

Redefine Living



Our growth is sculpted by
a vision & strengthened
by progression

ANNUAL REPORT 2018

Aspen (Group) Holdings Limited (the "Company") is 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 annual report has been prepared by the Company and its contents have been reviewed by the Sponsor for compliance with the SGX-ST Listing Manual Section B: Rules of Catalist. The Sponsor has not verified the contents of this annual report.

This annual report has not been examined nor approved by the SGX-ST. The Sponsor and the SGX-ST assume no responsibility for the contents of this annual report, including the accuracy, completeness or correctness of any of the information, statements or opinions made, or reports contained in this annual report.

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Growth is not always justified by years,
but it's the synergy to progress, that
contributes to the fruits we harvest today.



A century-old Ficus Superba, commonly known as Deciduous Fig Ficus
is currently preserved in Central Island Park, Aspen Vision City, Penang.



The record-breaking, 52-metre high water jet in Central Island Park, Aspen Vision City, Penang

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INSPIRATIONAL

Aspen Group lives the best version of ourselves,
and inspire others to live the best version of themselves.

Vision & Mission

© Vision

To be recognised as one of the key forces shaping the property development industry through quality and affordability.

© Mission

To champion the empowerment of people by offering unequalled quality and affordable real estate for everyone.

Core Values

These values define our culture, guide the way we treat each other, and how we run our business.

Our people live by these core values, which enable us to focus on creating innovative products, making ethical decisions, building relationships with customers and business associates, and taking accountability for our actions.



Be A Catalyst For Positive Change

Our benchmark is to deliver products that elevate the standard of living. Before we embark on any work, we challenge ourselves with the question, "Will our actions spark positive change by making life better for people?". Every plan is thought through in detail and measured against this benchmark before proceeding. To be a catalyst for positive change is the mantra that shapes our attitude towards work and the way we relate to one another.



Build On Relationships

We are committed to open communication and acting with integrity in all our relationships. With every customer we build a home for; every business partner and vendor we do business with; every Aspenian; and with people we have yet to meet, we do our best to ensure that every interaction builds into a loyal, long-term relationship that is mutually beneficial.



Collaborate To Innovate

Our business model is to deliver best-in-value solutions and services through new opportunities, smart ideas and strategic collaborations. To achieve our business model we innovate to breathe new life into what we have to work with and we encourage Aspenians to be innovative thinkers who challenge and redefine the status quo. This mentality, together with our business model, is the blueprint upon which we build our organisation and nurture our people.



Be Community-Conscious

As a property developer, the work we do has a social impact that goes beyond building bricks and blocks. We are in a position to think of communities holistically and besides our plans to develop cities of the future to benefit the community, our Corporate Conscience Programme gives Aspenians the opportunity to reach out and connect to those that may be less fortunate or are in need of extra help. We coordinate activities through charitable campaigns, educational activities and contributions, as well as environmental and socio-cultural programmes that give us the privilege of serving the community as part of our work life.



Aspen Group Experience Centre in Tanjung Bungah, Penang, opened on
15 October 2018

Message from The President & Group Chief Executive Officer

“We have completed TRI PINNACLE and Vervea with a combined GDV in excess of RM1.3 billion. The grand opening of IKEA Batu Kawan at Aspen Vision City (AVC) will support our upcoming mixed-use property launches and together, we will build a thriving metropolis at AVC.”

Dear Fellow Shareholders,

On behalf of the Board of Directors, I am pleased to present to you our annual report for the financial year ended 31 December 2018.

The major economies in 2018 have been hampered by the ongoing trade disputes between the United States and China. In Malaysia, the election of the new government in May 2018 was accompanied by initial euphoria but this was soon followed by the realisation of the many challenges faced by the new government. Malaysia is not immune to the global trade disputes and our economic growth moderated towards the end of 2018. The Malaysian property market continues to be affected by general consumer caution, the lack of affordable properties and challenges in securing housing loans.

Review of FY2018

With high levels of sales and good progress of construction at our four ongoing projects, the Group recorded a revenue growth of 26% to RM570 million in FY2018. Net profit attributable to shareholders of the Company was RM40.9 million.

The Group successfully received Certificate of Completion and Compliance (CCC), commonly known as Temporary Occupation Permit (TOP) for TRI PINNACLE and Vervea in Q4 FY2018 and Q1 FY2019 respectively. Prior to the completions of the Group's maiden residential and commercial

development, a number of significant enhancements were undertaken at both developments to improve their amenities and reinforce the Aspen brand. Although these enhancements have added to short term costs, the improvements and high buyer acceptance will act as good project showcases for the Group.

Status of Our Projects

TRI PINNACLE and Beacon Executive Suites are located on Penang Island, whereas Vervea and Vertu Resort are at Aspen Vision City (AVC), Batu Kawan.

TRI PINNACLE received its TOP in December 2018 and handover was carried out in stages starting from December. To date, over 90% of buyers have collected their keys and the buyers are pleased with the design concept and their new homes. Homeowners are also excited about the wide range of upgraded common facilities provided at the project. As Vervea received TOP in January 2019, we are still in the midst of handing over units to buyers which are conducted in stages. In the near future, Vervea will be filled with various businesses and becomes the largest gated and guarded commercial hub in the Northern Region of Malaysia.

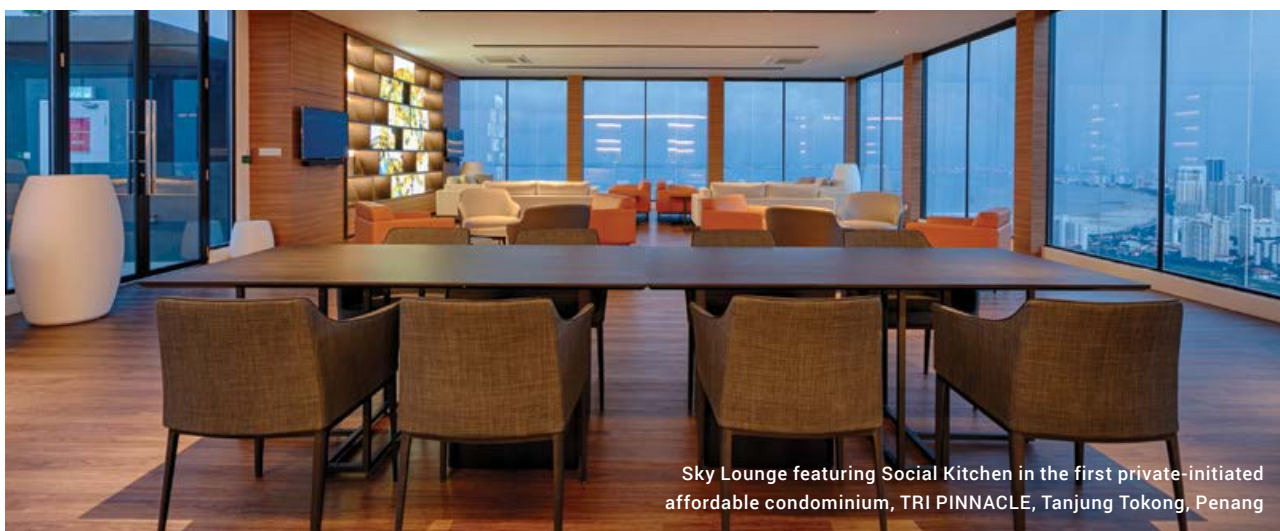
At Vertu Resort, construction of its five blocks has reached the superstructure stage and completion is expected in Q4 2020. Construction of Beacon Executive Suites has also reached the superstructure stage and completion is targeted in Q3 2020. A key focus for

the Group in 2019 would be to ensure that the pace of construction at both projects are progressing according to schedule. The Group will continue to embark on marketing campaigns, introduce attractive sales packages for buyers as well as collaborate with strategic partners to drive sales performance.

The Community at AVC

Much has been accomplished in 2018 in building a thriving community at AVC which will be the hallmark of success for the project. A vibrant community will attract new investments and residents which will in turn underpin the long term success and appreciation of our properties at AVC. In late 2018, we completed the first phase of the 25-acre Central Island Park with an investment of RM105 million. With its breathtaking fountains, thrilling skywalks and stunning landscapes, a steady stream of employees at high tech factories in the adjacent industrial park have been seen jogging at the Central Island Park after work. Soon, some of the 434 completed units of 3 and 4 storey shops cum offices at Vervea will open for business to serve tenants of the industrial park and shoppers at IKEA Batu Kawan.

The opening of IKEA Batu Kawan in March 2019 is a major milestone for AVC and Batu Kawan. The event was attended by the Chief Minister of Penang, the Finance Minister of Malaysia, the Swedish Ambassador to Malaysia as



well as senior executives from IKEA Southeast Asia and Aspen Group. With IKEA Batu Kawan expecting to welcome 6.5 million shoppers in the Northern Region, the additional traffic at AVC will benefit the shops cum offices at Vervea.

To capitalise on the strategic initiatives of growing the community at AVC, the Group is preparing three new launches, including two residential developments and one mixed-use development with a combined GDV of approximately RM1.5 billion. The Group will add to the community as well as introduce inclusive homes across a spectrum of price points for buyers. The Vogue Lifestyle Residence is a mixed development integrated with Aloft Hotel and IKEA Batu Kawan offering 2 and 3 bedroom suites with dual key options to suit the versatile needs of buyers, especially upgraders. The Group is also preparing the launch of the first branded residence within AVC community.

On the affordable front, the Vivo Executive Apartment is integrating with the Regional Integrated Shopping Centre, appealing to young executives and young families.

The third development, Viluxe landed homes is fronting Central Island Park and offer a range of premium and exquisite terrace houses and luxurious bungalows for discerning buyers. Being the first and only freehold premium landed development within Batu Kawan satellite city, we expect the response for Viluxe to be overwhelming among the middle to upper income group.

Prospects

We expect general conditions in the Malaysian property market to remain challenging in 2019. Much is talked about the oversupply of residential properties in Malaysia but anecdotal evidence suggests that the oversupply situation varies from state to state and tend to concentrate on pricier properties in less favourable locations.

At Aspen Group, we believe the growing community at AVC well supported by excellent infrastructure connecting 6.5 million population and the establishment of the first catalyst development, IKEA Batu Kawan will continue to be an attraction for buyers looking for well-appointed residential properties at attractive price points and commercial investment properties. The Group together with the joint venture partner, IKEA Southeast Asia is in its final stage of finalising the second catalyst development at 1,000,000 sq ft net leaseable area of Regional Shopping Centre. We expect this development will create the second wave of growth opportunities for the Group.

Concurrently, we are taking steps to build our recurring income over the medium to long term. Our investment in Aloft Hotel project as well as our investments in the Regional Integrated Shopping Centre and the Shah Alam integrated logistics hub will add to recurring income in the years ahead.

The current subdued state of the Malaysian property market does present opportunities for the Group to acquire

land at attractive value and enter into joint ventures at more reasonable terms. We are conserving our cash and preserving our strong balance sheet to take advantage when such opportunities arise.

A Word of Thanks

2018 is another busy year for the Group, filled with many notable achievements. On behalf of the Board, I thank our Management and co-workers for their commitment and hard work in building Aspen Group. I am pleased to report the promotions of Dato' Seri Nazir Ariff Bin Mushir Ariff to Executive Deputy Chairman of the Board and Ir. Anilarasu Amaranazan from Chief Operating Officer to Group Managing Director. I would also like to welcome Mr. Ching Chiat Kwong, Mr. Low See Ching and Dato' Choong Khuat Seng to the Board and as always, with highly diversified Board members, I look forward for their contribution to strengthen our Group brand and its balance sheets.

I would also wish to thank our customers, financiers, shareholders and business associates for their continuing support.

Dato' M. Murly

President & Group Chief Executive Officer

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INNOVATIVE

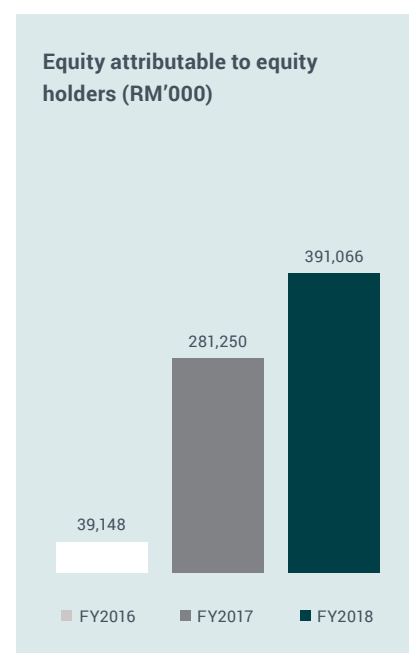
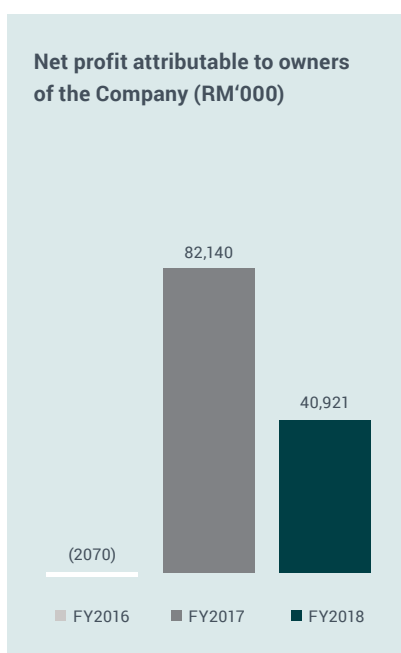
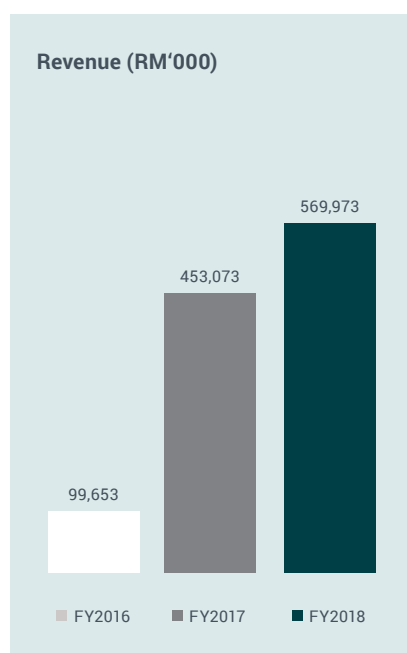
Innovation is seeing what everybody has seen
and thinking what nobody has thought.

Financial Highlights

	FY2016 Restated	FY2017 Restated	FY2018
Revenue (RM'000)	99,653	453,073	569,973
Gross profit (RM'000)	33,278	176,820	122,436
Gross profit margin (%)	33.39%	39.03%	21.48%
Net profit attributable to equity holders (RM'000)	(2,070)	82,140	40,921
Total assets (RM'000)	527,364	757,331	941,630
Total liabilities (RM'000)	484,959	460,372	526,872
Shareholders' fund (RM'000)	39,148	281,250	391,066
Cash position (RM'000)	103,383	139,988	163,035
Return on equity (%)	(5.29%)	29.21%	10.46%
Earnings per share (RM cents)	(0.27)	10.70	4.42
Net asset per share (RM cents)	5.65	32.45	40.58

Note:

The comparative figures have been restated due to the adjustment on borrowing costs arising from the Agenda Decision issued by the IFRS Interpretation Committee ("IFRIC") in relation to the capitalisation of borrowing costs for the construction of residential multi-unit estate developments where revenue is recognised over time.



Financial Review

Statement of Profit or Loss and Other Comprehensive Income

Aspen Group posted a net profit attributable to equity holders of RM40.92 million with revenue of RM569.97 million for the year ended 31 December 2018. The increase in revenue by 26% was mainly contributed by the completion of TRI PINNACLE during the end of FY2018, and the further progress of construction at three ongoing projects, namely, Vervea, Beacon Executive Suites and Vertu Resort.

Gross profit for the year dropped from RM176.82 million in FY2017 to RM122.44 million in FY2018 due to costs incurred on enhancements made to facilities located at both TRI PINNACLE and Vervea resulted gross profit margin decreased to 21.48% from 39.03%, over the comparative periods. However, the enhancement cost incurred contributed to the increase of net assets of the Group.

Selling and distribution expenses decreased by 18% to RM11.45 million in FY2018 was mainly due to the scale down of marketing and promotional activities consistent with the subdued property market sentiments during second half of FY2018.

Finance costs increased by 178% to RM7.81 million in FY2018 due to additional drawdown of financing facilities made available to the Group.

The Group recorded net profit attributable to owners of the Company of RM40.92 million, with earnings per share based on weighted average number of ordinary shares at 4.42 RM cents in FY2018.

Statement of Financial Position

As at 31 December 2018, total assets of the Group stood at RM941.63 million, an increase of RM184.30 million as compared to 31 December 2017.

Non-current assets increased by RM42.06 million to RM188.20 million mainly from additional capital investment on the construction of a multi-level carpark and Vervea Trade & Exhibition Centre (VTEC), offset against depreciation of property, plant and equipment of RM6.44 million. Additional capital injection of RM21.06 million were also made to 2 associates, namely Bandar Cassia Properties (SC) Sdn. Bhd. and Global Vision Logistics Sdn. Bhd. These are offset against the decrease in land rights of RM7.59 million due to the utilisation of rights to acquire the freehold land situated in Batu Kawan from Penang Development Corporation and the decrease in deferred tax assets of RM2.88 million from the reversal of deferred tax assets recognised on unrealised profits.

Current assets increased to RM753.43 million as a result of the deposit paid for the purchase of land for HH Park Residence of RM53.19 million and the increase in trade receivables contributed by the increase in progress billings for ongoing projects, namely Vervea, Vertu Resort and Beacon Executive Suites. Development properties also increased due to development costs incurred for the ongoing projects and the purchase of development land for Aspen Vision City and land acquired from Tropicana Kajang Hill Sdn. Bhd.

The Group's non-current liabilities decreased to RM126.66 million in FY2018 due to the decrease in deferred income of RM48.57 million being amount of housing quota amortised to cost of sales and inventories upon completion of construction for TRI PINNACLE project, offset against the increase in loans and borrowings due to the drawdown of loan for current project development purposes.

