

ASPEN (GROUP) HOLDINGS LIMITED

(Company Registration No. 201634750K)

Unaudited Financial Statement and Dividend Announcement

For the fourth quarter and the year ended 31 December 2017

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.

The combined financial statements of the Group for the financial year ended 31 December 2016 have been presented as if the Group had been in existence since then and the assets and liabilities of the combining entities are brought into the combined financial statements at their existing carrying amounts. The retained earnings recognised in the combined financial statements are the retained earnings of Aspen Vision All Sdn Bhd. Any difference between the consideration paid/transferred and the share capital of the subsidiary is reflected within the equity as merger reserve.

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.

PART I – INFORMATION REQUIRED FOR ANNOUNCEMENT OF QUARTERLY (Q1, Q2 & Q3) AND FULL YEARLY 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 Year Ended		%
	Note	31.12.17 Unaudited RM'000	31.12.16 Unaudited RM'000	Change	31.12.17 Unaudited RM'000	31.12.16 Audited RM'000	Change
Revenue	8a(i)	207,125	44,140	369	453,073	99,653	355
Cost of sales	8a(ii)	(131,419)	(28,472)	362	(272,364)	(64,213)	324
Gross profit		<u>75,706</u>	<u>15,668</u>	<u>383</u>	<u>180,709</u>	<u>35,440</u>	<u>413</u>
Other income	8a(iii)	397	213	86	1,516	580	161
Administrative expenses	8a(iv)	(8,825)	(8,629)	2	(35,992)	(19,206)	87
Selling and distribution expenses	8a(v)	(6,807)	(2,295)	197	(14,018)	(10,970)	28
Other operating expenses		(172)	(358)	(52)	(243)	(358)	(32)
Results from operating activities		<u>60,299</u>	<u>4,599</u>	<u>1,211</u>	<u>131,972</u>	<u>5,486</u>	<u>2,306</u>
Finance income	8a(vi)	691	152	355	2,437	1,146	113
Finance costs	8a(vii)	(485)	(1,660)	(71)	(1,820)	(4,335)	(58)
Net finance income/(costs)		<u>206</u>	<u>(1,508)</u>	<u>N.M.</u>	<u>617</u>	<u>(3,189)</u>	<u>N.M.</u>
Share of (loss)/profit of associates, net of tax	8a(viii)	(575)	247	(333)	(566)	(8)	6,975
Profit before tax		<u>59,930</u>	<u>3,338</u>	<u>1,695</u>	<u>132,023</u>	<u>2,289</u>	<u>5,568</u>
Tax expense	8a(ix)	(13,210)	(1,686)	684	(33,727)	(2,687)	1,155
Profit/(Loss) for the period representing total comprehensive income for the period		<u>46,720</u>	<u>1,652</u>	<u>2,728</u>	<u>98,296</u>	<u>(398)</u>	<u>N.M.</u>
Profit/(Loss)/ total comprehensive income/(loss) attributable to:							
Equity holders of the Company		41,967	1,457	2,780	85,408	(306)	N.M.
Non-controlling interest		4,753	195	2,337	12,888	(92)	N.M.
		<u>46,720</u>	<u>1,652</u>	<u>2,728</u>	<u>98,296</u>	<u>(398)</u>	<u>N.M.</u>

N.M. – Not meaningful

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

		Group 3 Months Ended		%	Group Year Ended		%
	Note	31.12.17 Unaudited RM'000	31.12.16 Unaudited RM'000	Change	31.12.17 Unaudited RM'000	31.12.16 Audited RM'000	Change
Profit before tax is arrived at:							
After crediting							
Interest income	8a(vi)	691	152	355	2,437	1,146	113
Gain on disposal of property, plant and equipment		10	-	100	95	-	100
Amortisation of deferred income	8a(ii)	17,196	5,083	238	36,117	11,980	201
And after charging:							
Depreciation of property, plant and equipment	8a(iv)	1,318	1,406	(6)	5,303	3,269	62
Interest expense	8a(vii)	485	1,660	(71)	1,820	4,335	(58)
Listing expenses	8a(iv)	965	-	100	7,996	-	100
Loss on disposal of property, plant and equipment		67	-	100	67	-	100
Payroll expenses	8a(iv)	3,625	1,110	227	10,259	3,072	234
Unrealised loss from downstream income from Associate		37	-	100	61	-	100
Write off of property, plant and equipment	8a(v)	3	359	(99)	74	359	(79)

