

## ASPEN (GROUP) HOLDINGS LIMITED

(Company Registration No. 201634750K)

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### Unaudited Financial Statement and Dividend Announcement

For the fourth quarter and the year ended 31 December 2019

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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 & Q4) 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**

		<b>Group</b>			<b>Group</b>		
	<b>Note</b>	<b>3 Months Ended</b>		<b>%</b>	<b>Year Ended</b>		<b>%</b>
		<b>31.12.19</b>	<b>31.12.18</b>	<b>Change</b>	<b>31.12.19</b>	<b>31.12.18</b>	<b>Change</b>
		<b>Unaudited</b>	<b>Audited</b>		<b>Unaudited</b>	<b>Audited</b>	
		<b>RM'000</b>	<b>RM'000</b>		<b>RM'000</b>	<b>RM'000</b>	
Revenue	8a(i)	59,802	191,186	(69)	287,938	569,973	(49)
Cost of sales	8a(ii)	(36,626)	(183,145)	(80)	(191,934)	(447,537)	(57)
<b>Gross profit</b>		<b>23,176</b>	<b>8,041</b>	<b>188</b>	<b>96,004</b>	<b>122,436</b>	<b>(22)</b>
Other income	8a(iii)	132	3,975	(97)	1,796	8,439	(79)
Administrative expenses	8a(iv)	(14,627)	(9,960)	47	(43,266)	(38,999)	11
Selling and distribution expenses	8a(v)	(2,876)	(4,556)	(37)	(12,830)	(11,449)	12
Other expenses	8a(vi)	(798)	(45)	(1,673)	(1,089)	(56)	(1,845)
<b>Results from operating activities</b>		<b>5,007</b>	<b>(2,545)</b>	<b>(297)</b>	<b>40,615</b>	<b>80,371</b>	<b>(49)</b>
Finance income	8a(vii)	1,535	694	121	3,052	2,550	20
Finance costs	8a(viii)	(2,111)	(663)	218	(6,878)	(7,806)	(12)
<b>Net finance (cost)/income</b>		<b>(576)</b>	<b>31</b>	<b>(1,958)</b>	<b>(3,826)</b>	<b>(5,256)</b>	<b>(27)</b>
Share of (loss)/profit of associates, net of tax	8a(ix)	(1,730)	158	(1,195)	(3,047)	221	(1,479)
<b>Profit/(Loss) before tax</b>		<b>2,701</b>	<b>(2,356)</b>	<b>215</b>	<b>33,742</b>	<b>75,336</b>	<b>(55)</b>
Tax expense	8a(x)	(6,836)	(1,689)	(305)	(16,507)	(26,432)	(38)
<b>Profit/(Loss) for the period representing total comprehensive income for the period</b>		<b>(4,135)</b>	<b>(4,045)</b>	<b>2</b>	<b>17,235</b>	<b>48,904</b>	<b>(65)</b>
<b>Profit/(Loss)/total comprehensive income/(loss) attributable to:</b>							
Equity holders of the Company		(819)	(2,098)	61	12,216	40,921	(70)
Non-controlling interest		(3,316)	(1,947)	(70)	5,019	7,983	(37)
		<b>(4,135)</b>	<b>(4,045)</b>	<b>(2)</b>	<b>17,235</b>	<b>48,904</b>	<b>(65)</b>

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

		Group 3 Months Ended		%	Group Year Ended		%
	Note	31.12.19 Unaudited RM'000	31.12.18 Audited RM'000	Change	31.12.19 Unaudited RM'000	31.12.18 Audited RM'000	Change
<b>Profit before tax is arrived at:</b>							
<b>After crediting:</b>							
Interest income	8a(vii)	1,535	694	121	3,052	2,550	20
Gain on disposal of property, plant and equipment		-	-		-	2	(100)
Amortisation of deferred income	8a(xi)	-	11,961	(100)	-	33,166	(100)
<b>And after charging:</b>							
Depreciation of property, plant and equipment and amortisation of intangible asset	8a(xi)	2,741	2,256	21	9,074	6,435	41
Interest expense	8a(viii)	2,111	663	218	6,878	7,806	(12)
Payroll expense		7,050	3,766	87	18,670	13,290	40
Unrealised loss from downstream income from Associate		-	-	n.m	-	12	(100)
Write-off of property, plant and equipment		1,331	45	2,858	1,331	54	2,365