Current liabilities increased by RM73.44 million to RM400.22 million in FY2018 being accruals of Central Island Park land cost. This is partially offset against the decrease in contract liabilities of RM13.37 million representing the progress billings in excess of the cost incurred and profits recognised.

As at 31 December 2018, the Group has net assets of RM391.07 million, an increase of RM109.82 million as compared to 31 December 2017.

Statement of Cash Flows

The Group recorded net cash outflow from operating activities of RM19.99 million in FY2018, which comprised operating cash inflows after working capital changes of RM23.77 million and net tax payments of RM43.76 million.

Net cash used in investing activities amounted to RM55.11 million mainly from the acquisition of property, plant and equipment of RM36.61 million and additional investment in associates, Bandar Cassia Properties (SC) Sdn. Bhd. and Global Vision Logistics Sdn. Bhd. of RM21.06 million, offset against interest received of RM2.55 million.

Net cash inflow from financing activities amounted to RM95.07 million being proceeds from private placement of RM68.90 million and drawdown of loan of RM67.26 million which was utilised for property development activities, then offset against the repayment of loans and borrowings and finance lease liabilities of RM26.91 million, interest paid on loans and borrowings of RM11.10 million and additional fixed deposit pledged to financial institutions of RM3.08 million.

Overall, the net cash and cash equivalents of the Group increased by RM19.97 million to RM154.23 million as at 31 December 2018.



The inaugural 52-metre high water jet together with firework display during the official opening of Central Island Park

Corporate Milestones

January 2018

Signing Ceremony of Strategic Partnership between Aspen (Group) Holdings Ltd & LG Electronics Inc.

A smart lifestyle is no longer a projected vision but a realisation through the strategic partnership between Aspen Group and global technology leader, LG Electronics Inc. The synchronisation of Aspen Group's developments and LG Electronics Inc.'s latest technology solutions, Internet of Things (IoT) enabled platform and innovative products and services redefines the future.



April 2018

Asia Pacific Entrepreneurship Awards 2018

Aspen Vision Development Sdn. Bhd. won the Asia Pacific Entrepreneurship Awards 2018, Malaysia under the Corporate Excellence category.

The Asia Pacific Entrepreneurship Awards is the most prestigious award for enterprises and entrepreneurs in the region and it is one of the finest bands of outstanding enterprises and business leaders in the world heading some of Asia's leading corporations and businesses.



September 2018

Signing Ceremony between Aspen Vision City Sdn. Bhd. & Telekom Malaysia Berhad

Aspen Vision City Sdn. Bhd. and TM ONE, the business arm of Telekom Malaysia Berhad (TM), had a signing ceremony to commemorate an award that has been issued to TM for the deployment and provision of Extra Low Voltage (ELV) services that includes Key Lock System, Card Access, CCTV and Access Points for the first phase of Aspen Vision City - Vervea, the largest gated and guarded commercial precinct at Batu Kawan, Penang.





October 2018

The Official Opening of Central Island Park, Aspen Vision City

Aspen Group is proud to open the first phase of Central Island Park (CIP) located at the heart of the masterplan in Aspen Vision City. CIP serves as a recreational hub for the pursuit of healthy activities and relaxing past-times. The opening saw guests planting Deciduous Fig Ficus, to commemorate the official opening of CIP and signifies the Group's commitment in developing a balanced sustainable ecosystem between human and environment.



October 2018

Opening of Aspen Group Experience Centre

Aspen Group introduced its third sales gallery to the public in the form of an Experience Centre on 15 October 2018. This Experience Centre features show units showcasing our upcoming development - HH Park Residence.



December 2018

Topping Off of TRI PINNACLE

Aspen Group marked a key milestone achievement on 8 December 2018 by celebrating the topping off to our first development, TRI PINNACLE. It is the first private-initiated affordable residential development in Penang featuring state-of-the-art sky facilities.

December 2018

"Meet Your New Home" Keys Handover Event for TRI PINNACLE

Aspen Group first ever handover marked a major milestone. TRI PINNACLE, a labour of love for all Aspenians as we welcomed 1,317 Tri Pinnacclites into their homes in conjunction with Christmas.



Our Partnerships



IKEA Batu Kawan is the first and only IKEA store in the Northern Region of Malaysia



Joint Venture Partner

IKEA Southeast Asia

IKEA Southeast Asia

Developer, Owner and Operator of IKEA Stores and Shopping Centres

The IKEA vision is to create a better everyday life for the many people. IKEA offers a wide range of well designed, functional home furnishing products at prices so low that as many people as possible will be able to afford them.

IKEA Southeast Asia operates in Singapore, Malaysia and Thailand and have an ambitious expansion plan to bring a little bit of Sweden to new markets in the region. It is part of the Ikano Group of companies and is the only IKEA franchisee owned by the Kamprad family.

IKEA Southeast Asia also develop, own, and operate shopping centres that are anchored by IKEA, and create walkable communities by including residential, office and other types of real estate in their development plans.

Aspen Vision City is a mega-scaled mixed development jointly developed by Aspen Group and IKEA Southeast Asia. This is among the first mixed-use investments made by IKEA Southeast Asia in property development in Southeast Asia. Aspen Vision City comprises mixed residential and commercial properties, including a regional integrated shopping centre and the very first IKEA store in the Northern Region of Malaysia.

In Aspen Vision City masterplan, IKEA Southeast Asia owns 20% equity in the mixed development and Aspen Group owns 30% equity in the Regional Integrated Shopping Centre development.

IKEA Global Facts & Figures 2018

Source: Inter IKEA Systems B.V.

⦿ IKEA Retail Sales

38.8 billion Euros

(excluding consumption tax)

⦿ IKEA Website Visits

2.5 billion

⦿ IKEA Store Visits

957 million

⦿ IKEA Store Worldwide

422 stores

(19 New IKEA stores in 2018)

⦿ IKEA Co-workers

208,000

Collaboration Partners





Marriott International, Inc.
Global Hospitality Brand

Marriott International, Inc. (NASDAQ: MAR) is based in Bethesda, Maryland, USA, and encompasses a portfolio of more than 6,900 properties in 30 leading hotel brands spanning 130 countries and territories.

Marriott operates and franchises hotels and licenses vacation ownership resorts all around the world. The company now offers one travel program, Marriott Bonvoy™, replacing Marriott Rewards®, The Ritz-Carlton Rewards®, and Starwood Preferred Guest® (SPG).

The hotel management agreement between Aspen Vision City and Marriott International, Inc. will see an expansion of the Aloft Hotels brand in the mainland province of Penang, Malaysia. Aloft Penang Batu Kawan will welcome business and leisure travellers as well as local staycationers and shoppers to a region known as the 'Silicon Valley of the East' for its high tech manufacturing hubs and extensive industrial, retail and leisure parks.

Together, Aspen Group and Marriott International, Inc. will anchor the tourism and hospitality sector and boost the vibrancy of Batu Kawan by providing extensive support network to the business activities.



LG Electronics Inc.
Home Electronics Provider

LG Electronics Inc. (LG) is a multinational electronics company headquartered in Seoul. Employing more than 80,000 employees working in 119 subsidiaries worldwide, LG comprises four business units: home entertainment, mobile communications, home appliance and air solution, and vehicle components. With an array of expertise and a vast business model, LG is one of the world's leaders in smart electrical and electronic home appliances.

With both corporations placing importance on the experiences of their clientele, LG and Aspen Group will introduce ways to integrate its smart products and devices with the technology that is being offered within the developments of Aspen Group.



Columbia Asia Group
Advanced Healthcare Provider

Columbia Asia Group is an international private healthcare company, with the vision to be the preferred healthcare service provider of choice for families and businesses. At Columbia Asia, a combination of best practices of architecture, technology and human proficiency result in the efficiency of patient care, which is what Columbia Asia strives for. With a highly skilled team of committed medical staff, Columbia Asia set themselves apart to accommodate every patient's needs.

Columbia Asia Medical Centre provides an array of medical services through the operation of hospitals as well as clinics across the region in countries such as India, Malaysia, Vietnam and Indonesia; with a view to expand their market by developing a few more hospitals such as in Batu Kawan, Johor, and in Klang – all of which are situated in Malaysia.

Columbia Asia Medical Centre will be located in Aspen Vision City and is the only private healthcare provider in Batu Kawan.



Antah Schindler Sdn. Bhd.

Smart Mobility Provider

Antah Schindler Sdn. Bhd. is the wholly owned subsidiary of the partnership between Syarikat Persaka Antah Sdn. Bhd. and Jardine Schindler Pacific BV. Today, it is an authorised distributor and service provider for Schindler elevators and escalators for the whole of Malaysia.

Smart Digital Solutions are a cornerstone of Schindler's pioneering equipment; and encompass remote monitoring, advanced analytics, intelligent elevator dispatching for optimum traffic performance, personalised passenger services, and smartphone building access and mobility technology, among others.

The signing of a strategic collaboration serves as a framework for cooperation and information exchange between the parties on the design, engineering, supply, delivery, installation, testing and commissioning of both mobility systems and Smart Digital Solutions for all Aspen Group developments. The partnership between Aspen Group and Schindler will see the implementation of smart digital urban mobility solutions in Aspen Group's developments, starting with the Vervea shop offices in Aspen Vision City.



Telekom Malaysia Berhad

Smart Technology Provider

Telekom Malaysia Berhad is Malaysia's Convergence Champion and the No. 1 Converged Communications Service Provider in Malaysia. Telekom Malaysia is known for offering a comprehensive range of communications services and solutions in broadband, data and fixed-line.

Through this collaboration with Telekom Malaysia, we are able to leverage on their extensive global connectivity, infrastructure and collective expertise, and will be able to propel Aspen Vision City to become the ideal Smart City that is not only conducive, but also sustainable in the long run.

We will work with Telekom Malaysia in its aim to transform into a new generation communications provider, to deliver an enhanced and integrated digital lifestyle to all – through connection, communication, and collaboration.



Teka Küchentechnik (Malaysia) Sdn. Bhd.

Home and Kitchen Appliances Provider

The Teka Group is a multinational company founded in Germany in 1924 and is one of the leaders in the manufacture and commercialisation of kitchen and bath products, ceramic glazes, industrial containers, and professional kitchens.

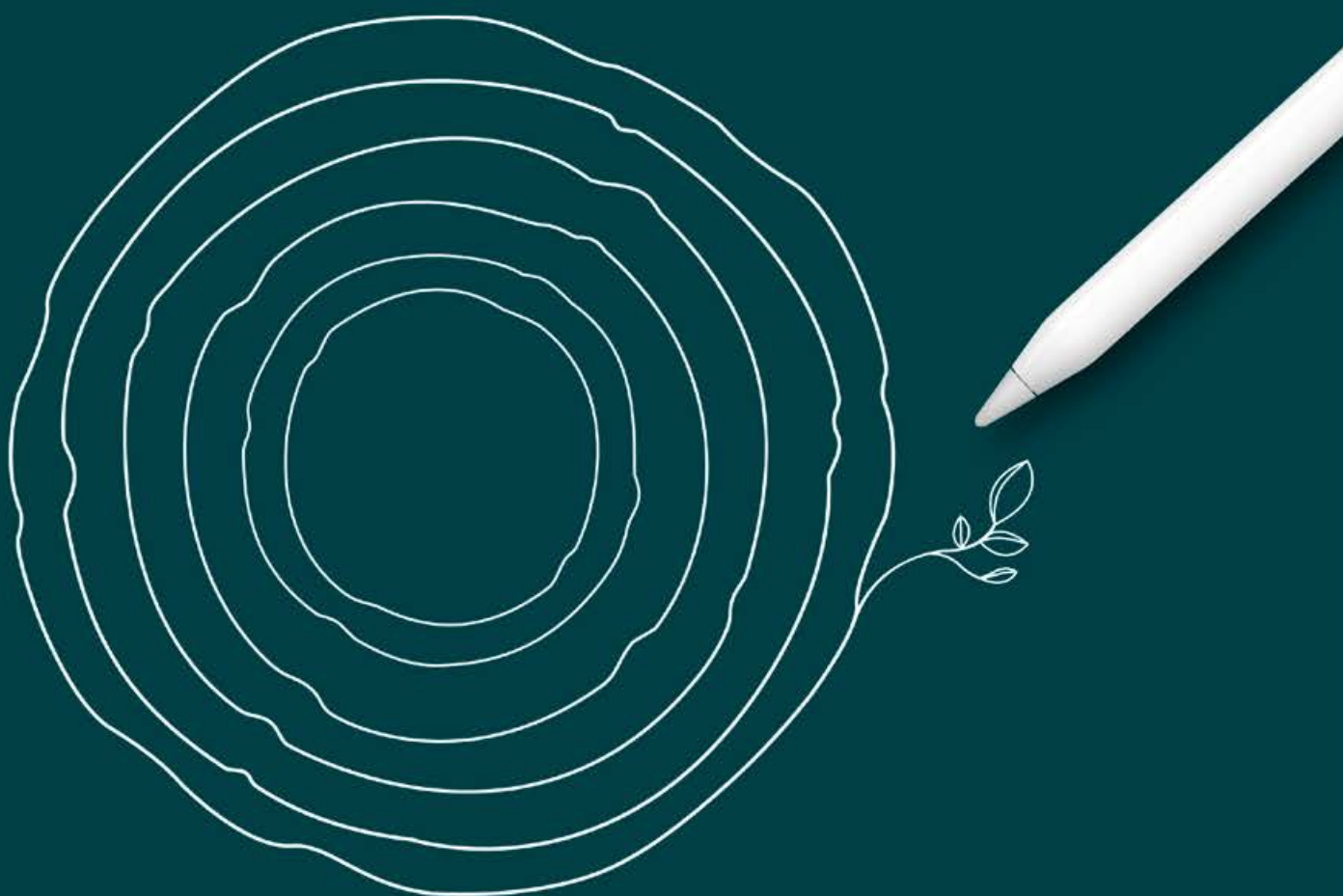
Teka currently boasts 25 factories that are spread across three continents, and therefore enables them to share their products to people in over 110 countries, and to more than 100 million consumers.

The partnership will see the use of Teka home and kitchen appliances for Vertu Resort, the first residential development in Aspen Vision City.

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DEDICATION

Dedication is not what others expect of you,
it is what you can give to others.

Meet The Board Of Directors



Dato' M. Murly
President and Group Chief Executive Officer

Early in his career, Dato' M. Murly accomplished the feat of being appointed as one of the youngest Executive Directors and COOs in the history books of Malaysia's Public Listed Companies. Now he holds the prime position in the company which he co-founded.

Dato' Murly is a man driven by passion in what he does. His passion, coupled with foresight, creativity and innovation, is what propels Aspen Group forward and sets it apart from all its competitors today.

Armed with solid industrial knowledge from managing design and construction executions, and a holistic sense of community building from his town and

urban master planning days, Dato' Murly is an insightful strategist when it comes to building the Group's business model.

He has a compelling humane vision and desire that drives his every business decision - to improve the lives of people. A firm believer that one should constantly learn and grow, Dato' Murly has amassed knowledge in other fields beyond his profession, in order to stay ahead and be relevant.

To the outside world he is known for his penchant for revolutionary thinking and to those who work with him – he is an esteemed leader who leads with passion, action and by example.



Cheah Teik Seng

Chairman and Independent Non-Executive Director

Mr. Cheah Teik Seng has held senior management positions in various top international investment banks including Chase Manhattan Bank, BNP Paribas, UBS, Goldman Sachs and Merrill Lynch. He has held extensive directorships in the banking and finance industry, including an independent non-executive directorship with a company listed on the Australian Securities Exchange.

With a long career track record covering multiple regions such as Malaysia, Singapore, Hong Kong and London, Mr. Cheah brings to the Board an unmatched degree of global perspective as well as a great depth of banking and financial expertise.



Dato' Seri Nazir Ariff Bin Mushir Ariff

Executive Deputy Chairman

Dato' Seri Nazir Ariff is the co-founder of the Group and has been appointed as Executive Deputy Chairman of the Group.

With over 40 years of business experience and has spent more than a decade on the forefront of the property sector, Dato' Seri Nazir Ariff is not only a revered expert in the Malaysian commerce and commodities sectors, but also a veteran in the property development industry.

He has had a remarkable and multifaceted career, taking on key leadership roles in trade and playing an important part in developing areas of public interest.

From acting as an independent director in public listed companies, to trading in the tin smelting market, managing financial assets to managing football clubs, championing animal rights to fostering youth scholarships programmes, Dato' Seri Nazir Ariff has more than a few feathers in his cap and his all-rounder abilities have proven to be invaluable to establishing the roots of Aspen Group.

Leveraging on his wide-ranging experience, business acumen and mentoring spirit, Aspen Group is well-positioned to effectively navigate the ever-changing corporate environment and accomplish greater success.



Ir. Anilarasu Amaranazan PJM, PJK
Group Managing Director

Ir. Anilarasu Amaranazan joined our Group in June 2015 as Operations Director, before becoming our Chief Operating Officer in November 2016. As of February 2019, he has been promoted as the Group Managing Director. In his role, Ir. Anilarasu's responsibilities include developing and executing viable business strategies, overseeing the Group's financial performance, operations, marketing activities, investments and business ventures as well as implementing such policies and procedures as part of the overall quality management system for the Group.

Prior to this, he was the Head of the Technical Department in EcoWorld Berhad from July 2014 to June 2015, where he was responsible for the overall project management, project

planning, implementation, design and construction review. Prior to that, he was a Project Engineer and Head of the Technical Department in S P Setia Berhad (Penang) from June 2006 to July 2014. He started his career as a Site Engineer with TNH Construction Sdn. Bhd. in May 2005.

Ir. Anilarasu obtained his Bachelor of Engineering (Civil) in August 2005 and a Masters of Science (Construction Management) in March 2011, both from the University Teknologi Malaysia, and has been admitted as a member of the Institute of Engineering Malaysia since May 2009, and has been accredited as a professional member of the Board of Engineers Malaysia since September 2012.