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

	Note	Group		Company	
		31.12.17 Unaudited RM'000	31.12.16 Audited RM'000	31.12.17 Unaudited RM'000	31.12.16 Unaudited RM'000
Non-current assets					
Property, plant and equipment		55,541	44,771	-	-
Land rights		30,468	30,782	-	-
Investment in subsidiaries		-	-	151,041	-
Investment in associate		48,700	22,177	-	-
Deferred tax assets		10,550	9,415	-	-
	8b(i)	145,259	107,145	151,041	-
Current assets					
Development properties		282,726	193,787	-	-
Inventories		99,703	99,703	-	-
Contract assets		12,407	-	-	-
Trade and other receivables		83,717	25,422	-	-
Cash and cash equivalents		139,988	103,383	9,124	-*
	8b(ii)	618,541	422,295	9,124	-
Total assets		<u>763,800</u>	<u>529,440</u>	<u>160,165</u>	<u>-</u>
Current liabilities					
Trade and other payables		217,458	125,099	654	-
Contract liabilities		59,153	139,439	-	-
Loans and borrowings		45,624	73,367	-	-
Current tax liabilities		4,547	4,126	-	-
	8b(iii)	326,782	342,031	654	-
Non-current liabilities					
Loans and borrowings		71,645	45,339	-	-
Deferred income		48,569	84,686	-	-
Deferred tax liabilities		14,256	13,094	-	-
	8b(iv)	134,470	143,119	-	-
Total liabilities		461,252	485,150	654	-
Equity					
Share capital		168,346	46,272	168,346	-*
Reserves		117,936	(5,360)	(8,835)	-
Equity attributable to owners of the Company		286,282	40,912	159,511	-
Non-controlling interests		16,266	3,378	-	-
Total equity		302,548	44,290	159,511	-
Total equity and liabilities		<u>763,800</u>	<u>529,440</u>	<u>160,165</u>	<u>-</u>

* Less than RM1,000

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

As at 31.12.17 Unaudited		As at 31.12.16 Audited	
Secured RM'000	Unsecured RM'000	Secured RM'000	Unsecured RM'000
45,624	-	73,367	-

Amount repayable after one year

As at 31.12.17 Unaudited		As at 31.12.16 Audited	
Secured RM'000	Unsecured RM'000	Secured RM'000	Unsecured RM'000
62,245	9,400	2,396	42,943