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	31.12.19 Unaudited RM'000	31.12.18 Audited RM'000	31.12.19 Unaudited RM'000	31.12.18 Audited RM'000
<b>Non-current assets</b>					
Property, plant and equipment		159,252	86,809	-	-
Land held for future development		139,409	-	-	-
Intangible assets		1,502	-	-	-
Land rights		-	22,875	-	-
Investment in subsidiaries		-	-	215,585	213,141
Investment in associates		86,762	69,969	-	-
Deferred tax assets		7,352	8,546	-	-
	8b(i)	394,277	188,199	215,585	213,141
<b>Current assets</b>					
Development properties		585,301	346,009	-	-
Contract costs		16,633	2,986	-	-
Contract assets		36,461	33,350	-	-
Inventories		119,563	17,603	-	-
Trade and other receivables		94,639	190,448	76,908	9,198
Current tax assets		8,998	-	-	-
Cash and cash equivalents		67,329	163,035	6,018	50,278
	8b(ii)	928,924	753,431	82,926	59,476
<b>Total assets</b>		<u>1,323,201</u>	<u>941,630</u>	<u>298,511</u>	<u>272,617</u>
<b>Current liabilities</b>					
Loans and borrowings		111,168	42,628	45,018	-
Lease liabilities		2,235	-	-	-
Trade and other payables		297,757	311,561	14,867	983
Contract liabilities		10,112	45,782	-	-
Current tax liabilities		-	245	-	-
	8b(iii)	421,272	400,216	59,885	983
<b>Non-current liabilities</b>					
Loans and borrowings		321,394	116,150	-	45,738
Lease liabilities		12,553	-	-	-
Trade and other payables		108,383	-	-	-
Deferred tax liabilities		9,108	10,506	-	-
	8b(iv)	451,438	126,656	-	45,738
<b>Total liabilities</b>		872,710	526,872	59,885	46,721
<b>Equity</b>					
Share capital		237,241	237,241	237,241	237,241
Treasury shares		(21)	-	(21)	-
Reserves		157,561	153,825	1,406	(11,345)
<b>Equity attributable to owners of the Company</b>		394,781	391,066	238,626	225,896
Non-controlling interests		55,710	23,692	-	-
<b>Total equity</b>		450,491	414,758	238,626	225,896
<b>Total equity and liabilities</b>		<u>1,323,201</u>	<u>941,630</u>	<u>298,511</u>	<u>272,617</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 31.12.19 Unaudited		As at 31.12.18 Audited	
Secured RM'000	Unsecured RM'000	Secured RM'000	Unsecured RM'000
111,168	-	42,628	-

**Amount repayable after one year**

As at 31.12.19 Unaudited		As at 31.12.18 Audited	
Secured RM'000	Unsecured RM'000	Secured RM'000	Unsecured RM'000
286,810	34,584	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**

