did not have any outstanding options and convertibles as at 30 June 2018 and 30 June 2017. There were no treasury shares and subsidiary holdings as at 30 June 2018 and 30 June 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**

	30.06.18	31.12.17
Total number of issued shares (excluding treasury shares)	<u>963,617,900</u>	<u>866,617,900</u>

There were no treasury shares as at 30 June 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 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

The Group has adopted a new financial reporting framework, Singapore Financial Reporting Standards (International) (SFRS(I)s), on 1 January 2018.

The Group will be required to apply the specific transition requirements in SFRS(I) 1 *First-time Adoption of Singapore Financial Reporting Standards (International)*. In addition to the adoption of the new framework, the Group will also concurrently apply the following SFRS(I)s, interpretations of SFRS(I)s and requirements of SFRS(I)s which are mandatorily effective from the same date:

- SFRS(I) 9 *Financial Instruments* which includes the amendments to IFRS 4 *Insurance Contracts* – Applying IFRS 9 *Financial Instruments* with IFRS 4 *Insurance Contracts* issued by the IASB in September 2016;
- requirements in SFRS(I) 2 *Share-based Payment* arising from the amendments to IFRS 2 – *Classification and Measurement of Share-based Payment Transactions* issued by the IASB in June 2016;
- requirements in SFRS(I) 1-40 *Investment Property* arising from the amendments to IAS 40 – *Transfers of Investment Property* issued by the IASB in December 2016;
- requirements in SFRS(I) 1-28 *Investments in Associates and Joint Ventures* arising from the amendments to IAS 28 – *Measuring an associate or joint venture at fair value* issued by the IASB in December 2016; and
- SFRS(I) INT 22 *Foreign Currency Transactions and Advance Consideration*.

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

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		Group	
	3 Months Ended		Half Year Ended	
	30.06.18	30.06.17	30.06.18	30.06.17
Profit attributable to equity holders of the Company (RM'000)	20,157	13,368	33,305	18,494
Weighted average number of ordinary shares ('000) ⁽¹⁾	926,147	767,878	926,147	767,878
Basic and diluted earnings per share (RM cents) ⁽²⁾	2.18	1.74	3.60	2.41

Notes:

- 1) EPS for the current financial period has been computed based on share capital of 926,146,667 shares. For comparative purposes, the EPS for the corresponding period of the immediately preceding financial period 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 are the same as the Company did not have any potentially dilutive instruments for the respective financial periods.

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	
	30.06.18	31.12.17	30.06.18	31.12.17
Net asset value (RM'000)	388,482	286,282	226,885	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)	40.31	33.03	23.55	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 3 months ended 30 June 2018 ("2Q FY2018) as compared to the previous corresponding quarter ended 30 June 2017 ("2Q FY2017").

**Consolidated Statement of Comprehensive Income
2Q FY2018 compared to 2Q FY2017**

- (i) **Revenue**
The Group recorded revenue of RM131.77 million for 2Q FY2018, an increase of 88% as compared to 2Q FY2017, contributed mainly by further progress of our on-going projects, Tri Pinnacle, Vervéa and Vertu Resorts.
- (ii) **Cost of sales**
Cost of sales increased by 131% to RM86.56 million for 2Q FY2018 as a result of the increase in construction activities for the Tri Pinnacle, Vervéa and Vertu Resorts projects. Deferred income on housing quotas are amortised to profit or loss based on the construction progress of the Tri Pinnacle project.
- (iii) **Other income**
Other income increased to RM0.57 million for 2Q FY2018. This is mainly due to the increase in project management fees of RM0.51 million and rental income of RM0.03 million.
- (iv) **Selling and distribution expenses**
Selling and distribution expenses decreased by 22% to RM1.76 million in 2Q FY2018 mainly because marketing and promotional activities were held back due to the poor market sentiment prior to the Malaysian 2018 General Election.
- (v) **Other expenses**
Other expenses decreased to RM0.17 million in 2Q FY2018 due to the reversal of unrealised foreign exchange translation loss from fixed deposits placed.
- (vi) **Finance income**
Finance income increased by 81% to RM0.61 million in 2Q FY2018 due to higher interest income arising from the higher average balance of deposit in financial institutions in 2Q FY2018 as compared to 2Q FY2017. The interest income relates mainly to the unutilised portion of the IPO proceeds.
- (vii) **Finance costs**
Finance costs decreased by 25% to RM0.42 million in 2Q FY2018 due to the decrease in interest incurred on revolving credit as the Group has fully settled a revolving credit facility in Q3 FY2017.
- (viii) **Tax expense**
In 2Q FY2018, a higher tax expense is accounted as the Group recorded higher taxable profits.