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, deed of assignment of benefits of certain contract proceeds, 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		Year Ended	
	31.12.17	31.12.16	31.12.17	31.12.16
	Unaudited	Unaudited	Unaudited	Audited
	RM'000	RM'000	RM'000	RM'000
Cash flows from operating activities				
Profit before tax	59,930	3,338	132,023	2,289
Adjustments for:				
Depreciation of property, plant and equipment	1,318	1,406	5,303	3,269
Gain on disposal of property, plant and equipment	(10)	-	(95)	-
Amortisation of deferred income	(17,196)	(5,083)	(36,117)	(11,980)
Interest expense	485	1,660	1,820	4,335
Interest income	(691)	(152)	(2,437)	(1,146)
Listing expenses	965	-	7,996	-
Loss on disposal of property, plant and equipment	67	-	67	-
Share of results of equity-accounted investees	575	(247)	566	8
Unrealised loss from downstream income from associate	37	-	61	-
Write off of property, plant and equipment	3	359	74	359
	<u>45,483</u>	<u>1,281</u>	<u>109,261</u>	<u>(2,866)</u>
Changes in development properties	(67,988)	(25,057)	(79,387)	(67,903)
Changes in contract assets	(12,407)	-	(12,407)	-
Changes in trade and other receivables	(711)	13,655	(62,443)	1,421
Changes in trade and other payables	80,195	617	94,773	52,112
Changes in contract liabilities	(79,427)	77,927	(80,286)	121,146
Cash (used in)/ generated from operations	(34,855)	68,423	(30,489)	103,910
Tax paid	(20,937)	(4,975)	(29,131)	(10,685)
Net cash (used in)/ generated from operating activities	(55,792)	63,448	(59,620)	93,225
Cash flows from investing activities				
Acquisition of property, plant and equipment	(2,568)	(7,180)	(20,626)	(14,340)
Proceeds from disposal of property, plant and equipment	346	-	708	-
Interest received	691	152	2,437	1,146
Additions of investment in associates	(6,000)	(600)	(27,150)	(6,300)
Net cash used in investing activities	(7,531)	(7,628)	(44,631)	(19,494)

Consolidated Statement of Cash Flows

	Group 3 Months Ended		Group Year Ended	
	31.12.17 Unaudited RM'000	31.12.16 Unaudited RM'000	31.12.17 Unaudited RM'000	31.12.16 Audited RM'000
Cash flows from financing activities				
Proceeds from issuance of shares	-	10,000	128,418	10,000
Listing expenses	(1,185)	-	(12,409)	-
Changes in fixed deposit pledged	(188)	812	(2,764)	(90)
Proceeds from drawdown of loans and borrowings	63,851	28,729	119,811	40,804
Repayment of loans and borrowings	(16,043)	(26,216)	(88,044)	(78,520)
Repayment of finance lease liabilities	(586)	(155)	(1,484)	(577)
Interest paid	(3,810)	(936)	(5,436)	(2,481)
Net cash from/(used in) financing activities	42,039	12,234	138,092	(30,864)
Net (decrease)/increase in cash and cash equivalents	(21,284)	68,054	33,841	42,867
Cash and cash equivalents at the beginning of financial period	155,546	32,367	100,421	57,554
Cash and cash equivalents at end of the financial period	134,262	100,421	134,262	100,421

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

	Group	
	31.12.17 Unaudited RM'000	31.12.16 Audited RM'000
Cash and cash equivalents	139,988	103,383
Less: Fixed deposits pledged to financial institutions	(5,726)	(2,962)
	134,262	100,421

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	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 January 2017	46,272	1,228	(1,674)	(4,914)	40,912	3,378	44,290
Profit for the period representing total comprehensive income for the period	-	-	-	5,126	5,126	1,295	6,421
At 31 March 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
Profit for the period representing total comprehensive income for the period	-	-	-	24,947	24,947	4,600	29,547
Issuance of New Shares pursuant to IPO	128,418	-	-	-	128,418	-	128,418
Capitalisation of listing expenses	(4,193)	-	-	-	(4,193)	-	(4,193)
At 30 September 2017	168,566	-	37,442	38,527	244,535	11,513	256,048
Profit for the period representing total comprehensive income for the period	-	-	-	41,967	41,967	4,753	46,720
Capitalisation of listing expenses	(220)	-	-	-	(220)	-	(220)
At 31 December 2017	168,346	-	37,442	80,494	286,282	16,266	302,548