Dr. Lim Su Kiat
Non-Independent Non-Executive Director

Dr. Lim Su Kiat has held senior positions in Investment Management and Capital Transactions across various Real Estate Funds and Asset Management firms in Asia and Australia including Allco Finance, Frasers Centrepoint Group, Rockworth Capital Partners and Firmus Capital. Dr. Lim has extensive experience in the area of direct investments, real estate capital markets and REITs in real

estate markets of Asia including Japan. He holds and has held directorships in the Property Funds and Asset Management firms.

Dr. Lim's multi-jurisdictional experience in the Real Estate Investment and Asset Management industry brings to the Board an in-depth perspective of the real estate markets in the region.



Dato' Alan Teo Kwong Chia

Independent Non-Executive Director

Dato' Alan Teo Kwong Chia has served in top and executive roles in various prestigious organisations including AIA Berhad, Great Eastern Life and Genting Group. A specialist in the areas of Human Resources, Operations, Organisational Design and Business Process Management, Dato' Alan has worked in various management consulting capacities with renowned clients such

as Exxon Mobil, Maxis, Ansel, Beiersdorf, Dairy Farm, HSBC and many more.

Dato' Alan's consulting experience and operational expertise brings a different dimension to the Board's makeup, and allows Aspen Group to thrive in more areas of operations both internally and externally.



Ching Chiat Kwong

Non-Independent Non-Executive Director

Mr. Ching Chiat Kwong who possesses more than 20 years of industry experience currently serves as the Executive Chairman and CEO of the Oxley Holdings Limited in Singapore. He has established a track record to identify market trends and business opportunities that has enabled him to chart the course for Oxley's phenomenal growth in the development of industrial, commercial and residential projects in Singapore and overseas. His keen insight and in-depth knowledge of the industry gives him the

advantage to formulate viable corporate strategies that boost the overall performance of Oxley. Testament to this is Oxley's completion of the then largest initial public offering on the Catalist of the Singapore Exchange ("SGX").

With such an impressive track record, Mr. Ching's addition to the Board is expected to be a significant contribution in Aspen Group's continued growth and expansion plans to attain greater business value in the real estate industry.



Dato' Choong Khuat Seng, Finn

Independent Non-Executive Director

Dato' Choong Khuat Seng who is esteemed for being a multi-disciplined economist and business rights activist, has extensive experience in multiple sectors, including property construction, building materials, real estate services and property investment. He holds a Bachelor of Economics (Hons) and an MBA, and was awarded the prestigious Darjah Setia Pangkuan Negeri (DSPN) in 2011. Over the past 30 years, Dato' Choong has held numerous positions of influence through which he has served businesses as well as the people.

This includes his service as Municipal Councillor for Penang Island Municipal Council, President of the Penang Master Builders & Building Materials Dealers Association and also as the Vice President of the Penang Chinese Chamber of Commerce.

His multifaceted approach and extensive network are expected to play a significant role in Aspen Group's focus in achieving its business goals and diversification initiatives.

Profiles of Key Management



Ir. Woo Kok Weng
Executive Director

Ir. Woo Kok Weng joined our Group in January 2014 as a General Manager, and was promoted to the position of Executive Director. Prior to joining our Group, Ir. Woo was the Regional General Manager (Northern Region) of the Mah Sing Group from April 2011 to December 2013, where he was responsible for the operations of the Company. Prior to that, he was an Assistant General Manager at Sunway City Berhad from June 2008 to March 2011, and at Sunway City Ipoh from March 2006 to May 2008. Ir. Woo started his career at the Public Works Department in May 1979 as a Technical Assistant and was promoted to a Senior Assistant Director in October 1985.

Ir. Woo obtained his Diploma in Civil Engineering in the University of Technology Malaysia in September 1979. He obtained a Bachelor of Science (Honours) (Civil Engineering) in July 1985 from the University of Glasgow. Ir. Woo also obtained his Master of Science (International Construction Management and Engineering) from the University of Leeds in September 1998. He has been a member of the Institute of Engineers Malaysia since January 1992 and was accredited as a professional member of the Board of Engineers Malaysia since September 1992.



Zainun Binti Abdul Rahman PJK, PKT, BCN
Executive Director

Pn. Zainun Binti Abdul Rahman joined our Group as an Executive Director in January 2015, and has since been in charge of corporate structuring, strategic collaboration and business portfolio creation and development. She joined Penang Development Corporation (PDC) as a Legal Officer in August 1998, and was appointed to numerous positions such as Unit Head, and thereafter as a Manager. Prior to joining our Group, Pn. Zainun was previously a Senior Manager at PDC from October 2004 to January 2015, where she formulated and executed legal principles

and business practices for various complex state project developments.

Pn. Zainun holds a Bachelor of Law from the University of Malaya, which she obtained in September 1998. In February 2000, she obtained a Diploma in Management from the Malaysian Institute of Management. Pn. Zainun has received several awards from the Penang State Government namely the Pingat Jasa Kebaktian in July 1994, the Pingat Kelakuan Terpuji in July 2002, and Bintang Cemerlang Negeri in July 2008.



Lim Soo Aun

Chief Financial Officer

Mr. Lim Soo Aun joined our Group as Financial Controller in September 2018 and he is now the Chief Financial Officer. Mr. Lim is responsible for the financial and risk management operations of the company which includes development of financial and operational strategies, close monitoring of management control systems and financial results.

Prior to joining the Group, he was the General Manager of Leader Steel Holdings Berhad from March 2010 to October 2017, where he was responsible for daily operational management, sales performance, profitability, accounting, finance and corporate finance of the group. He started his career in 1989 in audit division with J.B. Lau & Associate (nka Grant Thornton). He was later attached with Consulnet Management

Services Sdn. Bhd. in August 1997 to October 2004 as Director and Senior Consultant to take charge of consultancy division, providing professional business advisory services to wide spectrum of clientele including public listed companies and multinationals. He has 30 years of professional experience in accounting, finance, corporate finance, mergers and acquisition, and operational management. He was involved in numerous corporate exercises in Bursa Malaysia and Dubai International Financial Exchange (DIFX).

He graduated from The Institute of Chartered Secretaries and Administrator (ICSA), United Kingdom. He is an Associate Member of Malaysia Institute of Chartered Secretaries and Administrator (ACIS).



Cheah See Peng, Celine

Chief Operating Officer

Ms. Cheah See Peng joined our Group as our Design Director in October 2014 and was subsequently promoted as the Group's Chief Operating Officer in February 2019. Ms. Cheah is responsible for the implementation of project team's daily operations, aligned with the Group's long-term business goals and strategies.

Prior to joining Aspen Group, Ms. Cheah was a Design Manager at G&A Consultancy Sdn. Bhd., one of the subsidiary companies of Ivory Properties Group Berhad for more than 8 years. She joined G&A Consultancy Sdn. Bhd. as Project Coordinate in 2005 and was

promoted to Technical Manager in 2009. During her tenure with G&A Consultancy Sdn. Bhd., she was responsible in overseeing and coordinating all projects, developing and executing the project construction drawing and detailing based on the approved conceptual design. She was also responsible to coordinate with technical consultants to ensure that the design development is monitored and the technical inputs and details has fulfilled the development requirements. Ms. Cheah has extensive experience in technical and conceptual design drawing, especially in property development and project management.



Chong Meng Fong, Joanne

Financial Controller

Ms. Chong Meng Fong joined our Group as a Management Accountant in February 2014, and was subsequently promoted to Chief Accounts and Credit Officer in September 2014. In February 2019, Ms. Chong has been appointed as the Financial Controller of the Group. As the Group's Financial Controller, Ms. Chong is responsible to ensure that the Group is operating effectively and efficiently by overseeing all functions of the Group's account and credit control department.

Prior to joining our Group, she was the Group Accountant at Hunza Properties Berhad from June 2006 to February 2014, and a Finance Manager at Thong Sin Group of Companies from April 2001 to February 2006 where she

was responsible for the accounting, financial reporting, treasury and taxation functions of the group. Prior to that, she was an Accountant at Eng Hardware Engineering Sdn. Bhd. from February 1999 to April 2001. She started her career as an Auditor at Saw & Company from February 1995 to February 1999.

Ms. Chong obtained a Master of Business Administration from the Universiti Sains Malaysia in August 2007. Prior to that, she has already been admitted by the Malaysian Institute Accountants as a Public Accountant in July 1999 and a Chartered Accountant in June 2001. Ms. Chong was also admitted as an Associate of the Association of Chartered Certified Accountants in November 1998, and subsequently a Fellow in November 2003.



Rowena Nair

Head of Legal and Corporate Affairs

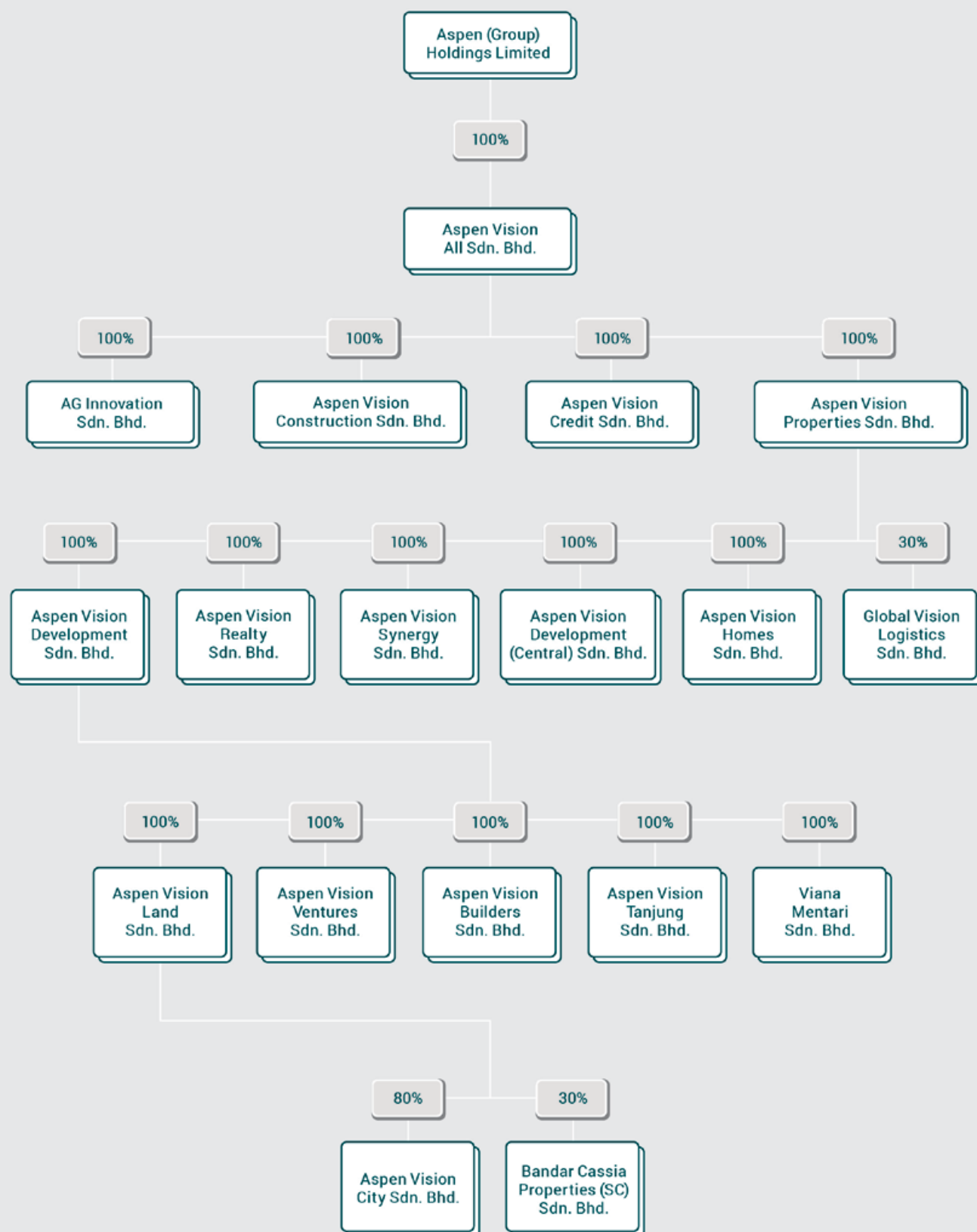
Ms. Rowena Nair joined our Group in June 2014 as a Manager in our Legal and Corporate Affairs department and was subsequently promoted to Head of Legal and Corporate Affairs in September 2014. In her role, she is responsible in overseeing the legal and corporate affairs of the Group. Prior to this, Ms. Nair was a Legal Assistant at M/s K. Ahmad & Yong from March 2009 to May 2014 and a pupil in chambers at M/s Ghazi & Lim from January 2008 to November 2008.

Ms. Nair obtained a Bachelor of Laws (Honours) from the University of London (External) in August 2006 and a Certificate of Legal Practice from the Legal Profession Qualifying Board, Malaysia in September 2007. She was admitted to the Malaysian Bar as an advocate and solicitor in January 2009.



When others see an empty spot, we
set it as a scene for growth

Corporate Structure



Corporate Information

Board Of Directors	Dato' Murly Manokharan (President and Group Chief Executive Officer) Mr. Cheah Teik Seng (Chairman and Independent Non-Executive Director) Dato' Seri Nazir Ariff bin Mushir Ariff (Executive Deputy Chairman) Ir. Anilarasu Amaranazan (Group Managing Director) Dr. Lim Su Kiat (Non-Independent Non-Executive Director) Dato' Alan Teo Kwong Chia (Independent Non-Executive Director) Mr. Ching Chiat Kwong (Non-Independent Non-Executive Director) Mr. Low See Ching (Liu Shijin) (Alternate Director to Mr Ching Chiat Kwong) Dato' Choong Khuat Seng (Independent Non-Executive Director)
Audit Committee	Mr. Cheah Teik Seng (Chairman) Dato' Alan Teo Kwong Chia Dr. Lim Su Kiat
Nominating Committee	Dato' Alan Teo Kwong Chia (Chairman) Dato' Murly Manokharan Mr. Cheah Teik Seng Dato' Choong Khuat Seng
Remuneration Committee	Mr. Cheah Teik Seng (Chairman) Dato' Alan Teo Kwong Chia Dr. Lim Su Kiat
Joint Company Secretaries	Ms. Pan Mi Keay, ACIS Ms. Ong Bee Choo, ACIS
Registered Office	80 Robinson Road #02-00 Singapore 068898 Tel: +65 6236 3333 Fax: +65 6236 4399 Email: investorrelations@aspen.com.my Website: aspen.sg
Principal Place of Business	Aspen House 300 Jalan Macalister 10450 George Town Penang, Malaysia Tel: +604 227 5000 Fax: +604 227 5005
Share Registrar	Tricor Barbinder Share Registration Services (a division of Tricor Singapore Pte. Ltd.) 80 Robinson Road #11-02 Singapore 068898
Auditors	KPMG LLP Public Accountants and Chartered Accountants 16 Raffles Quay #22-00 Hong Leong Building Singapore 048581 Partner-in-Charge: Ms Karen Lee Shu Pei Date of Appointment: 16 March 2017
Sponsor	PrimePartners Corporate Finance Pte. Ltd. 16 Collyer Quay #10-00 Income at Raffles Singapore 049318
Principal Bankers	OCBC Bank (M) Berhad Hong Leong Bank Berhad Malayan Banking Berhad CIMB Bank Berhad



Facilitating knowledge sharing between Aspen Group and
IKEA Southeast Asia at the IKEA Batu Kawan construction site

Aspen Group Annual Report 2018

Chapter 04

Development Projects

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BOLDNESS

Ultimate success comes from opportunistic and bold moves which cannot be planned.

Development Projects



Aspen Vision City is a masterfully planned development spanning across 245-acre of freehold land in Batu Kawan, Penang

ASPEN VISION CITY

Flagship Development



“Aspen Group was the first to answer the call to spearhead the realisation of this vision to create an intelligent and self-sustaining metropolis designed for living in the future, today.”

Hinterland. Quiet backwater. Plantation country. These were the views once held of the land in Bandar Cassia, Batu Kawan, before Penang Development Corporation cast its call for visionary developers that could transform it into the third satellite city of Penang. Aspen Group was the first to answer the call and to spearhead the realisation of this vision to create an intelligent and self-sustaining metropolis designed for living in the future, today.

Recognising the catalytic potential of this opportunity and driven by the challenge to completely redefine this area of the country, Aspen Group invested in 245-acre of freehold land ahead of making headways to a joint-venture partnership with IKEA Southeast Asia to develop Batu Kawan into an iconic hub of the Northern Region of Malaysia.

This flagship development with a gross development value of RM13 billion quickly became known throughout the nation as Aspen Vision City, the first smart-city in the making. Masterfully planned to attract the attention of investors both locally and internationally, Aspen Vision City will feature a state-of-the-art regional integrated shopping centre and the first IKEA lifestyle furniture store in the Northern Region in Malaysia.

As an integrated development with first-class infrastructure and amenities, Aspen Vision City comprises an eclectic mix of residential and commercial components ranging from luxurious designer homes to the region's future Central Business

District; an Aloft Hotel, office towers, serviced residences, and a transportation hub; and it also features a green oasis in the form of a 25-acre Central Island Park at its heart. With the first and second phases of Aspen Vision City's development successfully launched Aspen Group has successfully completed its first commercial development, Vervea commercial precinct and the first phase of Central Island Park, besides relishing on the opening of the first IKEA store in the Northern Region of Malaysia that fell on 14 March 2019. Construction works for Vertu Resort condominium and Columbia Asia Medical Centre are being carried out as scheduled.

To develop Aspen Vision City to be the most advanced city in Malaysia and a model state for smart living, Aspen Group formed powerful partnerships with global industry leaders to provide their best services and solutions that would meet the multi-faceted needs of end-users. Pioneering collaborations with techgiants such as LG Electronics, Inc. and Telekom Malaysia Berhad, Aspen Vision City will boast levels of smart-city infrastructure that is unmatched by any other development in the country.