(ix) Non-capitalised project expenses

The non-capitalised project expenses recognised in 2Q FY2017 were subsequently reclassified to project development cost in 3Q FY2017.

(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 RM24.86 million from RM145.26 million as at 31 December 2017 to RM170.12 million as at 30 June 2018, primarily due to the following:-

- additional capital injection of RM3.00 million into associate, Bandar Cassia Properties (SC) Sdn. Bhd. and RM16.56 million into associate, Global Vision Logistics Sdn. Bhd. and profit of RM0.53 million from investment in associates;
- increase in property, plant and equipment of RM4.52 million mainly due to additional RM7.31 million capital investment attributable to the construction of a carpark and customer experience center, offset against depreciation charge of RM2.78 million; and
- additional recognition of deferred tax assets of RM0.25 million on unrealised profits.

(ii) Current assets

The Group's current assets increased by RM37.98 million from RM618.54 million as at 31 December 2017 to RM656.52 million as at 30 June 2018, primarily due to the followings:

- increase in development properties of RM24.73 million from development costs incurred for the on-going projects;
- increase in cash and cash equivalents of RM13.39 million due to proceeds from private placement of RM68.90 million, offset against the repayment of borrowings and the acquisition of property, plant and equipment;
- increase in contract assets amounting to RM1.47 million from the increase in progress billing for Tri Pinnacle project which exceeded cost incurred and profits recognised; offset against
- decrease in trade and other receivables of RM1.61 million contributed by the payments received from purchasers on progress billings for on-going projects.

(iii) Current liabilities

The Group's current liabilities decreased by RM65.45 million from RM326.78 million as at 31 December 2017 to RM261.33 million as at 30 June 2018, primarily due to the followings:

- decrease in trade and other payables of RM60.74 million due to repayment made to contractors for on-going development projects and a reclassification of RM34.37 million retention sums payable from on-going contracts to non-current liabilities;
- decrease in loans and borrowings of RM21.01 million due to the repayment of borrowings; and
- decrease in current tax liabilities of RM2.52 million from payment of tax instalments; offset against
- increase in contract liabilities for Vervéa and Vertu projects amounting to RM18.83 million. Contract liabilities represent the progress billings in excess of the cost incurred and profits recognised.

(iv) Non-current liabilities

The Group's non-current liabilities increased by RM18.93 million from RM134.47 million as at 31 December 2017 to RM153.40 million as at 30 June 2018, primarily due to the following:-

- Increase in trade and other payables of RM34.37 million being reclassification of retention sums payable for on-going contracts from current liabilities to non-current liabilities; offset against
- decrease in deferred income of RM14.81 million, which is consistent with the amount on housing quota amortised to income statement based on the progress of project's development; and
- decrease in loans and borrowings due to the repayment of borrowings.

The Group has a positive working capital of RM395.18 million as at 30 June 2018.

Consolidated Statement of Cash Flows

The Group recorded net cash used in operating activities of RM14.77 million in 2Q FY2018, which comprised operating cash outflows after working capital changes of RM6.68 million, net finance income of RM0.18 million and tax payments of RM7.91 million. The operating cash outflows after working capital changes was mainly due to the increase in progress billings of on-going projects, namely Vervéa, Tri Pinnacle and Vertu Resorts.

Net cash used in investing activities amounted to RM23.34 million mainly from the acquisition of property, plant and equipment of RM5.29 million and the additional investment in associates, Bandar Cassia Properties Sdn. Bhd. of RM2.10 million and Global Vision Logistics Sdn. Bhd. of RM16.56 million, offset against interest received of RM0.61 million.

Net cash inflow from financing activities amounted to RM59.46 million being proceeds from the private placement exercise of RM68.90 million and drawdown of loan of RM0.02 million, offset against the repayment of loans and borrowings and finance lease liabilities of RM9.0 million, interest paid on loans and borrowings of RM0.26 million, additional fixed deposit pledged to financial institutions of RM0.20 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.