Consolidated Statement of Changes in Equity

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 January 2016	36,272	1,228	(1,674)	(4,608)	31,218	3,470	34,688
Loss for the period representing total comprehensive income for the period	-	-	-	(2,088)	(2,088)	(156)	(2,244)
At 31 March 2016	36,272	1,228	(1,674)	(6,696)	29,310	3,314	32,444
Loss for the period representing total comprehensive income for the period	-	-	-	(751)	(751)	(360)	(1,111)
At 30 June 2016	36,272	1,228	(1,674)	(7,447)	28,379	2,954	31,333
Profit for the period representing total comprehensive income for the period	-	-	-	1,076	1,076	229	1,305
At 30 September 2016	36,272	1,228	(1,674)	(6,371)	29,455	3,183	32,638
Share capital contribution to a subsidiary accounted for on common control basis	10,000	-	-	-	10,000	-	10,000
Profit for the period representing total comprehensive income for the period	-	-	-	1,457	1,457	195	1,652
At 31 December 2016	46,272	1,228	(1,674)	(4,914)	40,912	3,378	44,290

Statement of Changes in Equity

Company	Share capital RM'000	Accumulated losses RM'000	Total equity RM'000
At date of incorporate 22 December 2016	-*	-	-*
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
Issuance of New Shares pursuant to IPO	128,418	-	128,418
Capitalisation of listing expenses	(4,193)	-	(4,193)
Loss for the period representing total comprehensive income for the period	-	(7,234)	(7,234)
At 30 September 2017	168,566	(7,241)	161,325
Capitalisation of listing expenses	(220)	-	(220)
Loss for the period representing total comprehensive income for the period	-	(1,594)	(1,594)
At 31 December 2017	168,346	(8,835)	159,511

* 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 30 September 2017	866,617,900	168,565,525
Capitalisation of listing expenses	-	(219,413)
Balance as at 31 December 2017	<u>866,617,900</u>	<u>168,346,112</u>

The Company did not have any outstanding options, convertibles or treasury shares as at 31 December 2017 and 31 December 2016. There were no subsidiary holdings as at 31 December 2017 and 31 December 2016.

- 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**

	31.12.17	31.12.16
Total number of issued shares (excluding treasury shares)	<u>866,617,900</u>	<u>10</u>

There were no treasury shares as at 31 December 2017 and 31 December 2016.

- 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 combined financial statements for the financial year ended 31 December 2016 as set out in the Offer Document.

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 all the applicable new and revised Financial Reporting Standards ("FRS") and Interpretations of Financial Reporting Standards ("INT FRS") in Singapore that are mandatory for the accounting periods beginning on or after 1 January 2017. The adoption of these new and revised FRS and INT FRS did not result in any substantial change to the Group's and the Company's accounting policies and has no significant impact on the financial statements for the current financial reporting period.

During the listing on the Catalist of SGX – ST, the Group has early adopted FRS 115 *Revenue from Contracts with Customers*. Please refer to the combined financial statements for the Group's accounting policy for revenue recognition.

6. **Earnings per ordinary share of the group for the current period reported on and the corresponding period of the immediately preceding financial year, after deducting any provision for preference dividends**

	Group 3 Months Ended		Group Year Ended	
	31.12.17	31.12.16	31.12.17	31.12.16
Profit/(Loss) attributable to equity holders of the Company (RM'000)	41,967	1,457	85,408	(306)
Weighted average number of ordinary shares ('000) ⁽¹⁾	767,878	767,878	767,878	767,878
Basic and diluted earnings/(loss) per share (RM cents) ⁽²⁾	5.47	0.19	11.12	(0.04)

Notes:

- 1) For comparative purposes, the EPS for the respective financial periods have been computed based on share capital of 767,877,736 shares assuming the Restructuring Exercise has been completed as at 1 January 2016.

- 2) The basic and diluted earnings/(loss) 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	
	31.12.17	31.12.16	31.12.17	31.12.16
Net asset value (RM'000)	286,282	40,912	159,511	-
Number of ordinary shares in issue ('000) ⁽¹⁾	866,618	693,348	866,618	693,348
Net asset value per ordinary share (RM cents) ⁽¹⁾	33.03	5.90	18.41	N/A

Note:

- 1) For comparative purposes, the net asset value per share for the financial period ended 31 December 2016 is presented based on the pre-initial public offering ("IPO") share capital of 693,347,900 ordinary shares.