Aspen Vision City is envisaged to spur a culture of innovation by establishing the platform to enable new business models to emerge and provide a holistic environment in which urban technopreneurs can live, work, and play. As an integrated city that is designed for the future, Aspen Vision City will

🎯 Highlights

- Freehold
- A RM13 billion master development jointly developed by Aspen Group and IKEA Southeast Asia
- Full-fledged smart city masterplan
- Transforming retail, shopping and entertainment experiences
- World class healthcare and medical facilities
- Masterfully planned to be a bustling hub
- GBI certified eco-metropolis

introduce a comprehensive cloud computing infrastructure platform supported by the deployment of high-speed converged ICT and next generation smart services, while preparing to incorporate the development of infrastructure driven by the 'Internet of Things'.

These are just the tip of the iceberg for the many plans in which Aspen Group will leverage on to transform what was once considered a desolate piece of land, into a world-class smart metropolis. One that will remarkably redefine the way developers build for a sustainable and innovative future and redefine living for all.

IKEA BATU KAWAN & REGIONAL INTEGRATED SHOPPING CENTRE



The Northern Region's first and only IKEA store at Aspen Vision City is the subject of a RM600 million investment from IKEA Southeast Asia and comprises a built-up area of over 40,000 sqm. Opened on 14 March 2019, the store is wholly owned and operated by IKEA Southeast Asia. It is the anchor of the Regional Integrated Shopping Centre, a 92,903 sqm shopping paradise featuring an exciting mix of retail, food and beverage, entertainment and many more.

The highly popular Swedish furniture chain will bring an extensive range of modern and affordable home furnishings to the region, in addition to a variety of

job opportunities and economic spin-offs for the surrounding communities and businesses. Its strategic location in the heart of Batu Kawan also means the IKEA Batu Kawan will serve a population of over 6 million in the Northern Region of Malaysia, ensuring a uniquely vibrant, ever bustling commercial landscape in Aspen Vision City.

IKEA Batu Kawan fronts the main intersection of Bandar Cassia. Together with the Regional Integrated Shopping Centre and Vervea, the IKEA store will be amongst the first destinations greeting thousands of visitors daily.

🕒 Highlights

- First IKEA store in the Northern Region
- World's largest home furnishing retailer
- A RM1.6 billion investment
- Serving a population of more than 6 million in the Northern Region

🕒 Gross Floor Area
158,081 sqm

COLUMBIA ASIA MEDICAL CENTRE



At Aspen Vision City, you don't have to look far for top healthcare facilities and services. Columbia Asia, a renowned international hospital chain with medical facilities all across Asia, forms an integral part of Aspen Vision City's masterplan.

A RM185 million investment by Columbia Asia Sdn. Bhd., the medical facility will occupy a site measuring approximately 3 acres. Equipped with 150 beds, it will be the only full-service Columbia Asia Medical Centre in Penang and the second in the Northern Region.

⦿ Highlights

- Leading healthcare establishment with 29 hospitals across Asia
- Equipped with 150 beds
- Fully equipped with state-of-the-art facilities
- Integrated with Vittoria Financial Centre

⦿ Gross Floor Area
36,790 sqm

CENTRAL ISLAND PARK



Awe-inspiring zones, magnificent structures and thematic experiences will transform every visit to the Central Island Park into a spectacular experience.

It features an award breaking 52-meter high water fountain recognised by The Malaysia Book of Records that shoots up to the sky, thrilling skywalks that gives a stunning view of the whole park and astonishing landscapes that lead to a wondrous world.

Equipped with a wide range of amenities and community-centric facilities, the Central Island Park is the ideal backdrop

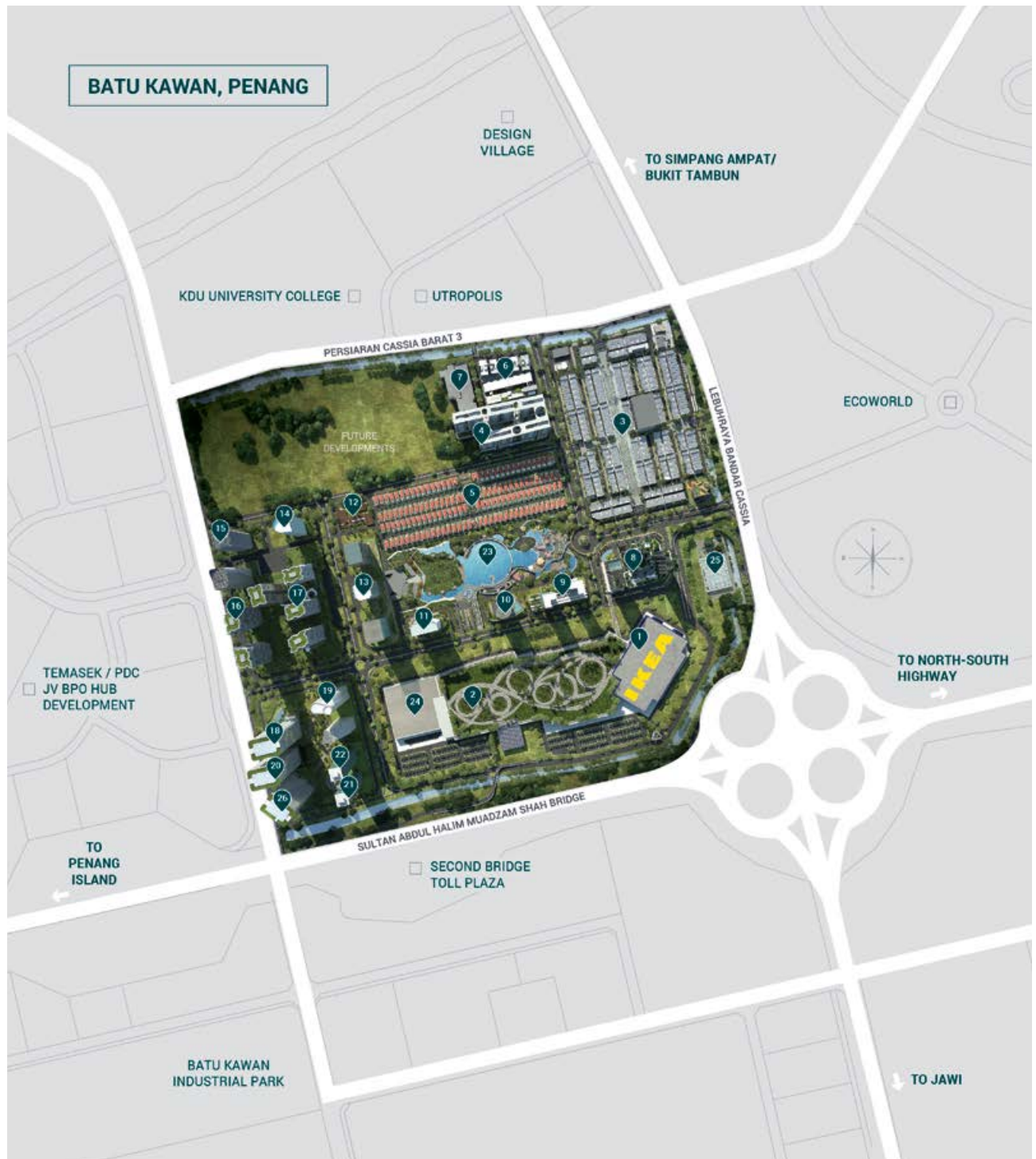
for an abundance of activities ranging from community events and family activities to various recreational pursuits.

The Central Island Park has been zoned into 4 phases, each with its own captivating mix of recreational offerings, with the first phase officially launched on 17 October 2018. Since then, throngs of local visitors and tourists visited the park.

© Highlights

- Spanning across 25-acre of unprecedented green space to create a conducive community
- Central blue lagoon with a 52m high water jet
- Variety of thematic gardens and creative landscaping
- Comprehensive community amenities
- Contemporary landmark sculptures creating a distinctive sense of place

MASTER PLAN OF ASPEN VISION CITY



- | | | |
|--|----------------------------------|---|
| 1 IKEA Batu Kawan | 9 Retail & Residential | 18 Retail / Office & Residential |
| 2 Regional Integrated Shopping Centre | 10 Retail & Residential | 19 Retail / Office & Residential |
| 3 Vervea Shop Offices | 11 Retail & Residential | 20 Medical Centre & Healthcare Facilities |
| 4 Vertu Resort | 12 International School | 21 Retail / Office & Residential |
| 5 Viluxe | 13 Retail / Office & Residential | 22 Retail / Office & Residential |
| 6 Vittoria Financial Centre | 14 Residential | 23 25-acre Central Island Park |
| 7 Columbia Asia Medical Centre | 15 Residential | 24 Transportation Hub |
| 8 Vogue Lifestyle Residence, Aloft Hotel, Office Suites & Retail | 16 Retail / Office & Residential | 25 Auto Hub |
| | 17 Retail / Office & Residential | 26 Vivo Executive Apartment |

VERVEA

Ready for Business Opportunities
TOP Obtained



The largest gated and guarded commercial precinct in the Northern Region of Malaysia

Being the first phase of the Aspen Vision City masterplan, Vervea comprises 434 units of 3 and 4 storey shop offices complemented with a host of business enhancing amenities. One of the highlights includes the longest and largest Ethylene Tetrafluoroethylene (ETFE) roof canopy in the country covering the 300-metre High Street recognised by The Malaysia Book of Records.

The components of Vervea strategically positions external linkages, a boutique hotel, a multi-storey carpark and Vervea Trade & Exhibition Centre (VTEC).

Vervea also boasts cutting edge features such as smart parking system, automated waste management, real time digital signages and will be fibre optic ready.

Easily accessible from the Penang Second Bridge, North-South Highway and other major roads, Vervea enjoys high traffic flow from Penang Island as well as the Northern Region. Business establishments also benefit from being neighbours with the popular IKEA Batu Kawan, an incomparable commercial advantage that takes the potential of Vervea to the next level.

Vervea Trade & Exhibition Centre (VTEC) is situated 12 storeys above a multi-storey car park and will feature versatile exhibition areas that can be divided into separate halls, with an equally expansive pre-function area. It will also house a VIP and organiser rooms as well as kitchen and food preparation areas.

Highlights

- Freehold
- 300-metre ETFE roof canopy covered High Street
- Every unit is equipped with its own individual elevator
- A world class trade and exhibition centre with an area of approximately 3,530 sqm
- TOP obtained in January 2019

GDV

RM998.5 mil

Total Units

434

Gross Floor Area

186,563 sqm



Vervea, Aspen Vision City, Penang
TOP obtained in January 2019

TRI PINNACLE

Ready to Move In
TOP Obtained



First affordable condominium with state-of-the-art rooftop facilities

TRI PINNACLE is a project of many firsts, most notably being the first private-initiated affordable housing project in Penang. The project is widely recognised as the catalyst initiative that inspired a host of similar affordable developments from other private developers across Penang.

Conceptualised with today's modern families in mind, TRI PINNACLE offers

an ideal balance of space, lifestyle and convenience. From the practical living spaces to the lifestyle facilities and its prime location, TRI PINNACLE has successfully set a new benchmark for affordable housing projects.

Making TRI PINNACLE even more outstanding is its full-fledged condominium facilities, which include a sky infinity swimming pool and gymnasium at the rooftop. TRI PINNACLE is poised to make an indelible mark on Penang's affordable housing scene.

⦿ Highlights

- Freehold
- First private-initiated affordable housing project in Penang
- Affordably priced condominium with full-fledged condominium facilities
- Highly sought-after location in Tanjung Tokong
- TOP obtained in December 2018

⦿ GDV

RM429.3 mil

⦿ Total Units

1,317

Gross Floor Area

⦿ **28,449 sqm**



TRI PINNACLE, Tanjung Tokong, Penang
TOP obtained in December 2018

VERTU RESORT

Ongoing Developments



Resort-inspired Urban Development

As the first residential development in Aspen Vision City, Vertu Resort is also the first resort-inspired high-rise development on mainland Penang. It is conceptualised to become a sustainable development, with complimentary eco-friendly features to meet Green Building Index certification standard.

Each unit will be completed to a move-in condition equipped with electrical and kitchen appliances and home furnishing.

Vertu Resort packs plenty of facilities and amenities to suit individual styles and preferences. It is designed to be a haven of space, comfort and indulgence. From the 152-metre swimming pool to the rock climbing adventure area, Vertu Resort offers an abundance of activities in a holistic living environment that caters for everyone.

Set to raise the standard of living for everyone, it provides a first-look into a cosmopolitan lifestyle.

⦿ Highlights

- Freehold
- Versatile layouts cater for different needs
- Move-in condition with furniture, electrical and kitchen appliances
- 18,580 sqm of facilities spaces
- Expected Date of TOP: Q4 2020

⦿ GDV

RM664.8 mil

⦿ Total Units

1,246

⦿ Gross Floor Area

131,331 sqm



Vertu Resort
Aspen Vision City, Penang

BEACON EXECUTIVE SUITES

Ongoing Developments



A Glittering Icon of Exceptional Modern Living

Gracing the skyline at 30-storey high and located within one of the most well-connected enclaves in Penang, Beacon Executive Suites promises the best of both worlds, as it provides connectivity and conduciveness amidst one tranquil setting.

Designed to cater for all, it features a unique and distinctive Sky Podium at its highest floor, which commands a panoramic 360-degree view and houses a full range of lifestyle facilities that include an Infinity Sky Pool, Sky Lounge, Sky Gym and many more.

Beacon Executive Suites offers ready to move-in condition suites with exquisite finishing, impeccable decor and thoughtful furnishing all around.

It is poised to set new standards in living as all units will be fitted with cutting edge smart features like smart services platform and on-the-go mobile applications for urbanites that are constantly on the move.

With futuristic smart lifestyle at its residents' fingertips, Beacon Executive Suites is set to change and redefine the landscape of smart living in Penang.

⦿ Highlights

- Freehold
- Equipped with IoT smart service solutions to enhance your home's functionality
- Ready to move-in condition
- Sophisticated rooftop Infinity Sky Pool, Sky Lounge and Sky Gym
- Expected Date of TOP: Q3 2020

⦿ GDV
RM149.4 mil

⦿ Total Units
227

⦿ Gross Floor Area
24,049 sqm



Beacon Executive Suites
George Town, Penang

VILUXE

Pipeline Developments



Landed Icon for Luxurious Living

Conceptualised for the privileged few that appreciate the finest things in life, Viluxe is the one and only freehold premium landed residence in Aspen Vision City and occupy the utmost centre of the project master plan.

Strategically located next to the 25-acre Central Island Park, Viluxe is conveniently connected to other Aspen Vision City components including IKEA Batu Kawan, Regional Integrated Shopping Centre, Vervea, Vertu Resort, Columbia Asia Medical Centre, Aloft Hotel and much more.

Viluxe is a representation of affluence within a thriving metropolis, which constantly see possibilities beyond merely being a residential address. It's a conviction of modern living with unparalleled connectivity to the existing economic powerhouse within Northern Corridor.

Viluxe is set to be a new hallmark for landed residential developments on Mainland Penang.

🕒 Highlights

- The first and only Freehold premium landed homes in Batu Kawan
- The most prominent address on mainland Penang
- Gated and guarded landed community
- Fronting and with exclusive access to the 25-acre Central Island Park
- Expected Date of TOP: 2022

🕒 GDV

RM346 mil

🕒 Total Units

356

🕒 Gross Floor Area

86,225 sqm



Viluxe
Aspen Vision City, Penang

VOGUE LIFESTYLE RESIDENCE, HOTEL & OFFICES

Pipeline Developments



The Icon of Modern Living

Situated in the middle of urbanity, Vogue Lifestyle Residence is a mixed development integrated with Aloft Hotel and IKEA Batu Kawan offering 2 and 3 bedroom suites with dual key options to suit the versatile needs of buyers, especially upgraders.

The Aloft Hotel is the first international business class hotel in Batu Kawan and it houses 308 rooms with its signature bold colour palettes and high-speed Wi-Fi as well as equipped with top-notch amenities.

Beyond the modern tranquility lies some of the most celebrated neighbours others could only hope for, which including the

first IKEA store and Regional Integrated Shopping Centre in the Northern Region which Vogue offers direct access to.

Vogue Lifestyle Residence is the new icon of contemporary living in the growing urban centre of Batu Kawan, Penang. It is an attraction to a myriad of international and local corporations, businesses and brands, with facilities and amenities all within easy reach.

The Group is also preparing the launch of the first branded residence within AVC community.

🕒 Highlights

- Freehold
- Linked to IKEA Batu Kawan and Regional Integrated Shopping Centre
- Integrating with Aloft Hotel
- Experience an elevated lifestyle at your doorstep
- Expected Date of TOP: 2022

🕒 GDV

RM620.7 mil

🕒 Total Units

627

🕒 Gross Floor Area

95,121 sqm



Vogue Lifestyle Residence
Aspen Vision City, Penang

VIVO EXECUTIVE APARTMENT

Pipeline Developments



A Rise of Aspirations: Start Your World

A home that serves stylish comfort but can easily transform into a workspace that supports even the biggest ambitions, Vivo Executive Apartment is where goals become reality.

Built with a communal co-working space and a social kitchen for you to collaborate and create networks, it is strategically located within the intelligent and self-sustaining metropolis of Aspen Vision City in Batu Kawan, Penang.

Nestled within Aspen Vision City and integrating with the Regional Integrated Shopping Centre, Vivo Executive Apartment is easily accessible to the North-South Highway and other major roads.

Vivo Executive Apartment is priced at affordable price point, appealing to young executives and young families.

⦿ Highlights

- Freehold
- Integrating with Regional Integrated Shopping Centre
- Designed with communal co-working space and social kitchen

⦿ GDV

RM502.2 mil

⦿ Total Units

1,476

⦿ Gross Floor Area

109,158 sqm

Aspen Group Annual Report 2018

Chapter 05

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PROACTIVE

Doing more than what is required drives one to greater heights.

Community Engagement Events



Redefine Community: Umbrella Sharing Initiative Campaign

The Umbrella Sharing Initiative is a community reaching effort by Aspen Group where convenience is shared through the simple act of umbrella sharing.