	<b>Group</b>		<b>Group</b>	
	<b>3 Months Ended</b>		<b>Year Ended</b>	
	<b>31.12.19</b>	<b>31.12.18</b>	<b>31.12.19</b>	<b>31.12.18</b>
	<b>Unaudited</b>	<b>Audited</b>	<b>Unaudited</b>	<b>Audited</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
<b>Cash flows from operating activities</b>				
Profit before tax	2,701	(2,356)	33,742	75,336
Adjustments for:				
Depreciation of property, plant and equipment and amortisation of intangible asset	2,741	2,256	9,074	6,435
Amortisation of deferred income	-	(11,961)	-	(33,166)
Interest expense	9,173	4,542	17,996	11,685
Interest income	(1,535)	(694)	(3,052)	(2,550)
Share of results of equity-accounted investees	1,730	(158)	3,047	(221)
Unrealised loss from downstream income from associate	-	-	-	12
Unrealised gain on foreign currency on loan payable	(720)	-	(720)	-
Reissuance of treasury shares	39	-	39	-
Write-off of property, plant and equipment	1,331	45	1,331	54
	15,460	(8,326)	61,457	57,585
Changes in development properties	(245,068)	45,033	(355,826)	(357)
Changes in contract costs	18,134	1,025	(13,647)	1,025
Changes in contract assets	(22,449)	(1,592)	(3,111)	(20,943)
Changes in inventories	(4,001)	-	(101,960)	-
Changes in trade and other receivables	217,474	(105,154)	82,742	(93,682)
Changes in trade and other payables	14,878	54,674	113,514	93,515
Changes in contract liabilities	(1,358)	(2,454)	(35,670)	(13,371)
<b>Cash (used in)/generated from operations</b>	<b>(6,930)</b>	<b>(16,794)</b>	<b>(252,501)</b>	<b>23,772</b>
Tax paid	11,918	(17,495)	(12,887)	(43,765)
<b>Net cash (used in)/from operating activities</b>	<b>4,988</b>	<b>(34,289)</b>	<b>(265,388)</b>	<b>(19,993)</b>
<b>Cash flows from investing activities</b>				
Acquisition of property, plant and equipment and intangible assets	(22,752)	(25,554)	(71,820)	(36,609)
Proceeds from disposal of property, plant and equipment	-	4	-	12
Interest received	1,535	694	3,052	2,550
Acquisition of associates	(12,000)	(1,200)	(19,840)	(21,060)
<b>Net cash used in investing activities</b>	<b>(33,217)</b>	<b>(26,056)</b>	<b>(88,608)</b>	<b>(55,107)</b>

	Group 3 Months Ended		Group Year Ended	
	31.12.19 Unaudited RM'000	31.12.18 Unaudited RM'000	31.12.19 Unaudited RM'000	31.12.18 Audited RM'000
<b>Cash flows from financing activities</b>				
Proceeds from issuance of shares through private placement	-	-	-	68,895
Capital injection from non-controlling interests	-	-	27,000	-
Purchase of treasury shares	-	-	(60)	-
Changes in fixed deposit pledged	1,219	(1,818)	1,680	(3,077)
Proceeds from drawdown of loans and borrowings	8,104	63,791	283,062	67,262
Repayment of loans and borrowings	(14,017)	(3,335)	(29,953)	(26,119)
Payment of lease liabilities	(803)	(230)	(2,132)	(794)
Interest paid	(13,010)	(8,970)	(19,627)	(11,097)
<b>Net cash from financing activities</b>	<b>(18,507)</b>	<b>49,438</b>	<b>259,970</b>	<b>95,070</b>
<b>Net (decrease)/increase in cash and cash equivalents</b>	<b>(46,736)</b>	<b>(10,907)</b>	<b>(94,026)</b>	<b>19,970</b>
Cash and cash equivalents at the beginning of financial period	106,942	165,139	154,232	134,262
<b>Cash and cash equivalents at end of the financial period</b>	<b>60,206</b>	<b>154,232</b>	<b>60,206</b>	<b>154,232</b>

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

	Group	
	31.12.19 Unaudited RM'000	31.12.18 Audited RM'000
Cash and cash equivalents	67,329	163,035
Less: Fixed deposits pledged to financial institutions	(7,123)	(8,803)
	<u>60,206</u>	<u>154,232</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**

<b>Group</b>	<b>Share capital RM'000</b>	<b>Treasury shares RM'000</b>	<b>Merger reserves RM'000</b>	<b>Translation reserves RM'000</b>	<b>Retained earnings RM'000</b>	<b>Total RM'000</b>	<b>Non-controlling interests RM'000</b>	<b>Total equity RM'000</b>
<b>At 1 January 2019</b>	237,241	-	37,442	-	116,383	391,066	23,692	414,758
Purchase/reissuance of treasury shares		(21)	-	-	-	(21)	-	(21)
Translation difference	-	-	-	(14)	-	(14)	-	(14)
Transaction with non-controlling interest	-	-	-	-	-	-	27,000	27,000
Dividend to owners of the company	-	-	-	-	(8,467)	(8,467)	-	(8,467)
Total comprehensive income for the year	-	-	-	-	12,216	12,216	5,019	17,235
<b>At 31 December 2019</b>	<b>237,241</b>	<b>(21)</b>	<b>37,442</b>	<b>(14)</b>	<b>120,132</b>	<b>394,780</b>	<b>55,711</b>	<b>450,491</b>