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 full year ended 31 December 2017 ("FY2017") as compared to the previous year ended 31 December 2016 ("FY2016").

Consolidated Statement of Comprehensive Income
FY2017 compared to FY2016

- (i) **Revenue**
The Group recorded revenue of RM453.07 million for FY2017, an improvement of 355% as compared to the previous year. This is due to further progress of our on-going projects, Tri Pinnacle and Vervéa. In addition, the completion of sale of land for a private medical centre and the construction of the Vertu Resort project which commenced in 3QFY2017 has contributed to the higher revenue.
- (ii) **Cost of sales**
Cost of sales increased by 324% to RM272.36 million in FY2017 as a result of the increase in construction activities for the Tri Pinnacle, Vervéa and Vertu Resorts projects and the charging out of land cost upon sale of land for a private medical centre. 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 by 161% to RM1.52 million in FY2017. This is mainly due to the increase in project management fees of RM0.95 million and rental income of RM0.09 million.

- (iv) **Administrative expenses**
Administrative expenses increased by 87% to RM35.99 million in FY2017, mainly from the increase in manpower costs of RM7.19 million and expansion of office facilities from expansion initiatives. Depreciation cost has also increased by RM2.03 million resulting from the additional investment in property, plant and equipment and renovation of sales galleries. Listing expenses of RM8.00 million were charged out to income statement in 3Q FY2017.
- (v) **Selling and distribution expenses**
Selling and distribution expenses increased by 28% to RM14.02 million in FY2017 mainly due to marketing initiatives and cost incurred for Beacon project sales gallery.
- (vi) **Finance income**
Finance income increased by 113% to RM2.44 million in FY2017 due to higher interest income arising from the higher average balance of deposit in financial institutions in FY2017 as compared to FY2016. The interest income relates mainly to the unutilised IPO proceeds.
- (vii) **Finance costs**
Finance costs decreased by 58% to RM1.82 million in FY2017 due to the restructuring of debt instrument in 2QFY2017 for IPO purpose.
- (viii) **Share of loss of associates**
The increase in share of loss of associates by 6,975% to RM0.57 million in FY2017 was due to the higher financing cost incurred by the associate in funding the construction of its regional integrated shopping centre.
- (ix) **Tax expense**
In FY2017, a higher tax expense is accounted as the Group achieved higher taxable profits.

(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 RM38.11 million from RM107.15 million in FY2016 to RM145.26 million in FY2017, primarily due to the followings:
- increase in property, plant and equipment of RM10.77 million mainly due to additional RM22.45 million capital investment attributable to the construction of a carpark, the purchase of a sales gallery, offset against depreciation charge of RM5.30 million and disposal of motor vehicles at RM0.90 million;
 - additional capital injection of RM21.15 million into associate, Bandar Cassia Properties (SC) Sdn. Bhd. and investment in Global Vision Logistics Sdn. Bhd. of RM6.00 million; and
 - additional recognition of deferred tax assets of RM1.13 million on unrealised profits.

(ii) Current assets

The Group's current assets increased by RM196.24 million from RM422.30 million in FY2016 to RM618.54 million in FY2017, primarily due to the followings:

- increase in development properties of RM88.94 million was due to the acquisition of development lands for Aspen Vision City and HH Park Residence as well as property development costs incurred for the on-going projects;
- contract assets amounting to RM12.41 million representing the cost incurred and profits recognised in excess of progress billings for Vertu project;
- increase in trade and other receivables of RM58.30 million was contributed by the increase in progress billings for on-going projects. Increase in deposits comprises 20% deposit paid for the purchase of Parcel 5 plot in Batu Kawan and 10% deposit paid for the purchase of Semenyih freehold land; and
- increase in cash and cash equivalents resulted mainly from the net proceeds from issuance of Shares pursuant to IPO of RM117.19 million, offset by the utilisation of such proceeds for purchase of land, repayment of borrowings and operating expenditures incurred during the financial period.