From bus shelters to walkways and alleys to corridors, we are arming people with umbrellas to help them stay dry on rainy days and stay cool on hot days. Once done with it, they can deposit the umbrellas at designated umbrella stands

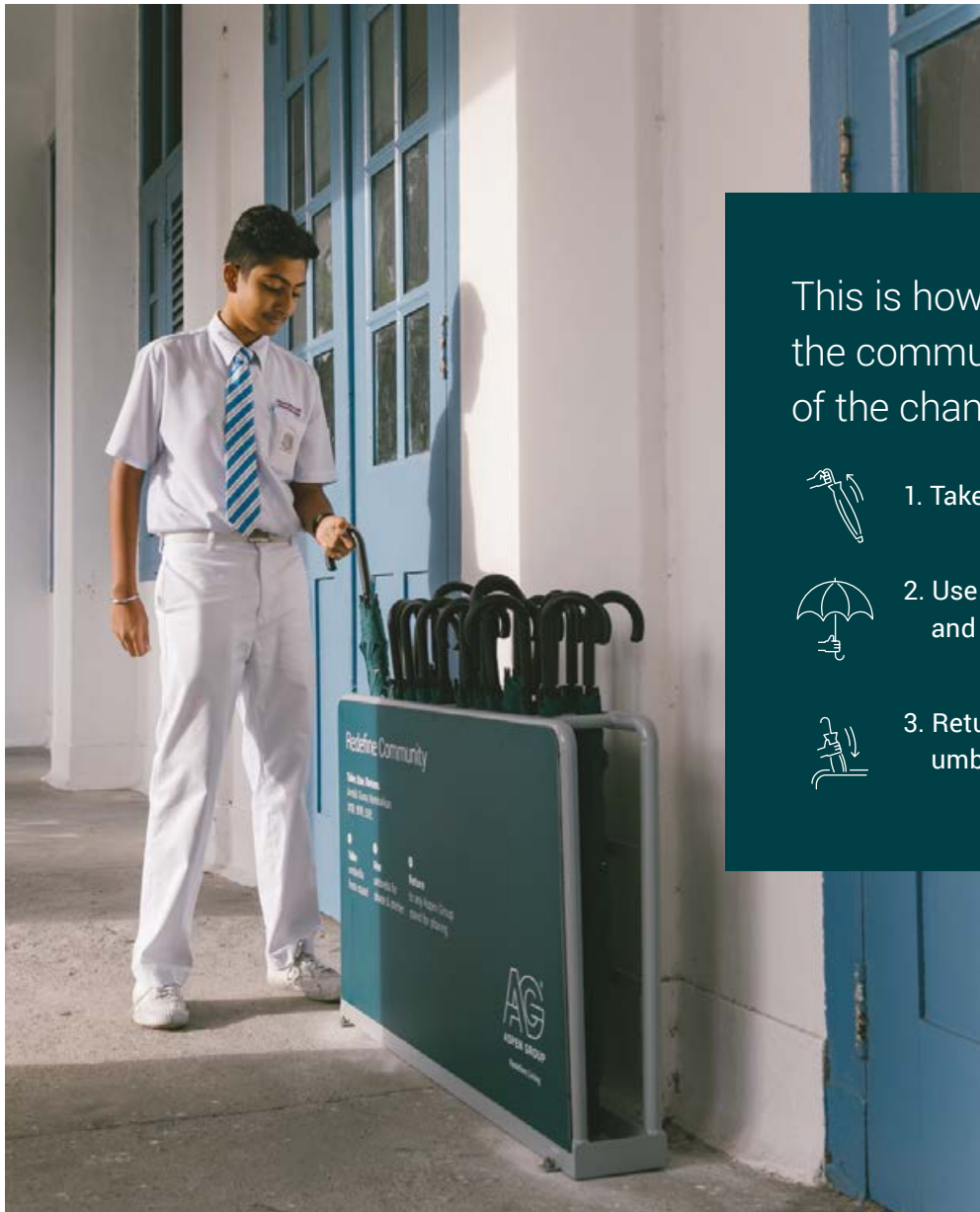
across the city, ready to be used by others or pass it to friends and strangers alike.

Aspen Group has prepared 50,000 umbrellas to be constantly replenished at umbrella stands. The current trend is a sharing economy where, a few umbrellas may be taken away, however, we believe that eventually it will create a sustainable cycle of sharing and goodwill within the community.

Umbrella Sharing Initiative Campaign, Penang

Aspenians were out and about distributing the educational flyers on our Umbrella Sharing Initiative to Penangites, to pass on the knowledge of sharing. Some 100 Aspenians also joined a 4km Umbrella Sharing Awareness Walk on 16 November 2018 after work, aiming to share with the public on the importance of umbrella sharing.

With children being our future, we joined hands with local and international schools as well to have umbrella stands and umbrellas placed within the school premises, educating and encouraging children of today to **TAKE.USE.RETURN.** and redefine the community together.



This is how we encourage the community to be a part of the change:



1. Take umbrella from stand



2. Use umbrella for shade and shelter



3. Return to any Aspen Group umbrella stands

“We did the Umbrella Sharing Initiative Campaign as it encourages the spirit of sharing and co-operative in our communities.”

Umbrella Sharing Initiative Campaign, Singapore

Being a forward-looking developer and service provider listed in the Singapore Exchange, Aspen Group hopped across the border to launch our Umbrella Sharing Initiative in Singapore and worked with St Andrew Junior College in Potong Pasir and Admiralty constituency since the beginning of year 2018, extending our part of Corporate Social Responsibility in Singapore.

On 14 September 2018, Aspen Group representative, Non-Executive Director, Dr. Lim Su Kiat and Principal, Mr. Mark Lo launched the Umbrella Sharing Initiative Campaign at St. Andrew's Junior College which benefits their students immensely. Quote from Mr. Mark Lo: 'We are very glad to start this project as it spreads graciousness amongst our students while sheltering them.'

Subsequently on 15 September 2018, during Admiralty's Mid-Autumn Festival where more than 2,000 residents attended, Adviser Vikram Nair gracefully launched the Umbrella Sharing Initiative Campaign. Quote from Mr. Vikram Nair: 'In Admiralty, we did the Umbrella Sharing Initiative Campaign as it encourages the spirit of sharing and co-operative in our communities.' To further spread the objective of this effort, educational flyers was distributed to the residents during this festival.



Aspen Group umbrellas and umbrella stands has been strategically placed at major locations with high foot-traffic including squares, thoroughfares, public transportation terminals and schools as follows:



Penang

Bus Stands, Penang

- 1 Karpal Singh Drive
- 2 Opposite of Gurney Plaza (Jalan Kelawai)
- 3 In front of UOB Bank (Jalan Kelawai)
- 4 In front of Island Plaza
- 5 In front of Penang Chinese Girls' High School (Jalan Gottlieb)
- 6 In front of McDonald's (Jalan Dato Keramat)
- 7 Opposite of Bank Negara (Lebuh Light)
- 8 Opposite of Sunshine Square
- 9 Opposite of USM (Jalan Sultan Azlan Shah)
- 10 In front of Krystal Point
- 11 In front of SJK (C) Union (Jalan Burma)
- 12 Jalan Magazine (Turning in from Lebuhraya Tun Dr. Lim Chong Eu)

Schools, Penang

- 1 Penang Chinese Girls' High School
- 2 SJK (C) Union
- 3 SMK Convent Lebuh Light
- 4 Dalat International School
- 5 SMK Convent Datuk Keramat
- 6 Penang Free School
- 7 SMK Convent Pulau Tikus
- 8 SMK Convent Green Lane

Aspen Group

- 1 Aspen Group Head Office
- 2 Aspen Group Experience Centre
- 3 Aspen Vision City Sales Gallery



Singapore

Admiralty, Singapore

- 1 Crossing near Block 679, Woodlands Avenue 6 (Near Admiralty MRT Station- Exit D)
- 2 Ace The Place Community Centre & Block 541, Woodlands Drive 16
- 3 Block 685 & Block 691, Woodlands Drive 73

Potong Pasir, Singapore

- 1 St. Andrew's Junior College, Side Gate
- 2 Next to Bus Stop 61089, Between Block 138 /144, Potong Pasir Avenue 3



Smarter Hackathon

05 – 07 January 2018

Aspen Group organised the Northern Region's first and biggest art-themed Hackathon, bringing together the best and brightest minds from the arts, business and technology arena to redefine the art experience in Penang. The 3-day event, held from 5 - 7 January 2018 saw a huge turnout, exceeding its anticipated participation with overwhelming response from the public.



CNY Guaranteed Prosperity Distribution Drive

06 February – 02 March 2018

In light of the Lunar New Year, Aspenians at Aspen Group were excited to share our joy for guaranteed prosperity with everyone.

Our truck and Aspenians had been delivering joy, prosperity and happiness to all they come across daily, for almost a month.





Tabung Harapan Malaysia Contribution 12 June 2018

Aspen Group as a responsible and proud Malaysian corporate citizen participated in the donation drive for Tabung Harapan Malaysia by contributing RM1,000,000 to our beloved country. We hope that this meaningful gesture will unite for a greater Malaysia.



Public Buka Puasa Event at State Mosque 13 June 2018

In the spirit of Ramadhan, we organised a buka puasa event together with the public for the first time at the State Mosque. Local delicacies were served to 500 Muslims who gathered at the State Mosque to break their fast after a long day of fasting. Aspenians also showed support by joining the breaking of fast with their Muslim colleagues regardless of race and religion.



Aspen Vision City Site Visitation by Students of Kolej Laila Taib 29 October 2018

We are honoured to host students of Kolej Laila Taib from Sarawak, visiting our developments to expand their learning horizons. A technical briefing on our masterfully planned development in Aspen Vision City as well as safety measures to take note on construction sites respectively was provided to the students before proceeding to site. It was an invaluable learning experience for them.

Co-workers Engagement Activities

Bowling Tournament

19 January 2018

Aspenians kicked start the year with the most popular activity – Bowling. Some played like professionals, earning strikes pumping the crowd. Some had their first try to experience the joy this sport brings. Starting with resolutions and bowling down pins nurtured a great team spirit and camaraderie amongst Aspenians.



Laser Tag Competition

24 February 2018

The kid in all of us had fun and the Aspenians in us enjoyed the glory and healthy competition through Laser Tag, in which one of the keys to success is learning to work as a team while having an eye on the target or goal.



Wheelderful Cycling

17 March 2018

Aspenians had a wonderful time cycling from Karpal Singh Drive to Queensbay Mall on a bright sunny morning. Along the way, they were tasked to take photos as per the sample given to them and to come up with the creative caption.





Classic Workshop

20 April 2018

Aspen Group conducted a Classic workshop for Aspenians who were interested to know more on Quality Assessment System in construction industry. This is one of the many ways to ensure the quality of our products are assured.

Escape Water Theme Park Excursion

23 June 2018

After a break in the month of Ramadhan, the F & B team organised a fun splashy time at Escape Water Park for Aspenians. The winning team would be the one with the most team members trying the most activities!



Team Building 2019

03 - 05 August 2018

In August, each and every Aspenian participated in the Group's Team Building held at The Haven Resort, Ipoh. It was about "Getting to Synergy" with ourselves, our teammates, our partners, our purchasers and all we come across, by applying "The 7 Habits".





Facebook Advertising Workshop

16 August 2018

We invest in our people. Aspenians from different departments attended a course in Digital Marketing, more specifically a Facebook Advertising Workshop with Tribeup Academy to keep up with the new way of reaching out to people.

ATV Adventure

9 September 2018

Paired in two, Aspenians embarked on an adrenaline pumping bike ride through the Balik Pulau trail while exploring serene beauty of this recreational forest. It was indeed a challenging yet unforgettable experience for all.



Hiking Trek

13 October 2018

What better way to bond healthily with your co-workers than hiking up the leisurely trek of Penang Hill towards The Habitat. It was an opportunity for Aspenians to get close to nature, enjoying its beauty, and to absorb some Vitamin D accompanied by the crowd's fun and laughter.





DSNA Cup Badminton Tournament

16 November 2018

In conjunction with our Executive Deputy Chairman, Dato' Seri Nazir Ariff's birthday, who is an avid sportsman and promotes healthy work-life balance amongst Aspenians, organised and sponsored the Inaugural DSNA Cup Badminton Tournament, seeing an active participation of 28 Aspenians who played exciting matches, striving to give the best they've got.



2018 Fitness Challenge Award

January – December 2018

To lead a healthier life, on top of Aspen Group's monthly F & B activities, we have a year-long ongoing Fitness Challenge Award, where the best performing Aspenian stands a chance to win amazing trips for 2 with flight tickets and hotel paid - every quarter, half and yearly.



Aspenians' Surprise Christmas Giveaway

24 December 2018

Over Christmas Eve and the long weekend, Aspenians who were dedicated in delivering homes to 580 TRI PINNACLE homeowners were surprised by extraordinary gifts from our President & Group Chief Executive Officer, Dato' M. Murly as a gesture of encouragement and appreciation for their outstanding effort, pervading the joy of this Christmas season and the spirit of how teamwork makes the dream work!



Aspen Group Annual Report 2018

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AMBITIOUS

When ambition fuels your desire to succeed,
you are virtually unstoppable.

Corporate Governance Report

The board of directors (the "**Board**") and the management of Aspen (Group) Holdings Limited (the "**Company**") are strongly committed to high standards of corporate governance which are essential to the stability and sustainability of the performance of the Company and its subsidiaries (the "**Group**"), promotion of corporate transparency, accountability and integrity of the Group, protection of the interests of the Company's shareholders ("**Shareholders**") and maximisation of long-term shareholder value.

This report describes the Company's corporate governance practices that were in place during the financial year ended 31 December 2018 ("**FY2018**") with specific reference made to the principles of the Code of Corporate Governance 2012 (the "**Code**") issued on 2 May 2012 and takes into consideration the disclosure guide developed by the Singapore Exchange Securities Trading Limited ("**SGX-ST**") in January 2015. Where there are deviations from the Code, appropriate explanations are provided.

On 6 August 2018, the revised Code of Corporate Governance (the "**2018 Code**") was issued with the aim to enhance quality of the Board by strengthening the Board's independence and diversity and encouraging better engagement between the companies and all the stakeholders. As the 2018 Code is effective from 1 January 2019, the Company will endeavour to comply with the 2018 Code from its financial year ending 31 December 2019 onwards.

PRINCIPLE 1: THE BOARD'S CONDUCT OF AFFAIRS

Every company should be headed by an effective Board to lead and control the company. The Board is collectively responsible for the long-term success of the company. The Board works with Management to achieve this objective and Management remains accountable to the Board.

The primary function of the Board is to lead and control the Company by forming an effective working relationship with the management to achieve this objective as the Board is collectively and ultimately responsible for the long-term success of the Company.

Besides carrying out its statutory responsibilities, the Board's other roles are to:

- i. provide entrepreneurial leadership, set strategic aims and ensure that the necessary financial and human resources are in place for the Group to meet its objectives;
- ii. establish a framework of prudent and effective controls which enables the identification, assessment and management of risks, including safeguarding of Shareholders' interests and the Group's assets;
- iii. review management performance;
- iv. identify the key stakeholder groups and recognise that their perceptions affect the Group's reputation;
- v. set the Group's values and standards (including ethical standards), and ensure that obligations to Shareholders and other stakeholders are understood and met;
- vi. consider sustainability issues, for example, environmental and social factors, as part of its strategic formulation; and
- vii. provide oversight of the proper conduct of the Group's business and assume responsibility for corporate governance.

The directors of the Company (the "**Directors**") are of the view that they have objectively discharged their duties and responsibilities at all times as fiduciaries in the interests of the Company.

To assist the Board in the execution of its responsibilities, various Board committees, namely, the Audit Committee ("**AC**"), Nominating Committee ("**NC**") and Remuneration Committee ("**RC**") that are headed by Independent Directors, have been established and delegated with certain functions. The chairman of the respective committees will report to the Board on the outcome of the committee meetings and their recommendations on the specific agendas mandated to the committees by the Board. Further details of the scope and functions of the various committees are provided below in this Report.

The Board holds at least four scheduled meetings each year to review and deliberate on the key activities and business strategies of the Group, including significant acquisitions and disposals, annual budget, financial performance and to endorse the release of the quarterly and annual financial results. Where necessary, additional meetings are held to address significant transactions or issues arising from the business operations of the Group.

The Constitution of the Company provides for directors to conduct meetings by teleconferencing, videoconferencing, audio-visual or other electronic means of communication. When a physical meeting is not possible, timely communication with members of the Board can be achieved through electronic means. The Board and Board Committees may also make decisions through circulating resolutions.

The attendance of the Directors at meetings of the Board and the Board committees during FY2018 is tabulated below:

	Board	Audit Committee	Nominating Committee	Remuneration Committee
Total number of meetings held	4	4	2	2
Number of meetings attended by respective directors				
Executive Directors				
Dato' Murly Manokharan	4	-	2	#1
Dato' Seri Nazir Ariff Bin Mushir Ariff	4	-	#1	-
Ir. Anilarasu Amaranazan ⁽¹⁾	-	-	-	-
Non-Independent Non-Executive Director				
Dr. Lim Su Kiat	4	4	#1	2
Mr. Ching Chiat Kwong ⁽²⁾	2	-	-	-
Independent Directors				
Mr. Cheah Teik Seng	4	4	2	2
Dato' Alan Teo Kwong Chia	4	4	2	2
Dato' Choong Khuat Seng ^{(3)&(4)}	2	-	-	-

(1) Ir. Anilarasu Amaranazan has been appointed as the Group Managing Director with effect from 1 February 2019.

(2) Mr. Ching Chiat Kwong has been appointed as a Non-Independent Non-Executive Director with effect from 25 May 2018.

(3) Dato' Choong Khuat Seng has been appointed as an Independent Non-Executive Director of the Company with effect from 28 June 2018.

(4) Dato' Choong Khuat Seng has been appointed as a member of the Nominating Committee of the Company with effect from 1 February 2019.

By invitation

Material matters which specifically require the Board's decision or approval include the following corporate matters:

- Announcement of financial statements;
- Interested persons transactions;
- Declaration of interim dividends and proposal of final dividends;
- Convening of shareholders' meetings;
- Change in business direction;
- Authorisation of merger and acquisition transactions; and
- Authorisation of major transactions.