<b>Group</b>	<b>Share capital RM'000</b>	<b>Merger reserves RM'000</b>	<b>Retained earnings RM'000</b>	<b>Total RM'000</b>	<b>Non-controlling interests RM'000</b>	<b>Total equity RM'000</b>
<b>At 1 January 2018, as previously reported</b>	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)
<b>At 1 January 2018 (Restated)</b>	<b>168,346</b>	<b>37,442</b>	<b>75,462</b>	<b>281,250</b>	<b>15,709</b>	<b>296,959</b>
Issuance of ordinary shares through private placement	68,895	-	-	68,895	-	68,895
Total comprehensive income for the year	-	-	40,921	40,921	7,983	48,904
<b>At 31 December 2018</b>	<b>237,241</b>	<b>37,442</b>	<b>116,383</b>	<b>391,066</b>	<b>23,692</b>	<b>414,758</b>

## Statement of Changes in Equity

Company	Share capital RM'000	Treasury shares RM'000	Accumulated losses RM'000	Total equity RM'000
<b>At 1 January 2019</b>	237,241	-	(11,345)	225,896
Purchase/reissuance of treasury shares	-	(21)	-	(21)
Interim dividend	-	-	(8,467)	(8,467)
Total comprehensive income for the year	-	-	21,218	21,218
<b>At 31 December 2019</b>	237,241	(21)	1,406	238,626

Company	Share capital RM'000	Accumulated losses RM'000	Total equity RM'000
<b>At 1 January 2018</b>	168,346	(8,835)	159,511
Issuance of ordinary shares through private placement	68,895	-	68,895
Total comprehensive loss for the year	-	(2,510)	(2,510)
<b>At 31 December 2018</b>	237,241	(11,345)	225,896

- 1(d)(ii) Details of any changes in the company's share capital arising from rights issue, bonus issue, subdivision, consolidation, 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 2019	963,485,300	237,181,249
Add: Transfer of treasury shares	84,800	38,696
Balance as at 31 December 2019	<u>963,570,100</u>	<u>237,219,945</u>

#### Treasury Shares

The Company had, on 4 October 2019, granted share awards totalling 84,800 shares, out of its treasury to eligible participants pursuant to the AV Performance Share Plan. The Company had 47,800 treasury shares as at 31 December 2019 (31 December 2018: Nil). The treasury shares held constitute 0.005% of the total number of ordinary shares outstanding as at 31 December 2019.

#### Outstanding Convertibles

As at 31 December 2019, the Company had 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. The Company did not have any other outstanding options and convertibles as at 31 December 2019.

There were no subsidiary holdings as at 31 December 2019 and 31 December 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

	31.12.19	31.12.18
Total number of issued shares (excluding treasury shares)	<u>963,570,100</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.**

Other than as disclosed in paragraph 1(d)(ii), there were no sales, transfers, cancellation and/or use of treasury shares 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 modifications or emphasis of a matter)**

Not applicable.

**3A. Where the latest financial statements are subject to an adverse opinion, qualified opinion or disclaimer of opinion (this is not required for any audit issue that is a material uncertainty relating to going concern)**

(a) Updates on the efforts taken to resolve each outstanding audit issue.

Not applicable.

(b) Confirmation from the Board that the impact of all outstanding audit issues on the financial statements have been adequately disclosed.

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 Singapore Financial Reporting Standards (International) ("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 year reported on and prior years except for SFRS(I) 16As a result of adoption of SFRS(I) 16, the Group reported right-of-use assets of RM11.6 million and lease liabilities of RM14.8 million as at 31 December 2019.