(iii) Current liabilities

The Group's current liabilities decreased by RM15.25 million from RM342.03 million in FY2016 to RM326.78 million in FY2017, primarily due to the followings:

- decrease in loans and borrowings due to the repayment of borrowings and the restructuring of debt instruments of RM33.54 million; and
- decrease in contract liabilities for both Tri Pinnacle and Vervéa projects amounting to RM80.29 million. Contract liabilities represent the progress billings in excess of the cost incurred and profits recognised; offset against
- increase in trade and other payables of RM92.36 million mainly due to amounts owing to contractors for on-going development projects.

(iv) Non-current liabilities

The Group's non-current liabilities decreased by RM8.65 million from RM143.12 million in FY2016 to RM134.47 million in FY2017, primarily due to the following:

- decrease in deferred income of RM36.12 million is consistent with amount on housing quota amortised to income statement based on the progress of project's development; offset against
- increase in loans and borrowings due to the drawdown of loans for current project development purposes and additional finance lease liabilities obtained for financing capital expenditures.

Consolidated Statement of Cash Flows

The Group recorded net cash outflow from operating activities of RM59.62 million, which comprised operating cash outflows after working capital changes of RM29.87 million, net finance income of RM0.62 million and tax payments of RM29.13 million. The operational outflow in FY2017 resulted mainly from the deposits paid for the purchases of development land amounting to RM27.44 million during the current year, the purchase of land of RM50.00 million for HH Park Residence and the increase in progress billings of on-going projects.

Net cash used in investing activities amounted to RM44.63 million mainly from the additional investment in associates, Bandar Cassia Properties Sdn. Bhd. of RM21.15 million and Global Vision Logistics Sdn. Bhd. of RM6.00 million, acquisition of property, plant and equipment of RM20.63 million, offset against interest received of RM2.44 million and proceeds from the disposal of property, plant and equipment of RM0.71 million.

Net cash inflow from financing activities amounted to RM138.09 million mainly contributed by the net proceeds from drawdown of loans and borrowings of RM119.81 million for current project development purposes, offset against the repayment of loans and borrowings and finance lease liabilities of RM89.53 million, interest paid on loans and borrowings of RM5.44 million, payment for listing expenses of RM12.41 million and additional fixed deposit pledged to financial institutions of RM2.76 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.

Malaysia's economy expanded at 5.9% in 2017 as compared to a growth of 4.2% in 2016 with its headline inflation moderating to 3.5% in 4Q 2017. Growth is expected to be favourable in 2018, with domestic demand continuing to be the key driver of growth, coupled with stronger ringgit exchange rate and sound debt servicing capacity for businesses and households.

Despite a positive economic growth, the local property market is expected to remain challenging and an immediate rebound in the property sector is not expected while issues of affordability, excess stock, and interest rate hike, economic and political concerns continue to overshadow the market.

In its efforts to overcome issues of affordability, the Malaysian government had through the release of Malaysia's Budget 2018, initiated several measures to strengthen the property market, such as the Pr1MA Skim Pembiayaan and MyDeposit programmes that are expected to relieve the financial burden on first-time home buyers and encourage property ownership.

Affordable homes at strategic locations that are supported with good infrastructures are still very much in demand. Our Tri Pinnacle project, which is built upon the core values of delivering affordable properties with quality specifications, coupled with marketing packages catered to assist buyers to purchase their first homes and those with the intention to invest has attracted overwhelming response from purchasers with 83.45% of units sold as at 31 December 2017. Meanwhile, Beacon Executive Suites, the SOHO units that are strategically located in the heart of Georgetown, has recorded sales of 65.20% units sold as at 31 December 2017.