The Company has documented the guidelines for matters that require the Board's decision or approval.

The Company will provide a newly-appointed Director guidance and orientation (including management's presentation) which will allow such person to understand the Group's business operations, strategic directions and policies, corporate functions and governance practices. If necessary, on-site visits to the Group's local and overseas places of operation will be arranged for a newly-appointed Director. Upon appointment, a Director will be provided a formal letter which sets out his duties and obligations. If a newly-appointed Director does not have any prior experience as a director of a listed company, the Company will arrange for such person to undertake training in the roles and responsibilities of a director of a listed company and to familiarise such person with the relevant rules and regulations governing a listed company.

While the Directors are generally responsible for their own individual training needs, the Company is responsible for arranging and funding the training of Directors. As such, continuous and on-going training programmes are made available to the Directors from time to time, such as courses on directors' duties and responsibilities as well as seminars and talks on relevant subject fields. Dato' Alan Teo had attended the training in anticipating risk and precaution at Board level at the Singapore Institute of Directors on 24 April 2018 while Dato' Choong Khuat Seng had attended the training in the roles and responsibilities of a director of a listed company on 25 September 2018 to familiarise himself with the roles and responsibilities of a director of a public listed company in Singapore. As Ir. Anilarasu Amaranazan has been newly appointed as the Group Managing Director on 1 February 2019, he will undergo the mandatory training in the roles and responsibilities of a director of a listed company as prescribed by SGX-ST, within one (1) year from the date of his appointment.

The Directors are conscious of the importance of continuing education in areas such as legal and regulatory responsibilities and accounting issues, so as to update and refresh themselves on matters that may affect their performance as a Board, or as a member of a Board committee by attending training for Directors on such relevant new laws, regulations and changing commercial risks from time to time when appropriate.

PRINCIPLE 2: BOARD COMPOSITION AND GUIDANCE

There should be a strong and independent element on the Board, which is able to exercise objective judgment on corporate affairs independently, in particular, from Management and substantial shareholders. No individual or small group of individuals should be allowed to dominate the Board's decision making.

The Board of the Company comprises the following Directors: -

Name of Director	Position in the Board
Mr. Cheah Teik Seng	Chairman and Independent Non-Executive Director
Dato' Murly Manokharan	President and Group Chief Executive Officer
Dato' Seri Nazir Ariff Bin Mushir Ariff	Executive Deputy Chairman
Ir. Anilarasu Amaranazan	Group Managing Director
Dr. Lim Su Kiat	Non-Independent Non-Executive Director
Dato' Alan Teo Kwong Chia	Independent Non-Executive Director
Mr. Ching Chiat Kwong	Non-Independent Non-Executive Director
Dato' Choong Khuat Seng	Independent Non-Executive Director
Mr. Low See Ching (Liu Shijin)	Alternate Director to Mr. Ching Chiat Kwong

The Company believes that there should be a strong and independent element on the Board in order for it to exercise objective judgment on corporate and business affairs. Hence, the Board comprises eight Directors, out of whom three are Independent Directors, two are Non-Independent and Non-Executive Directors and three are Executive Directors, and the AC, the RC and the NC are constituted in compliance with the Code. The Board has a strong and independent element with three (3) independent Directors that make up to more than one-third of the Board in compliance with the Code. The Company also believes that the Independent Directors should be selected for their diverse expertise so that they can provide a balance of views.

As set out under the Code, an independent director is one who has no relationship with the Company, its related corporations, its Substantial Shareholders or its officers that could interfere, or be reasonably perceived to interfere, with the exercise of the director's independent business judgement with a view to the best interests of the Company. The NC deliberates to determine the independence of a Director bearing in mind the salient factors set out under this guideline in the Code as well as all other relevant circumstances and facts. To facilitate the NC in its review of the independent status of the Directors, each Independent Director will confirm his independence. The Executive Directors are considered non-independent. During FY2018, the NC has reviewed and has confirmed the independence of the Independent Directors in accordance with the Code. There were no Directors who are deemed independent by the Board, notwithstanding the existence of a relationship as stated in the Code that would otherwise deem him not to be independent.

There are no Independent Directors who has served on the Board beyond nine (9) years from the date of his first appointment.

The NC is of the view that the Board has the requisite blend of expertise, skills and attributes to oversee the Group's business. Collectively, they have competencies in areas which are relevant and valuable to the Group, such as accounting, corporate finance, business development, management, sales and strategic planning. In particular, the Executive Directors have many years of experience in the industry that the Group operates in. The NC considers that the Board's present size is adequate for effective debate, strategic decision-making and in exercising accountability to Shareholders and delegating authority to the management, taking into account the nature and scope of the Group's operations. As the Group's activities continue to grow, the NC will continuously review the composition of the Board so that it will have the necessary competency to be effective.

The Non-Executive Directors (including the Independent Directors) provide constructive advice on the Group's strategic and business plans. They constructively challenge and help develop proposals on strategy for the Group. They also review the performance of the management in meeting agreed goals and objectives and monitor the reporting of performance of the Group.

To facilitate more effective checks on management, the Non-Executive Directors are encouraged to meet as and when necessary without the presence of the management. The Non-Executive Directors did not meet without the presence of the management during FY2018 as they are of the view that such meeting(s) were not necessary.

PRINCIPLE 3: CHAIRMAN AND CHIEF EXECUTIVE OFFICER

There should be a clear division of responsibilities between the leadership of the Board and the executives responsible for managing the company's business. No one individual should represent a considerable concentration of power.

The Company believes that a clear division of responsibilities between the Non-Executive Chairman and the Group Chief Executive Officer ("Group CEO") ensures an appropriate balance of power, increased accountability and greater capacity of the Board for independent decision-making. The positions of the Non-Executive Chairman and Group CEO are held by Mr. Cheah Teik Seng and Dato' Murly Manokharan respectively and they are not related to each other.

The Chairman's duties and responsibilities include:

- i. leading the Board to ensure its effectiveness on all aspects of its role;
- ii. setting the agenda and ensure that adequate time is available for discussion of all agenda items, in particular strategic issues;
- iii. promoting a culture of openness and debate at the Board;
- iv. ensuring that the Directors receive complete, adequate and timely information;
- v. ensuring effective communication with Shareholders;
- vi. encouraging constructive relations within the Board and between the Board and the management;
- vii. facilitating the effective contribution of Non-Executive Directors;
- viii. encouraging constructive relations between Executive Directors and Non-Executive Directors; and
- ix. promoting high standards of corporate governance.

The Group CEO's duties and responsibilities include:

- i. improving, developing, extending, maintaining, advising and promoting the Group's businesses to protect and further the reputation, interest and success of the Company and the Group;
- ii. undertaking such duties and exercising such powers in relation to the Group and their businesses as the Board shall from time to time properly assign to or vest in him in his capacity as the Group CEO and all other matters incidental to the same; and
- iii. overseeing, formulating and implementing corporate strategies and directions for the affairs of the Group.

PRINCIPLE 4: BOARD MEMBERSHIP

There should be a formal and transparent process for the appointment and re-appointment of directors to the Board.

The appointment of new Directors to the Board is recommended by the NC which comprises four (4) Directors, namely, Dato' Alan Teo Kwong Chia (Chairman of the NC), Mr. Cheah Teik Seng, Dato' Murly Manokharan and Dato' Choong Khuat Seng. As Dato' Alan Teo Kwong Chia, Mr. Cheah Teik Seng and Dato' Choong Khuat Seng are Independent Directors, the NC comprises a majority of independent directors.

The principal functions of the NC, regulated by written terms of reference and undertaken by the NC during FY2018, are as follows:

- i. review board succession plans for Directors;
- ii. develop a process for evaluation of the performance of the Board, the various Board committees and the Directors;
- iii. review the training and professional development programs for the Board;
- iv. review, assess and make recommendation to the Board on all Board selection, appointments and re-appointments, taking into consideration the composition and progressive renewal of the Board and each Director's competencies, contributions and performance;
- v. review and determine annually the independence of Directors;

- vi. decide the assessment process and implement a set of objective performance criteria to be applied from year to year for evaluation of the Board's performance; and
- vii. evaluate the Board's effectiveness as a whole and each Director's contribution to its effectiveness in accordance with the assessment process and performance criteria adopted, including deciding whether a Director is able to and has been adequately carrying out his/her duties when he/she has multiple board representations.

The NC leads the process and makes recommendations to the Board for the selection and approval of appointment of new Directors as follows:

- i. evaluates the balance of skills, knowledge and experience on the Board and, in the light of such evaluation and in consultation with the management, prepares a description of the role and the essential and desirable competencies for a particular appointment;
- ii. while existing Directors and the management may make suggestions, seeks external help where necessary to source for potential candidates;
- iii. meets with short-listed candidates to assess their suitability and to ensure that the candidate(s) are aware of the expectations and the level of commitment required; and
- iv. makes recommendations to the Board for approval.

The Board understands that appointment of alternate directors should generally be avoided. At present, only one (1) alternate Director i.e. Mr. Low See Ching (Liu Shijin) has been appointed to the Board who will only act as the appointed Director of the Company where Mr. Ching Chiat Kwong would otherwise be unable to act. As Mr. Ching and Mr. Low were respectively appointed as the Director and the alternate Director at the same time, Mr. Low is equally familiar with the Company's affairs and the NC and the Board has after due review concluded that Mr. Low is similarly qualified as Mr. Ching prior to his appointment.

Regulations 97 and 98 of the Constitution of the Company provides that one-third of the Directors (or, if their number is not a multiple of three, the number nearest to but not less than one-third) shall retire from office by rotation and are eligible for re-election at each annual general meeting ("AGM"). Rule 720(4) of the Listing Manual Section B: Rules of Catalist of the SGX-ST prescribes that all Directors are required to retire from office at least once in every three (3) years. Newly appointed Directors shall hold office only until the next AGM and are eligible for re-election at the AGM pursuant to Regulation 103 of the Constitution of the Company. Shareholders approve the re-election of Board members at the AGM.

The NC assesses and recommends to the Board the retiring directors to be re-elected at the forthcoming AGM, having regard to their contribution and performance.

The NC has recommended and the Board has agreed for the following directors to retire and seek for re-election at the forthcoming AGM:

- a. Dato' Murly Manokharan (retiring under Regulation 97 of the Constitution of the Company);
- b. Dato' Alan Teo Kwong Chia (retiring under Regulation 97 of the Constitution of the Company);
- c. Ir. Anilarasu Amaranazan (retiring under Regulation 103 of the Constitution of the Company);
- d. Mr. Ching Chiat Kwong (retiring under Regulation 103 of the Constitution of the Company); and
- e. Dato' Choong Khuat Seng (retiring under Regulation 103 of the Constitution of the Company).

Dato' Murly Manokharan will, upon re-election as Director, remain as the President and Group Chief Executive Officer and a member of the NC.

Dato' Alan Teo Kwong Chia will, upon re-election as Director, remain as an Independent Non-Executive Director, Chairman of the NC as well as a member of the AC and RC. He will be considered independent for the purpose of Rule 704(7) of the Listing Manual Section B: Rules of Catalist of the SGX-ST ("**Catalist Rules**").

Ir. Anilarasu Amaranazan will, upon re-election as Director, remain as the Group Managing Director.

Mr. Ching Chiat Kwong will, upon re-election as Director, remain as a Non-Independent Non-Executive Director. He will be considered non-independent for the purpose of Rule 704(7) of the Catalist Rules.

Dato' Choong Khuat Seng will, upon re-election as Director, remain as an Independent Non-Executive Director and a member of the NC. He will be considered independent for the purpose of Rule 704(7) of the Catalist Rules.

The detailed information of these directors, including information as required under Appendix 7F of the Catalist Rules can be found on pages 149-173.

Dato' Murly Manokharan, Dato' Alan Teo Kwong Chia and Dato' Choong Khuat Seng had abstained from participating in the discussion and recommendation on their respective nominations.

The NC determines the independence of Directors in accordance with the guidelines set out in the Code and the declaration form completed by each Independent Director disclosing the required information.

The NC is of the opinion that the Board has been able to exercise objective judgment on corporate affairs independently and that the Board's decision making process is not dominated by any individual or small group of individuals.

The NC also determines whether a Director with multiple board representations is able to and has been adequately carrying out his duties as a Director of the Company. The NC takes into account the results of the assessment of the effectiveness of the individual Director and the respective Directors' actual conduct on the Board. The NC is satisfied that all the Directors have been able to and have adequately carried out their duties as Director notwithstanding their multiple board representations.

The NC and the Board are of the view that there should not be any restriction to the number of board representations that each Director may take up as multiple board representations do not necessarily hinder the Directors from carrying out their duties. The NC and the Board are of the view that multiple board representations may be beneficial as these widen the experience of the Directors and broaden the perspective of the Directors and the Board.

Key information regarding the Directors is disclosed below and also under the sections on "Meet The Board of Directors" and "Disclosure of information on directors seeking re-election pursuant to Rule 720(5) of the Listing Manual Section B: Rules of Catalyst of the SGX-ST" in this Annual Report.

Name of Director & Positions	Date of first appointment	Date of last re-appointment	Academic & Professional Qualifications	Shareholding in Company & related corporations	Current Directorships or Chairmanships in other listed companies	Other principal commitments	Directorships and Chairmanships held over the preceding three (3) years in other listed companies
Dato' Murly Manokharan • President & Group CEO • Member of NC	22-12-2016	N. A.	Executive Diploma in Project Management, University of Technology Malaysia	(i) Deemed interest of 50.05% in the Company via 64.76% shareholding in Aspen Vision Group Sdn. Bhd.; and (ii) Deemed interest of 1.04% in the Company via 100% shareholding in Intisari Utama Sdn. Bhd.	Nil.	Nil.	Nil.
Dato' Seri Nazir Ariff Bin Mushir Ariff • Executive Deputy Chairman	30-05-2017	25-04-2018	<ul style="list-style-type: none"> • Certificate of Membership, British Institute of Management • Management Development Programme, Ashridge Management College, UK • Management Development Programme, Asian Institute of Management, the Philippines • Association of Certified and Corporate Accountants' 	Nil.	<ul style="list-style-type: none"> • PBA Holdings Berhad, Malaysia • Texchem Resources Berhad, Malaysia 	Nil.	Nil.
Mr. Cheah Teik Seng • Independent Director & Chairman of the Board • Chairman of AC & RC • Member of NC	20-06-2017	25-04-2018	<ul style="list-style-type: none"> • Bachelor of Science (Honours), University of Manchester, UK • Fellow of the Institute of Chartered Accountants in England and Wales 	4,360,000 ordinary shares in the Company	Nil.	Lima Capital Asia Pte Ltd (Chief Executive Officer)	Nil.
Dato' Alan Teo Kwong Chia • Independent Director • Chairman of NC • Member of AC & RC	20-06-2017	25-04-2018	<ul style="list-style-type: none"> • ASEAN Senior Manager Development Program, Harvard Business School Alumni Club of Malaysia • Premier Business Manager Program, Harvard Club of Malaysia 	200,000 ordinary shares in the Company	Nil.	Nil.	Nil.

Name of Director & Positions	Date of first appointment	Date of last re-appointment	Academic & Professional Qualifications	Shareholding in Company & related corporations	Current Directorships or Chairmanships in other listed companies	Other principal commitments	Directorships and Chairmanships held over the preceding three (3) years in other listed companies
Dr. Lim Su Kiat • Non-Executive Non-Independent Director • Member of AC & RC	22-12-2016	25-04-2018	<ul style="list-style-type: none"> • Bachelor of Business (Accounting), Monash University, Australia • Master of Business (Accounting), Monash University, Australia • Doctor of Philosophy, Monash University, Australia 	20,000 ordinary shares in the Company	Nil.	Firmus Capital Pte. Ltd. (Chief Executive Officer)	Nil.
Mr. Ching Chiat Kwong • Non-Executive Non-Independent Director	25-05-2018	N.A.	<ul style="list-style-type: none"> • Bachelor of Arts, National University of Singapore • Bachelor of Social Sciences with Honours, National University of Singapore 	Deemed interest of 10.23% in the Company via shareholdings in Oxley Holdings Limited	<ul style="list-style-type: none"> • Oxley Holdings Limited 	Nil.	<ul style="list-style-type: none"> • Artivision Technologies Ltd. • HG Metal Manufacturing Limited • Median Group Inc. (formerly Clixter Mobile Group Inc.)
Mr. Low See Ching (Liu Shijin) • Alternate Director to Mr. Ching Chiat Kwong	25-05-2018	N.A.	<ul style="list-style-type: none"> • Bachelor of Accountancy, Nanyang Technological University, Singapore 	Deemed interest of 10.23% in the Company via shareholdings in Oxley Holdings Limited	<ul style="list-style-type: none"> • Oxley Holdings Limited • Hafary Holdings Limited 	Nil.	<ul style="list-style-type: none"> • HG Metal Manufacturing Limited
Dato' Choong Khuat Seng • Non-Executive Independent Director • Member of NC	28-06-2018	N.A.	<ul style="list-style-type: none"> • Bachelor of Arts in Economics, City of Birmingham Polytechnic • Master of Business Administration, The University of Aston in Birmingham 	Nil.	Nil.	Nil.	Nil.
Ir. Anilarasu Amaranazan • Group Managing Director	01-02-2019	N.A.	<ul style="list-style-type: none"> • Bachelor of Engineering (Civil), University of Technology Malaysia • Masters of Science (Construction Management), University of Technology Malaysia • Member of the Institute of Engineering Malaysia • Professional Member of the Board of Engineers Malaysia 	242,000 ordinary shares in the Company	Nil.	Nil.	Nil.

PRINCIPLE 5: BOARD PERFORMANCE

There should be a formal annual assessment of the effectiveness of the Board as a whole and its board committees and the contribution by each director to the effectiveness of the Board.

The NC has implemented a formal Board evaluation process in assessing the effectiveness of the Board and the various Board committees. The objective of the annual evaluation is to identify areas for improvement and to implement appropriate action. The NC did not engage any external facilitator's services in respect of the evaluation process.