**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**

	<b>Group 3 Months Ended</b>		<b>Group Year Ended</b>	
	<b>31.12.19</b>	<b>31.12.18</b>	<b>31.12.19</b>	<b>31.12.18</b>
(Loss)/Profit attributable to equity holders of the Company (RM'000)	(819)	(2,098)	12,216	40,921
Number of ordinary shares ('000) <sup>(1)(2)</sup>	963,574	926,147	963,574	926,147
Basic and diluted (loss)/earnings per share (RM cents) <sup>(3)(4)</sup>	(0.08)	(0.23)	1.27	4.42

**Notes:**

- 1) (Loss) per share have been computed based on weight average share capital of 963,574,024 shares and weighted average share capital of 926,146,667 shares for the 3 months ended 31 December 2019 and 31 December 2018 respectively.
- 2) Earnings per shares have been computed based on the weighted average share capital of 963,574,024 shares and 926,146,667 shares for full year ended 31 December 2019 and 31 December 2018 respectively.
- 3) The diluted (loss)/earnings per share for the 3 months and full year ended 31 December 2019 are the same as the basic 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 2019.
- 4) The basic and diluted (loss)/earnings per share for the 3 months and full year ended 31 December 2018 are the same 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**

	<b>Group</b>		<b>Company</b>	
	<b>31.12.19</b>	<b>31.12.18</b>	<b>31.12.19</b>	<b>31.12.18</b>
Net asset value (RM'000)	394,781	391,066	238,626	225,896
Number of ordinary shares in issue ('000)	963,570	963,618	963,570	963,618
Net asset value per ordinary share (RM cents)	40.97	40.58	24.76	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 year ended 31 December 2019 ("FY2019") as compared to the previous year ended 31 December 2018 ("FY2018").**

**Consolidated Statement of Comprehensive Income**  
**FY2019 compared to FY2018**

- (i) **Revenue**  
The Group recorded revenue of RM287.9 million for FY2019, a decrease of 49% as compared to FY2018 mainly due to completion of Tri Pinnacle at the end of 2018 and Vervea in early 2019 and slow take-up rate due to economy condition. The main revenue contributor for FY2019 was Vertu Resorts which had contributed RM179.33 million of revenue to the Group
- (ii) **Cost of sales**  
The Group's cost of sales has decreased by 57% from RM447.5 million to RM191.9 million which is in line with the decrease in revenue.
- (iii) **Other income**  
Other income decreased by 79% to RM1.8 million in FY2019 as compared to RM8.4 million in FY2018. In FY2018, total other income of RM5.6 million were mainly from forfeiture income due from termination of sale and purchase agreement and penalty charged to contractors for liquidated damage, which were non-recurring in nature. In FY2019, other income was mainly derived from unrealised gain on foreign currency for the outstanding convertible loan, rental received for rent of land as concrete batching plant; and late payment interest charged to purchasers.
- (iv) **Administrative expenses**  
Administrative expenses in FY2019 recorded an increase of 11% as compared to FY2018 mainly due to the increase in payroll expenses as a result of additional headcounts to cater for business expansion.

- (v) **Selling and distribution expenses**  
Selling and distribution expenses increased by 12% to RM12.8 million in FY2019 due to aggressive sales campaigns carried out in Hong Kong and Indonesia to target the overseas market.
- (vi) **Other expenses**  
Other expenses incurred in FY2019 of RM1.09 million were mainly derived from the write off of capital in progress for IT software and renovation cost as well as unrealised foreign exchange difference recorded.
- (vii) **Finance income**  
Finance income increased by 20% to RM3.1 million in FY2019 as compared to RM2.55 million as a result of the adoption of the SFRS(I) 15 to reclassify interest income from revenue for deferred payment package offered by Vertu Resorts.
- (viii) **Finance costs**  
The Group recorded a finance cost of RM6.8 million which was 12% lower than FY2018 in line with the reduction of the current outstanding loan. The interest for the loan drawdown in FY 2019 has been capitalised as part of the development cost.
- (ix) **Share of loss of associates**  
A share of loss of associates of RM3 million was recorded in FY2019 as compared to profit of RM0.221 million in FY2018 mainly due to share of losses from Global Vision Logistics Sdn Bhd as the integrated logistics and warehousing hub is still at the pre-construction stage. The Group had also recognised an impairment loss on investment in Deliverat Sdn Bhd of RM2.5 million due to the company bearing negative shareholder's fund as at 31 December 2019.
- (x) **Tax expense**  
In FY2019, although the tax payable was 38% lower as compared to FY2018, the effective tax rate is higher as compared to FY2018 due to the loss recorded by dormant companies cannot be offset against the profit generated from profitable subsidiaries as well as deferred tax asset not being recognised due to some projects remaining in the pipeline.
- (xi) **Depreciation and amortisation**  
Depreciation has increased by 41% in FY2019 as a result of new acquisition of property, plant and equipment during the year and depreciation of right-of-use asset upon adoption of SFRS(I) 16.