Following the change of government after the 14th General Election in Malaysia, there has been a notable shift in the public mood with improvement reflected in the general market sentiment and higher level of optimism. The Government's move to reduce the goods and services tax ("GST") to 0% with effect from 1 June 2018 prior to the implementation of sales and service tax ("SST") which only kicks in from 1 September 2018 has provided the people with a "tax holiday period", further boosting buyer confidence and spending power.

Seizing this opportunity, the Group has introduced the 59 New Malaysia Campaign and the AG Unite Campaign which aim to highlight the distinctive values of our projects as well as the assistance provided to ease the financial burden of purchasers. Both campaigns have been well received by the public with Tri Pinnacle, our maiden affordable homes project recording 83.90% of sales as at 30 June 2018; whereas Beacon Executive Suites, the SOHO units strategically located in the heart of Georgetown, recording sales of 65.64% as at 30 June 2018.

Batu Kawan, being actively promoted as the third satellite city after the completion of the RM4.5 billion Penang Second Bridge in 2014, is an ideal location for high-technology and skills-intensive industries. Numerous international organisations, including some of the Fortune 500 companies have been attracted to set-up their plants in Batu Kawan Industrial Park. Among them, Swedish home furnishing retailer IKEA has set up its first store in the Northern Region of Peninsula Malaysia in Aspen Vision City ("AVC"). The IKEA Store is currently under construction and is scheduled to open for business in early 2019. It will provide over 200 job opportunities and is expected to attract up to 7 million potential shoppers within a 100-kilometre radius. The IKEA Store will create a thriving community at AVC, which will in turn serve as a catalyst in the development of Batu Kawan.

As at 30 June 2018, Vervéa, the commercial property project and Vertu Resort, the residential project within AVC has recorded sales of 88.74% and 68.94% of total units respectively.

Based on the aforesaid four ongoing projects, the Group has recorded a total unbilled sales of RM650.53 million as at 30 June 2018.

The Housing and Local Government ("the Ministry") has been directed to consolidate and streamline the country's housing policies with the aim of promoting affordable housing equipped with amenities and facilities. The Ministry is also continuing its discussion with Bank Negara Malaysia, the Employees Provident Fund, bank representatives and relevant associations to ensure that the new housing policy is capable of resolving issues pertaining to home ownership. The Group is optimistic that there will be an uplift in market sentiments following such directives.

The Group is in the midst of finalising its four pipeline projects, namely HH Park Residence, Villuxe Designer Bungalows, Vittoria Financial Centre and Vogue Lifestyle Residence for sale and expect to start launching them in early 2019. At the same time, the Group will continue to explore various investment opportunities as well as fund raising options to finance these strategic plans to the benefit of the Group. Shareholders will be updated when there are material developments to these initiatives.

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 immediate preceding financial year.

(c) Date payable:

Not applicable.

(d) Books closure date:

Not applicable.

12. If no dividend has been declared/recommendeded, a statement to that effect

No dividend has been declared or recommended for the second quarter ended 30 June 2018.

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	(23,018) ⁽¹⁾	1,982
Repayment of bank borrowings from CIMB Islamic Bank Berhad	2,000	(2,000)	-
Working capital ⁽¹⁾	9,720	(9,720) ⁽²⁾	-
Total	36,720	(34,738)	1,982

Notes:

- (1) S\$6.19 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, \$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 S\$0.96 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 \$0.04 million) raised from the private placement which completion was announced 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 follow:

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	-	16,271
Working capital requirements	6,974	(4,212) ⁽¹⁾	2,762
Total	23,245	(4,212)	19,033

Notes:

- (1) S\$4.21 million utilised for working capital consist of payment for renovation of the Customer Experience Center ("CEC") of S\$0.98 million, payroll payment of S\$0.74 million, repayment of interest from borrowings and hire purchase instalments amounting to S\$0.41 million, tax payment of S\$0.01 million and S\$2.07 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. 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 quarter and 6 months financial periods ended 30 June 2018 to be false or misleading in any material aspect.

BY ORDER OF THE BOARD

Dato' Murly Manokharan

President & Group Chief Executive Officer

7 August 2018

*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, Senior Manager, Continuing Sponsorship (Mailing Address: 16 Collyer Quay, #10-00 Income at Raffles, Singapore 049318 and E-mail: sponsorship@ppcf.com.sg).