The Directors were requested to complete appraisal forms to assess the overall effectiveness of the Board, and the various Board committees for FY2018. The results of the appraisal exercise were tabulated, analysed and considered by the NC which then made recommendations to the Board on areas for improvement, aimed at helping the Board to discharge its duties more effectively. Although only overall evaluation of the Board and the various Board committees was carried out, the NC has taken notice of each Director's attendance record, participation in meetings and overall performance and contribution to the Board and the Group. There were no evaluation carried out on the individual Directors as the NC is of the view that the current evaluation of the Board and various Board committees as a whole is sufficient for assessment purpose for the time being. However, the NC will consider carrying out evaluation on individual Directors in the future if and when the need arises.

The appraisal process focused on, inter alia, the areas of evaluation on the Board such as Board composition and size, access to information, Board procedures, Board accountability and standards of conduct.

The appraisal process for the AC encompasses AC composition and size, committee process, accountability, internal controls and risk management systems and audit process whereas the NC and the RC evaluated the respective committee's composition and size and committee process.

The NC is of the view that the Board and its various Board committees have contributed to the overall effectiveness of the Board as a whole and that the relevant criteria of the performance of the Board and the Board Committees will be maintained from year to year, subject to such necessary change(s) which is to be justified by the Board.

The Board has met its performance objectives for FY2018.

PRINCIPLE 6: ACCESS TO INFORMATION

In order to fulfil their responsibilities, directors should be provided with complete, adequate and timely information prior to board meetings and on an on-going basis so as to enable them to make informed decisions to discharge their duties and responsibilities.

The Directors are provided with complete, adequate and timely information in the form of Board papers and all other relevant materials prior to each Board and Board committees meetings and at such other time as necessary on an ongoing basis. Information provided to the Board includes background information relating to the matters to be brought before the Board. Relevant information on material events and transactions are circulated to the Directors as and when they arise. The Board also receives regular reports pertaining to the operational and financial performance of the Group with explanations for material variance between budget and actual performance. In respect of budgets, any material variance between the projections and actual results will be disclosed and explained.

The Board members have separate and independent access to the management, who will provide additional information as may be needed by the Board to make informed decisions in a timely manner.

The Board members also have separate and independent access to the Company Secretaries. The role of the Company Secretaries is clearly defined and includes responsibility for ensuring that board procedures are followed and that applicable rules and regulations are complied with. Under the Chairman's direction, the Company Secretaries should ensure good information flows within the Board and the Board committees and between the management and non-executive Directors, advising the Board on all governance matters and facilitating orientation and assisting with professional development as may be required. The Company Secretaries attend all meetings of the Board and Board committees and minutes of the Board and Board committees are circulated to the whole Board for review and information.

The Board is fully involved in and responsible for the appointment and removal of the Company Secretaries.

Where the Directors, either individually or as a group, in the furtherance of their duties, require professional advice, the management will assist them in obtaining independent professional advice, at the Company's expense.

PRINCIPLE 7: PROCEDURES FOR DEVELOPING REMUNERATION POLICIES

There should be a formal and transparent procedure for developing policy on executive remuneration and for fixing the remuneration packages of individual directors. No director should be involved in deciding his own remuneration.

The members of the RC comprise entirely of Non-Executive Directors, namely Mr. Cheah Teik Seng (Chairman of the RC), Dato' Alan Teo Kwong Chia and Dr. Lim Su Kiat. Mr. Cheah Teik Seng and Dato' Alan Teo Kwong Chia are Independent Directors. As such, the RC comprises a majority of independent directors.

The principal functions of the RC, regulated by written terms of reference and undertaken by the RC during FY2018, include the following:

- i. review and recommend to the Board a general framework of remuneration and specific remuneration package for the Board and key management personnel covering all aspects of remuneration, including but not limited to fees, salaries, allowances, bonuses, share-based incentives and benefits-in-kind;
- ii. review and ensure that the remuneration policies and practices are sound in that they are able to attract, retain and motivate without being excessive;
- iii. structure an appropriate portion of Executive Directors' and key management personnel's remuneration so as to link rewards to corporate and individual performance so as to align them with the interests of Shareholders and promote the long-term success of the Group; and
- iv. review the Company's obligations arising in the event of termination of the Executive Directors and key management personnel's contracts of service to ensure that the termination clauses are fair and reasonable and not overly generous to avoid rewarding poor performance.

The RC reviews the framework for remuneration of the Board and the key management personnel and recommends to the Board for adoption. The RC also determines specific remuneration packages and terms of employment for each Executive Director and key management personnel.

The RC's recommendations are submitted for endorsement by the entire Board. All aspects of remuneration, including but not limited to Director's fees, salaries, allowances, bonuses, options and benefits-in-kind for the Board and key management personnel are covered by the RC.

Each member of the RC will abstain from voting on any resolutions in respect of his remuneration package.

There were no remuneration consultants engaged in FY2018. The RC will if necessary, seek expert advice inside and/or outside the Company on remuneration matters.

PRINCIPLE 8: LEVEL AND MIX OF REMUNERATION

The level and structure of remuneration should be aligned with the long-term interest and risk policies of the company, and should be appropriate to attract, retain and motivate (a) the directors to provide good stewardship of the company, and (b) key management personnel to successfully manage the company. However, companies should avoid paying more than is necessary for this purpose.

Executive Directors do not receive Directors' fees. The performance-related elements of remuneration are designed to align interests of Executive Directors with those of Shareholders and link rewards to the Group's financial performance.

The Company had entered into separate service agreement with the Executive Directors in which the terms of their employment are stipulated. Their initial term of employment is for a period of three (3) years from the date of admission of the Company to the Catalist (being 28 July 2017) and thereafter, their employment is renewed annually subject to termination clauses in the service agreements. The service agreement may be terminated by giving not less than six (6) months' prior written notice. Under the service agreements, each of the Executive Directors is entitled to be paid an incentive bonus annually which is pegged to the financial performance achieved by the Group for that financial year.

The Non-Executive Directors (including the Independent Directors) are paid a base fee. An additional fee is also paid to Non-Executive Directors for serving on any of the board committees. Such fees are pro-rated if a Director serves for less than one (1) year. The Directors' fees are subject to approval by Shareholders at the AGM.

The Company has adopted the AV Employee Share Option Scheme (the "**ESOS**") on 19 June 2017 prior to its listing on the Catalist board of the SGX-ST. The ESOS shall be administered by a committee comprising members of NC and RC (the "Administration Committee") to be formed in due course. The purpose of the ESOS is to provide an opportunity for employees of the Group to participate in the equity of the Company so as to motivate them towards greater dedication, loyalty and higher standards of performance, and to give recognition to past contributions and services. Under the rules of the ESOS, the options that are granted may have exercise prices that are, at the Administration Committee's discretion, set at the price ("**Market Price**") equal to the average of the last dealt prices for the Company's ordinary shares ("**Shares**") on the Catalist for the five consecutive trading days immediately preceding the relevant date of grant of the relevant option, or (provided that Shareholders' approval is obtained in a separate resolution) at a discount to the Market Price (subject to a maximum discount of 20% or such other percentage or amount as may be determined by the Administration Committee and as permitted by the SGX-ST). Options which are fixed at the Market Price may be exercisable at any time by the participant after the first anniversary of the date of grant of that option while options granted at a discount to the Market Price may only be exercised after the second anniversary from the date of grant of the option. Options granted under the Scheme will have a life span of ten (10) years. The options may be exercisable in whole or in part, on payment of the exercise price. Since its adoption till the date of this report, no option has been granted under the ESOS. Accordingly, no Shares have been allotted on the exercise of options granted under the ESOS.

In addition to the ESOS, the Company has adopted the AV Performance Share Plan (the "**PSP**") on 19 June 2017 prior to its listing on the Catalist board of the SGX-ST. The PSP was implemented to complement the ESOS and to increase the Company's flexibility and effectiveness in its continuing efforts to reward, retain and motivate employees to achieve increased performance. No performance share has been granted and vested in any employees of the Company under the PSP during the financial year in review and to-date.

In setting remuneration packages, the Company keeps in mind the pay and employment conditions within the industry and in comparable companies. The level and structure of remuneration should be aligned with the Company's long-term interest and risk policies and appropriate to attract, retain and motivate the Directors and the key management personnel to respectively provide good stewardship of the Company and manage the Company effectively. If required, the Company will engage professional advice to provide guidance on remuneration matters.

The RC and Board are of the view that it is currently not necessary to use contractual provisions to allow the Company to reclaim incentive components of remuneration from the Executive Directors and key management personnel in exceptional circumstances of misstatement of financial statements, or misconduct resulting in financial loss to the Company. The Executive Directors owe a fiduciary duty to the Company. The Company should be able to avail itself to remedies against the Executive Directors and key management personnel in the event of such exceptional circumstances or breach of fiduciary duty.

PRINCIPLE 9: DISCLOSURE ON REMUNERATION

Every company should provide clear disclosure of its remuneration policies, level and mix of remuneration, and the procedure for setting remuneration, in the company's Annual Report. It should provide disclosure in relation to its remuneration policies to enable investors to understand the link between remuneration paid to directors and key management personnel, and performance.

Given the highly competitive condition of the industry that the Group operates in and the sensitivity of remuneration matters, the Board is of the view that it is not in the best interest of the Company to disclose the full remuneration of the Executive Directors and the key management personnel on a named basis, breakdown of the remuneration of the key management personnel as well as the aggregate amount of remuneration paid or payable to the key management personnel.

A breakdown showing the level and mix of the remuneration of the Directors paid or payable in respect of FY2018 is as follows:

	Base/ Fixed Salary and EPF ¹ (%)	Performance- related income ² (%)	Directors' Fees 2018 ³ (%)	Benefit-in-Kind (%)	Total (%)
S\$1,500,001 to S\$1,750,000 p.a.					
Dato' Murly Manokharan	88.50	11.50	0.00	0.00	100.00
S\$250,001 to S\$500,000 p.a.					
Dato' Seri Nazir Ariff	79.41	18.44	0.00	2.15	100.00
S\$0 up to S\$250,000 p.a.					
Ir. Anilarasu Amaranazan ⁽¹⁾	78.86	17.14	0.00	4.00	100.00
Mr. Cheah Teik Seng	0.00	0.00	100.00	0.00	100.00
Dr. Lim Su Kiat	0.00	0.00	100.00	0.00	100.00
Dato' Alan Teo	0.00	0.00	100.00	0.00	100.00
Mr. Ching Chiat Kwong ⁽²⁾	0.00	0.00	100.00	0.00	100.00
Dato' Choong Khuat Seng ^{(3)&(4)}	0.00	0.00	100.00	0.00	100.00

(1) Ir. Anilarasu Amaranazan has been appointed as the Group Managing Director with effect from 1 February 2019.

(2) Mr. Ching Chiat Kwong has been appointed as a Non-Independent Non-Executive Director with effect from 25 May 2018.

(3) Dato' Choong Khuat Seng has been appointed as an Independent Non-Executive Director of the Company with effect from 28 June 2018.

(4) Dato' Choong Khuat Seng has been appointed as a member of the Nominating Committee of the Company with effect from 1 February 2019.

Note:

1. EPF denotes Employees Provident Fund.
2. Bonuses declared for FY2017, paid in FY2018.
3. In respect of FY2018, the amount of Directors' Fees proposed to be payable to the Non-Executive Directors (including the Independent Directors) are subject to the approval of Shareholders at the forthcoming AGM.

No Director has been granted the share-based award during FY2018.

The total remuneration paid or payable to the Group's respective top six (6) key management personnel (who is not a Director or CEO) as named under the section on "Profiles of Key Management" in this Annual Report, for FY2018, is below S\$250,000 each.

The Executive Directors and key management personnel are not entitled to any benefits upon termination, retirement or post-employment. During FY2018, the Group does not have any employees who are immediate family members of a Director or the CEO.

PRINCIPLE 10: ACCOUNTABILITY

The Board should present a balanced and understandable assessment of the company's performance, position and prospects.

The Board has embraced openness and transparency in the conduct of the Company's affairs, whilst preserving the interests of the Group. The Board provides a balanced and understandable assessment of the Group's performance, position and prospects through announcements of the Group's quarterly and full-year financial results, and announcements of the Group's major corporate developments from time to time. In line with the continuous disclosure obligations under the Catalist Rules, the Board has and will continue to inform Shareholders promptly of all pertinent information. Such information is disclosed to Shareholders on a timely basis through SGXNET. All disclosures submitted to the SGX-ST on SGXNET are also made available on the Company's corporate website (aspen.sg).

The Board is accountable to the Shareholders and is mindful of its obligations to furnish timely information and to ensure full disclosure of material information to Shareholders in compliance with statutory requirements and the Catalyst Rules. The management provides the Board with the management accounts on a regular basis and as the Board may require from time to time. Such reports keep the Board informed of the Group's performance and contain explanation and information to enable the Board to make a balanced and informed assessment of the Group's performance, position and prospects.

PRINCIPLE 11: RISK MANAGEMENT AND INTERNAL CONTROLS

The Board is responsible for the governance of risk. The Board should ensure that Management maintains a sound system of risk management and internal controls to safeguard shareholders' interests and the company's assets and should determine the nature and extent of the significant risks which the Board is willing to take in achieving its strategic objectives.

The Board is committed to maintaining a sound system of internal controls to safeguard Shareholders' investments and the Group's assets. The Board oversees the management in the design, implementation and monitoring of risk management and internal control systems.

The AC and the Board review on an annual basis the adequacy of the Group's internal controls, operational and compliance controls, and risk management policies and systems established by the management. The system of internal controls and risk management established by the Company are designed to manage, rather than eliminate the risk of failure in achieving the Group's strategic objectives. The management is involved in regular reviews of the risks that are significant to the fulfilment of the objectives of the business. However, it should be recognised that such systems are designed to provide reasonable assurance, but not an absolute guarantee against material misstatement or loss.

During FY2018, the Company's appointed internal auditor, BDO LLP, has conducted internal audit review based on an agreed scope of review. In respect of FY2018, the Board has received from the Group CEO and Chief Financial Officer ("CFO") a letter of assurance confirming that the Group's financial records have been properly maintained and the Group's consolidated financial statements for FY2018 give a true and fair view of the Group's operations and finances, and that the Group's risk management and internal control systems were sufficiently effective.

Based on (i) the internal controls established and maintained by the Group, (ii) work performed by the internal and external auditors, (iii) reviews performed by the management, the AC and the Board, and (iv) the aforementioned letter of assurance provided by the Group CEO and CFO, the Board with the concurrence of the AC, is of the opinion that the Group's internal controls, addressing financial, operational, compliance and information technology risks, and risk management systems were adequate and effective for FY2018.

The Board notes that no system of internal controls and risk management can provide absolute assurance in this regard, or absolute assurance against the occurrence of material errors, poor judgement in decision-making, human error, losses, fraud or other irregularities. However, the Board, together with the AC and the management, will review the adequacy and effectiveness of the internal control framework on an on-going basis and address any specific issues or risks whenever necessary.

PRINCIPLE 12: AUDIT COMMITTEE

The Board should establish an Audit Committee with written terms of reference which clearly set out its authority and duties.

The AC comprises three Non-Executive Directors, namely Mr. Cheah Teik Seng (Chairman of the AC), Dato' Alan Teo Kwong Chia and Dr. Lim Su Kiat. The AC is comprised of a majority of independent directors, including the Chairman of the AC.

All members of the AC have extensive management and financial experience. The Board considers them as having sufficient financial management knowledge and experience to discharge their responsibilities in the AC.

The AC has full access to, and co-operation from the management, and has full discretion to invite any Director, executive officer or other persons to attend its meetings. It may require any such Director, officer or other person in attendance to leave the proceedings (temporarily or otherwise) to facilitate open discussion.

The duties and responsibilities of the AC are contained in written terms of reference, which are mainly to assist the Board in discharging its statutory and other responsibilities relating to internal controls, financial and accounting matters, compliance, business and financial risk management. The duties of the AC include the following:

- i. recommending to the Board on the proposals to Shareholders on the appointment, re-appointment and removal of the external auditors, and approving the remuneration and terms of engagement of the external auditors;
- ii. reviewing the scope, changes, results and cost-effectiveness of the external and internal audit plan and process, and the independence and objectivity of the auditors;
- iii. reviewing the Group's quarterly and annual financial statements and related notes and announcements relating thereto, accounting principles adopted, and the external auditors' report prior to recommending to the Board for approval;
- iv. reviewing, evaluating and reporting to the Board at least annually, having regard to input from external and internal auditors, the adequacy and effectiveness of the system of internal controls, including financial, operational, compliance and information technology controls;
- v. reviewing the nature, scope, extent and cost-effectiveness of any non-audit services provided by the external auditors and ensuring that these do not affect the independence and objectivity of the external auditors;
- vi. reviewing any significant financial reporting issues and judgments and estimates made by the management, so as to ensure the integrity of the financial statements of the Group and any announcements relating to the Group's financial performance;
- vii. reviewing the effectiveness of the Group's internal audit function; and
- viii. reviewing the interested person transactions reported by the management to ensure that they were carried out on normal commercial terms, and are not prejudicial to the interests of Shareholders.

The AC has met with the internal auditors and external auditors without the presence of the Company's management during FY2018 to review any matters raised then.

In respect of FY2018, the AC has reviewed the independence of the external auditors, Messrs KPMG LLP and recommended that Messrs KPMG LLP be nominated for re-appointment as auditors at the forthcoming AGM. In recommending the re-appointment of the auditors, the AC considered and reviewed a number of key factors, including amongst other things, the adequacy of the resources and experience of the supervisory and professional staff as well as audit engagement partner to be assigned to the audit, and size and complexity of the Group and its businesses and operations. The Group has also complied with Rules 712 and 715 of the Catalyst Rules in relation to the appointment of its external auditors.

The total fees paid in respect of audit and non-audit fees to the external auditors, Messrs KPMG LLP for FY2018 are as stated below.

External Auditors Fees for FY2018	RM '000	% of total fees
Total audit fees	503	89
Total non-audit fees	60	11
Total fees paid	563	100

The AC has reviewed the amount of fees paid for non-audit services to the external auditors and the AC is satisfied that the nature and extent of such services will not prejudice the independence and objectivity of the external auditors.