**(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 RM206 million from RM188.2 million as at 31 December 2018 to RM394 million as at 31 December 2019, mainly due to the following:-
- additional capital injection of RM15 million into associate, Bandar Cassia Properties (SC) Sdn. Bhd. RM2.5 million into associate, Deliverat Sdn. Bhd and RM2.1million in Global Vision Logistics Sdn Bhd;
  - land held for future development of RM139.4 million upon full payment for purchase of Batu Kawan land;

- increase in property, plant and equipment of RM72 million mainly due to an additional of approximately RM80 million capital investment attributable to the construction of exhibition hall, carpark being reclassified from development properties and the; recognition of RM 12.5 million of right-of-use assets upon the adoption of SFRS(I)16, offset against depreciation charge of RM9 million; and
- net intangible asset of RM1.5 million derived from the franchise licensing obtained from Kanada-Ya UK for the newly incorporated F&B segment; off set against
- decrease in land rights of RM23 million due to full amortisation of land rights as a result of full settlement of land acquisition of freehold land situated in Batu Kawan from Penang Development Corporation.

(ii) Current assets

The Group's current assets increased by RM175.5 million from RM753.43 million as at 31 December 2018 to RM928.9 million as at 31 December 2019, primarily due to the following:

- increase in development properties and contract costs of RM252.9 million mainly from recognition of land cost for HH Park Residences and other development costs incurred for the on-going and pipeline projects;
- increase in inventories of RM101.9 million from the reclassification of a completed project; and
- increase in current tax assets of RM9 million due to the instalment paid during the year being relatively higher than the provision of taxation; offset against
- decrease in trade and other receivables of RM95.8 million upon reclassification of deposit paid by the Group for the purchase of development lands to development properties; and
- decrease in cash and cash equivalents of RM96 million due for purchase of development lands and increase in construction progress.

(iii) Current liabilities

The Group's current liabilities increased by RM21 million from RM400.22 million as at 31 December 2018 to RM421.2 million as at 31 December 2019, primarily due to the following:

- increase in lease liability of RM2.2 million being liabilities incurred on operating lease recognised upon the adoption of SFRS(I) 16; and
- increase in loans and borrowings of RM68.5million from the reclassification of a long term finance liability due for payment in year 2020; offset against
- decrease in trade and other payables of RM13.8 million arising from payment to contractors and creditors; and
- decrease in contract liabilities for Beacon and Vervéa projects amounting to RM35.6 million. Remaining contract liabilities of RM10.11 million was due to Buy Back Guarantee sales which were not recognised as revenue.

(iv) Non-current liabilities

The Group's non-current liabilities increased by RM324.8 million from RM126.6 million as at 31 December 2018 to RM451 million as at 31 December 2019, primarily due to the increase in loans and borrowings from the drawdown of loans for the purchase of Batu Kawan and Kajang land; recognition of balance of land cost payable for HH Park Residence of RM108 million and; the increase in lease liabilities of RM12.6 million being right-of-use assets recognised upon the adoption of SFRS(I) 16.

The Group has a positive working capital of RM507.65 million as at 31 December 2019.

## **Consolidated Statement of Cash Flows**

The Group recorded net cash used in operating activities of RM265.4 million in FY2019, which comprised operating cash outflows after working capital changes of RM252.5 million, and tax payments of RM12.9 million. The net cash outflow from operations was mainly due to the payment made for construction works in progress and acquisition of land bank.

Net cash used in investing activities amounted to RM88.6 million mainly from the acquisition property, plant and equipment of RM71.8 million, interest received of RM3 million offset against further investment in associates of RM19.84 million.