Our flagship project, Aspen Vision City, had been carefully planned to welcome communities of residents and businesses. Slated to open in Q1 2019, the first IKEA Store in the Northern Region is expected to create approximately 400 employment opportunities and attract patrons from the Northern Region of Peninsula Malaysia to Aspen Vision City as a favoured shopping destination, hence making it a catalyst component for Batu Kawan, as the designated 3rd satellite city of Penang. The opening of the IKEA Store will increase the exposure of our mixed development project at Aspen Vision City and is expected to increase the sales momentum. As at 31 December 2017, Vervéa, the commercial property project and Vertu Resort, the residential project within Aspen Vision City has recorded sales of 88.28% and 65.73% units sold respectively.

Apart from the aforesaid projects, plans are underway to prepare for four other projects in the pipeline for sales launch between FY2018 to FY2019, namely HH Park Residence located at Tanjung Bungah, Penang; and Villuxe Designer Bungalows, Vittoria Financial Centre and Vogue Lifestyle Residence, all in Aspen Vision City, Batu Kawan.

In planning for the expansion into the Central Region of Peninsula Malaysia, the Group via its subsidiary and associate company has entered into various transactions in FY 2017 to acquire and develop 3 new land banks in Kajang, Sri Kembangan and Shah Alam through out-right purchase and joint venture. The lands are situated in strategic and urban locations with ready amenities and infrastructures. This will ensure that when the property market shows signs of stabilisation, Aspen will be well-positioned to leverage on the next property boom.

Amidst the challenging operating environment, the Group will continue to put in effort to provide quality projects at reasonable prices and increase productivity by modernising construction methods. Barring any unforeseen circumstances, the Group expects to continue its growth in revenue and deliver satisfactory performance in 2018 underpinned by total unbilled sales of RM858.21 million as at 31 December 2017.

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/recommended, a statement to that effect

No dividend has been declared or recommended for the financial year ended 31 December 2017.

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

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

Other than the interested person transactions as disclosed on pages 196 to 201 of the Offer Document, IPTs exceeding S\$100,000 and above during the financial period under review are disclosed below:

Our President & Group Chief Executive Officer, Dato' Murly Manokharan and Group Executive Director, Dato Seri Nazir Afiff have provided personal guarantees for a loan obtained by a subsidiary from Maybank Islamic Banking with a limit of RM10.4 million for the purchase of the Group's Glenmarie office in Selangor, Malaysia. There is no value at risk to the Company arising from the personal guarantees provided.

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 follows:

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	(14,932) ⁽¹⁾	10,068
Repayment of bank borrowings from CIMB Islamic Bank Berhad	2,000	(2,000)	-
Working capital ⁽¹⁾	9,720	(9,720) ⁽²⁾	-
Total	36,720	(26,652)	10,068

Notes:

(1) S\$5.52 million utilised for the payment of 80% of Parcel 4 land purchase price 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 and S\$0.69 million for payment of planning stage expenses for the Beacon and HH Residence projects. The exchange rate used is RM3.1520: S\$1.00.

(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 used is RM3.1520: S\$1.00.

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. 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 segments (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 operates under one business segment, which is property development and solely in Malaysia. 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 contributions to turnover and earnings by the operating segments.

Please refer to Paragraph 8

18. A breakdown of sales as follows:

	Group Year Ended		% Change
	31.12.17 RM'000	31.12.16 RM'000	
Revenue reported for first half year	108,028	32,696	230
Operating profit/(loss) after tax before deducting minority interests reported for first half year	18,494	(2,839)	751
Revenue reported for second half year	345,045	66,957	415
Operating profit/(loss) after tax before deducting minority interests reported for second half year	66,914	2,533	2,542

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

(a) Ordinary

Not applicable

(b) Preference

Not applicable

(c) Total

Not applicable

There are no dividends declared for the current financial year and the previous full year.

- 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.

BY ORDER OF THE BOARD

Dato' Murly Manokharan

President & Group Chief Executive Officer

28 February 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 (Mailing Address: 16 Collyer Quay, #10-00 Income at Raffles, Singapore 049318 and E-mail: sponsorship@ppcf.com.sg).