Net cash inflow from financing activities amounted to RM260 million being drawdown of loan of RM283 million and capital injection of RM27 million from non-controlling interest were utilised for property development activities, offset against the repayment of loans and borrowings and lease liabilities of RM32.1 million and RM19.6 million being interest cost paid to financial institution.

**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.**

Year 2019 was a challenging year for the property development sector due to the soft market condition, plus effects of the US-China trade war on the global economy. Such events have invariably impacted the spending confidence of consumers and investors and consequentially, the general performance of the Group.

In anticipation and in its efforts towards stability, the Group had increased its efforts in product differentiating and diversifying its earning base which are key factors for long term sustainability.

In the Malaysian Budget 2020, the Malaysian government had introduced and emplaced several new policies<sup>(1)</sup> with a view to increase home ownership amongst its citizens such as the rent to own scheme and to lower the requirements for purchase of property by foreigners to assist in clearing property overhang. The Group has and will continue to align its business strategies to take advantage of the policies.

However, due to the ongoing COVID-19 outbreak and the sudden political crisis in Malaysia, the country's economy is expected to take a further hit and the effects of it will in turn impair the Group's earning capacity in the near future. Nonetheless, the issues are not expected to have a long term effect as affordable home ownership is a continuous demand in Malaysia.

The Group continues to enhance its local sales by registering Vertu Resort and Vivo Executive Apartments ("Vivo") with Maybank to participate in Maybank's HouzKey programme, a government supported Rent-to-Own (RTO) programme to provide greater flexibility and cash flow efficiency to the first time homeowners.

In respect of the overseas market, the current social and political unrest in Hong Kong has also inadvertently contributed positively to the Group's overseas sales campaign. In the recent sales campaigns carried out in Hong Kong and Indonesia, the Group has successfully introduced the

Aspen brand and Aspen's products abroad. Despite the momentum, the overseas sales campaign has been put on hold due to the COVID-19 outbreak. The Group will resume overseas sales activities when conditions are safe.

Taking a cue from the high take up rate for Vivo, for upcoming projects due for launch in 2020 i.e. Viio at Aspen Vision City, Batu Kawan, and Aspen Park Hills at Ayer Itam, Penang, price points will be a major factor in ensuring the success of the projects. The Group intends to market the products at affordable prices in order to cater to ongoing demand of first time home owners.

In summary, due to the current challenges in the social, political and economic climate, as well as in the property sector, the Group is taking numerous proactive steps to overcome the headwinds. In addition, the project completion for Vertu Resort in 2020, commencement of construction for Vivo and Viluxe in the first quarter of 2020 should be able to contribute to the bottom line for 2020.

The Group will continue in its focus in the sales of ongoing projects and conserving resources. The Group will also re-evaluate its pipeline projects to consider launching when market conditions improve.

(1) <https://www.bnm.gov.my/documents/budget/bs2020.pdf> (pages 67 to 69)

#### Cessation of Quarterly Reporting

Following the recent amendments to Rule 705 of the SGX-ST: Listing Manual Section B: Rules of Catalist ("**Catalist Rules**") ("**Amended Catalist Rules**") which came into effect on 7 February 2020, the Company will not be required to carry out quarterly reporting of its financial statements.

The Board of Directors ("the **Board**") of the Company has, after due deliberation, decided not to continue with quarterly reporting of the Company and the Group's financial results and will instead, announce the financial results on a half-yearly basis as required under the Amended Catalist Rules.

In deciding, the Board took into consideration, *inter alia*, the following:-

- (a) the time and cost required to comply with quarterly reporting which is comparatively higher due to the Group's core operations being in Malaysia;
- (b) reservation of time, cost and attention of the Board and management staff, which can be allocated to enhancing the Board role and management of operations; and
- (c) half yearly financial reporting cycle, together with continuous disclosure and updates on the Group's material activities, being sufficient to keep the market informed of the Company's state of affairs.

Accordingly, the Company's next financial result announcement shall be in relation to the unaudited consolidated financial results of the Group for the six months financial period ending 30 June 2020, which is required to be announced on or before 14 August 2020.

Notwithstanding the foregoing, the Board would like to assure shareholders that the Company will comply with its continuing disclosure obligations to keep shareholders updated, as and when appropriate, should there be any material developments relating to the Company or the Group.

**11. Dividend**

**(a) Current Financial Period Reported On:**

**Any dividend declared for the current financial period reported on?**

Name of dividend	Interim dividend
Type of dividend	Cash Dividend and Scrip Dividend
Dividend rate	S\$0.00342 per share
Tax rate	Tax exempted

**(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.**

Please refer to 11(a).

**(d) Date payable:**

The Company has on 21 January 2020, paid out the cash dividend. The Company had allotted a total of 19,699,494 shares to eligible shareholders who elected to participate in the Aspen Group Scrip Dividend Scheme.

**(e) Books closure date:**

5 pm on 4 December 2019.

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

Not applicable.

**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.

There are no IPTs exceeding S\$100,000 and above during the financial period under review.

**14. 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 a 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:

<b>Use of Net Disbursement from Convertible Loan</b>	<b>Amount allocated USD\$'000</b>	<b>Amount utilised USD\$'000</b>	<b>Balance USD\$'000</b>
Investment in Global Vision Logistics Sdn. Bhd.	5,445	(511) <sup>(1)</sup>	4,934
Construction of Central Park	3,267	(3,267) <sup>(2)</sup>	-
Investment in Bandar Cassia Properties (SC) Sdn. Bhd.	2,178	(2,178) <sup>(3)</sup>	-
<b>Total</b>	<b>10,890</b>	<b>(4,508)</b>	<b>4,934</b>

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\$2.18 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.

**15. 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**

**16. 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 operated under one business segment, which is property development and solely in Malaysia. The new food & beverage segment in Singapore did not appear to be significant to the Group result, hence, no breakdown of performances by business segments and geographical markets are presented.

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

Please refer to Paragraph 8.

**18. A breakdown of sales and profit after tax before non-controlling interest as follows:**

	<b>Group Year Ended</b>		<b>% Change</b>
	<b>31.12.19 Unaudited RM'000</b>	<b>31.12.18 Restated RM'000</b>	
(a) Revenue reported for first half year	173,638	234,474	(26)
(b) Operating profit after tax before deducting non-controlling interests reported for first half year	9,987	26,764	(63)
(C) Revenue reported for second half year	114,300	335,499	(65)
(d) Operating profit after tax before deducting non-controlling interests reported for second half year	2,229	14,157	(84)

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

	<b>Latest Full Year RM'000</b>	<b>Previous Full Year RM'000</b>
Ordinary shares (Cash Dividend)	2,601	NIL
Ordinary shares (Scrip Dividend)	5,866	NIL
<b>Total</b>	<b>8,467</b>	<b>NIL</b>

**20. 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.

**21. Disclosure of acquisition (including incorporations) and sale of shares under Catalist Rule 706A.**

The Company had incorporated the following subsidiaries during FY2019:

<b>S/N</b>	<b>Subsidiary</b>	<b>Date of announcement</b>
1.	Aspen Park Hills Sdn. Bhd.	3 June 2019
2.	Kanada-Ya SG Pte. Ltd.	29 April 2019
3.	Viana Mentari Sdn. Bhd.	10 January 2019

The Company had conducted an acquisition of shares resulting in the following becoming an associate during FY2019:

<b>S/N</b>	<b>Associate</b>	<b>Date of announcement</b>
1.	Delivereat Sdn. Bhd.	26 August 2019

An issuance of shares by the Company's subsidiaries had resulted in the dilution of the Company's shareholding percentage in the following in FY2019:

<b>S/N</b>	<b>Subsidiary</b>	<b>Date of announcement</b>
1.	Aspen Park Hills Sdn. Bhd.	22 June 2019
2.	Aspen Vision Homes Sdn. Bhd.	22 June 2019

Further details on the aforementioned subsidiaries and associate can be found in the Company's announcement released on the dates as set out above.

**BY ORDER OF THE BOARD**

Dato' Murly Manokharan

President & Group Chief Executive Officer

29 February 2020

*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).*