The AC has the authority to investigate any matter brought to its attention within its terms of reference, with the authority to engage professional advice at the Company's expense.

The Group has in place a whistle-blowing policy which allows employees to raise concerns about possible improprieties in matters of financial reporting or other matters in confidence and ensures that there is independent investigation of such matters and appropriate follow up action. Details of the whistle-blowing policy have been made available to all employees of the Group. The AC will review the whistle blowing policy from time to time and will consider extending the whistle-blowing policy to persons other than employees in due course.

Details of the activities of the AC are also provided under Principles 11 and 13 of this report. In addition to the activities undertaken to fulfil its responsibilities, the AC is kept abreast by the management, external and internal auditors on changes to accounting standards, stock exchange rules and other codes and regulations which could have an impact on the Group's business and financial statements as well as attending the relevant external training and seminars in respect thereof.

No former partner or director of the Company's existing auditing firm is a member of the AC.

PRINCIPLE 13: INTERNAL AUDIT

The company should establish an effective internal audit function that is adequately resourced and independent of the activities it audits.

The internal audit function is currently outsourced to Messrs BDO LLP, which reports directly to the AC. The AC approves the appointment, termination, evaluation and compensation of the internal auditors. The internal auditors have unfettered access to all the Company's documents, records, properties and personnel, including access to the AC.

In the opinion of the Board, Messrs BDO LLP meets the standards set out by both nationally and internationally recognised professional bodies and is satisfied that the internal auditors are qualified and experienced personnel.

The internal audit plans are reviewed and approved by the AC, to ensure the adequacy of the scope of audit with the arising audit outcome presented and reviewed by the management, the AC and the Board.

The AC has reviewed and is satisfied that the Company's internal audit function for FY2018 is independent, effective and adequately resourced.

The AC will annually review the scope and results of the internal audit and ensure that the internal audit function is adequately resourced.

PRINCIPLE 14: SHAREHOLDER RIGHTS

Companies should treat all shareholders fairly and equitably, and should recognize, protect and facilitate the exercise of shareholders' rights, and continually review and update such governance arrangements.

Shareholders are treated fairly and equitably to facilitate their ownership rights. In line with the continuous disclosure obligations of the Company, pursuant to the Catalyst Rules and Companies Act, the Board's policy is that Shareholders should be informed in a comprehensive manner and on a timely basis of all material developments of the Group which would be likely to materially affect the price or value of the Company's Shares.

Shareholders have the opportunity to participate effectively in and vote at general meetings of Shareholders. They will be informed of the rules, including voting procedures that govern the general meetings.

The Company allows corporations which provide nominee or custodial services to appoint more than two proxies so that Shareholders who hold Shares through such corporations can attend and participate in general meetings as proxies.

PRINCIPLE 15: COMMUNICATION WITH SHAREHOLDERS

Companies should actively engage their shareholders and put in place an investor relations policy to promote regular, effective and fair communication with shareholders.

Communication with Shareholders is managed by the Board and is facilitated through a professional investors' relations firms engaged by the Company, namely Cyrus Capital Consulting.

The Company does not make price-sensitive disclosure to a selected group. All announcements are released via the SGXNET and are also available on the Company's corporate website (aspen.sg). Shareholders receive the Annual Report together with the notice of AGM which is also accessible through the SGXNET. The notice of AGM is also advertised in a local newspaper.

The Company organises regular briefings with the media and analysts, and participates in investor seminars to update the investing community of the Group's performance and developments. During such briefings and meetings, the Company solicits feedback from and addresses the concerns of Shareholders and the investment community.

The Company has adopted a dividend policy ("**Dividend Policy**"), which was announced via SGXNET on 7 September 2017. As disclosed in the Dividend Policy, the Company will declare annual dividends, including interim dividends, of not less than 20% of the Company's consolidated profit after tax and non-controlling interest, excluding non-recurring, one-off and exceptional items, in respect of any financial year commencing financial year ending 31 December 2018 to its shareholders, subject to inter alia the Company's retained earnings, financial position, capital expenditure requirements, future expansion, investment plans, approval from lenders and other relevant factors. However, with the challenging global and domestic economy, increased cost of living and overhang in the residential property segment, the management sees the soft property market as increased opportunities to acquire prime land bank as well as explore joint ventures with landowners as the land valuation for such development have become much more reasonable. In view of this, the management plans to conserve cash to take advantage of such opportunities. As such, the Board has decided that no dividend will be declared or recommended for the financial year ended 31 December 2018. However, the dividend policy remains in place. The Board may declare the payment of dividends when the property market conditions improve and are more favourable.

PRINCIPLE 16: CONDUCT OF SHAREHOLDER MEETINGS

Companies should encourage greater shareholder participation at general meetings of shareholders and allow shareholders the opportunity to communicate their views on various matters affecting the company.

The Board supports the Code's principle to encourage Shareholders' participation at general meetings.

The Board encourages Shareholders to attend general meetings to ensure a greater level of Shareholders' participation and to meet with the Board and the key management personnel so as to stay informed of the Group's developments and to raise issues and ask the Directors or the management questions regarding the Group's business and operations. The Directors, including the Chairman of the AC, NC and RC, and the management as well as external auditors will be present at general meetings to address Shareholders' queries.

Currently, the Constitution of the Company allows a member of the Company to appoint up to two proxies to attend and vote at general meetings. Pursuant to Section 181 of the Companies Act, a member of the Company who is a relevant intermediary is entitled to appoint more than two proxies to attend and vote in his stead. "Relevant intermediary" has the meaning ascribed to it in Section 181 of the Companies Act.

The Company practises having separate resolutions at general meetings on each substantially separate issue. The Company also makes available minutes of general meetings to Shareholders upon their requests.

The Company will conduct voting by poll and an announcement detailing the results, including the total number of votes cast for and against each resolution and the respective percentages will be announced via SGXNET after the conclusion of the general meeting.

SUSTAINABILITY REPORTING

In respect of the Sustainability Report, the Company has initiated the process internally. The Company is in the midst of drafting the sustainability practices by, inter alia, identifying and assessing the material environmental, social and governance factors by taking into consideration their relevance to the business, strategy, business model and key stakeholders. The Company may, if necessary, consider engaging such external parties to assist in preparing the Sustainability Report.

The Company's first Sustainability Report will be released by 31 December 2019.

DEALINGS IN SECURITIES

The Group has implemented appropriate internal guidelines on dealings in the Company's securities in compliance with the best practices as set out in Rule 1204(19) of the Catalist Rules. All Directors and staff of the Group are not allowed to trade in the Company's securities during the periods commencing two weeks and one month before the announcement of the Company's quarterly and full year financial results respectively. To facilitate compliance, reminders are issued to all directors and staff prior to the applicable trading black-outs. Our directors and staff, who are expected to observe insider trading laws at all times, are also discouraged from dealing in the Company's securities on short-term considerations.

NON-SPONSOR FEES

There were no non-sponsor fees paid and/or payable to the Company's sponsor, PrimePartners Corporate Finance Pte. Ltd. during FY2018.

INTERESTED PERSON TRANSACTIONS

The Group has procedures governing all Interested Persons Transactions ("IPT") to ensure that they are properly documented and reported on a timely manner to the AC and that they are carried out on normal commercial terms and are not prejudicial to the interests of the Company and its minority shareholders.

Details of IPT for the financial year ended 31 December 2018 are set out below:

Name of interested person	Aggregate value of all IPT during the financial year ended 31 December 2018 (excluding transactions less than \$100,000 and transactions conducted under shareholders' mandate pursuant to Rule 920)	Aggregate value of all IPT conducted under shareholders mandate pursuant to Rule 920 (excluding transactions less than \$100,000)
Trade Empire Sdn. Bhd. (sale of a property unit of Beacon Executive Suites by the Company's subsidiary i.e. Aspen Vision Builders Sdn. Bhd.)	RM627,950	-

Note:

Trade Empire Sdn. Bhd. is held 60% by Mr. Lee Peng Cheong ("Mr. Lee"), a Director of Aspen Vision Builders Sdn. Bhd. and the remaining 40% is held by Datin Lee Ke Sin ("Datin Lee"), the spouse of Dato' Murly Manokharan, the President and Group Chief Executive Officer of the Company. Mr. Lee and Datin Lee are siblings.

Other than the interested person transactions as disclosed above and on pages 195 to 201 of the Offer Document, there are no IPTs exceeding S\$100,000 and above during the financial period under review.

Dato' Murly and Dato' Seri Nazir Ariff have provided personal guarantees for a loan obtained by a subsidiary from Hong Leong Islamic Berhad with a limit of RM70.0 million for the completion of acquisition of Parcel 5 at Aspen Vision City, Batu Kawan, Penang and Dato' Murly has also provided personal guarantee for a convertible loan of USD11.0 million obtained by the Company from Haitong International Financial Products (Singapore) Pte. Ltd. There is no value at risk to the Company arising from the personal guarantees provided.

The Company did not obtain any general mandate from Shareholders for interested person transactions pursuant to Rule 920 of the Catalist Rules.

USE OF PROCEEDS

IPO Net 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 29 March 2019, 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	(25,000)	-
Repayment of bank borrowings from CIMB Islamic Bank Berhad	2,000	(2,000)	-
Working capital (consists of payroll payment, tax payment, repayment of revolving credit interest and general operational and administrative expenses)	9,720	(9,720)	-
Total:	36,720	(36,720)	-

The above utilisations are in accordance with the intended use of the IPO net proceeds and percentage allocated, as stated in the Offer Document.

Private Placement Proceeds

The Company refers to the net proceeds amounting to S\$23.25 million (excluding placement expenses of approximately S\$0.04 million) raised from the private placement which was completed on 21 May 2018.

As at 29 March 2019, the status on the use of the proceeds from the private placement is as follows:

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	(13,577)	2,694
Working capital requirements (consists of payment for renovation of the Experience Centre, payroll payment, repayment of interest from borrowings and hire purchase instalments, tax payment and general operational and administrative expenses)	6,974	(6,974)	-
Total:	23,245	(20,551)	2,694

The above utilisations are in accordance with the intended use of the private placement net proceeds and percentage allocated, as stated in the announcement dated 30 April 2018.

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.

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 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:

Use of Net Disbursement from Convertible Loan	Amount allocated (S\$'000)	Amount utilised (S\$'000)	Balance (S\$'000)
Investment in Global Vision Logistics Sdn. Bhd.	5,445	(511)	4,934
Construction of Central Park	3,267	(3,267)	-
Investment in Bandar Cassia Properties (SC) Sdn. Bhd.	2,178	-	2,178
Total	10,890	(3,778)	7,112

The above utilisations are in accordance with the intended use of the Convertible Loan net proceeds 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.

MATERIAL CONTRACTS

Save for those disclosed under the section "Interested Person Transactions" and the service agreement between the Executive Directors and the Company, there were no material contracts entered into by the Company and its subsidiaries involving the interests of its CEO, Directors or controlling shareholders which are either still subsisting at the end of FY2018 or if not then subsisting, entered into by the Company during the period under review.

Financial Reports

Directors' Statement

We are pleased to submit this annual report to the members of the Company together with the audited financial statements for the year ended 31 December 2018.

In our opinion:

- the financial statements set out on pages 88 to 141 are drawn up so as to give a true and fair view of the consolidated financial position of the Group and the financial position of the Company as at 31 December 2018 and the consolidated financial performance, consolidated changes in equity and consolidated cash flows of the Group for the year ended on that date in accordance with the provisions of the Singapore Companies Act, Chapter 50 and Singapore Financial Reporting Standards (International); and
- at the date of this statement, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they fall due.

The Board of Directors has, on the date of this statement, authorised these financial statements for issue.

Directors

The directors in office at the date of this statement are as follows:

Dato' Murly Manokharan

Dato' Seri Nazir Ariff Bin Mushir Ariff

Mr Cheah Teik Seng

Dato' Alan Teo Kwong Chia

Dr Lim Su Kiat

Ir Anilarasu Amaranazan

Mr Ching Chiat Kwong

Mr Low See Ching (Liu Shijin)

Dato' Choong Khuat Seng

(Appointed on 1 February 2019)

(Appointed on 25 May 2018)

(Alternate Director to Mr Ching Chiat Kwong)

(Appointed on 28 June 2018)

Directors' interests

According to the register kept by the Company for the purposes of Section 164 of the Singapore Companies Act, Chapter 50 (the "Act"), particulars of interests of directors who held office at the end of the financial year (including those held by their spouses and infant children) in shares, debentures, warrants and share options in the Company and in related corporations (other than wholly-owned subsidiaries) are as follows:

Name of director and corporation in which interests are held	Holdings at beginning of the year/date of appointment	Holdings at end of the year
Dato' Murly Manokharan		
Aspen Vision Group Sdn. Bhd.		
• ordinary shares		
– interest held	126	19,427
• redeemable preference shares		
– interest held	243,721	224,947
Aspen (Group) Holdings Limited		
• ordinary shares		
– deemed interest	482,300,000	492,300,000

Name of director and corporation in which interests are held	Holdings at beginning of the year/date of appointment	Holdings at end of the year
Dato' Seri Nazir Ariff Bin Mushir Ariff		
Aspen Vision Group Sdn. Bhd.		
• ordinary shares		
– interest held	40	5,473
• redeemable preference shares		
– interest held	71,630	65,670
Aspen (Group) Holdings Limited		
• ordinary shares		
– deemed interest	482,300,000	-
Mr Cheah Teik Seng		
Aspen (Group) Holdings Limited		
• ordinary shares		
– interest held	4,360,000	4,360,000
Dato' Alan Teo Kwong Chia		
Aspen (Group) Holdings Limited		
• ordinary shares		
– interest held	200,000	200,000
Dr Lim Su Kiat		
Aspen Vision Group Sdn. Bhd.		
• ordinary shares		
– interest held	14	2,100
• redeemable preference shares		
– interest held	53,359	51,273
Aspen (Group) Holdings Limited		
• ordinary shares		
– interest held	-	20,000
Mr Ching Chiat Kwong		
Aspen (Group) Holdings Limited		
• ordinary shares		
– deemed interest	97,000,000	98,620,000
Mr Low See Ching (Liu Shijin)		
Aspen (Group) Holdings Limited		
• ordinary shares		
– deemed interest	97,000,000	98,620,000

Except as disclosed in this statement, no director who held office at the end of the financial year had interests in shares, debentures, warrants or share options of the Company, or of related corporations, either at the beginning of the financial year or at the date of appointment, if later, or at the end of the financial year.

There were no changes in any of the above mentioned interests in the Company between the end of the financial year and 21 January 2019.

Except as disclosed under the 'Share options' section of this statement, neither at the end of, nor at any time during the financial year, was the Company a party to any arrangement whose objects are, or one of whose objects is, to enable the directors of the Company to acquire benefits by means of the acquisition of shares in or debentures of the Company or any other body corporate.

Share Options and Share Plans

The AV Employee Share Option Scheme (the "Scheme") and AV Performance Share Plan ("PSP") of the Company was approved and adopted by its members at an Extraordinary General Meeting held on 19 June 2017.

At the end of the financial year, no administration committee has been formed and no options and awards have been granted.

Audit Committee

The members of the Audit Committee ("AC") during the year and at the date of this statement are:

Mr Cheah Teik Seng	(Independent Non-Executive Director and Chairman)
Dato' Alan Teo Kwong Chia	(Independent Non-Executive Director)
Dr Lim Su Kiat	(Non-Independent Non-Executive Director)

The AC performs the functions specified in Section 201B of the Act, the SGX Listing Manual and the Code of Corporate Governance.

The Audit Committee has held 4 meetings since the last directors' statement. In performing its functions, the Audit Committee met with the Company's external and internal auditors to discuss the scope of their work, the results of their examination and evaluation of the Company's internal accounting control system.

The Audit Committee also reviewed the following:

- assistance provided by the Company's officers to the internal and external auditors;
- quarterly financial information and annual financial statements of the Group and the Company prior to their submission to the directors of the Company for adoption; and
- interested person transactions (as defined in Chapter 9 of the SGX Listing Manual).

The Audit Committee has full access to management and is given the resources required for it to discharge its functions. It has full authority and the discretion to invite any director or executive officer to attend its meetings. The Audit Committee also recommends the appointment of the external auditors and reviews the level of audit and non-audit fees.

The Audit Committee is satisfied with the independence and objectivity of the external auditors and has recommended to the Board of Directors that the auditors, KPMG LLP, be nominated for re-appointment as auditors at the forthcoming Annual General Meeting of the Company.

In appointing our auditors for the Company, subsidiaries and significant associated companies, we have complied with Rules 712 and 715 of the SGX Listing Manual.

Auditors

The auditors, KPMG LLP, have indicated their willingness to accept re-appointment.

On behalf of the Board of Directors

Dato' Seri Nazir Ariff Bin Mushir Ariff
Director

29 March 2019

Dato' Murly Manokharan
Director

Independent auditors' report

Members of the Company
Aspen (Group) Holdings Limited

Report on the audit of the financial statements

Opinion

We have audited the financial statements of Aspen (Group) Holdings Limited (the "Company") and its subsidiaries (the "Group"), which comprise the consolidated statement of financial position of the Group and statement of financial position of the Company as at 31 December 2018, and the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows of the Group for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, as set out on pages 88 to 141.

In our opinion, the accompanying financial statements of the Group and the statement of financial position of the Company are properly drawn up in accordance with the provisions of the Companies Act, Chapter 50 (the "Act") and Singapore Financial Reporting Standards (International) ("SFRS(I)s") so as to give a true and fair view of the consolidated financial position of the Group and the financial position of Company as at 31 December 2018 and of the consolidated financial performance, consolidated changes in equity and consolidated cash flows of the Group for the year ended on that date.

Basis for opinion

We conducted our audit in accordance with Singapore Standards on Auditing ("SSAs"). Our responsibilities under those standards are further described in the 'Auditors' responsibilities for the audit of the financial statements' section of our report. We are independent of the Group in accordance with the Accounting and Corporate Regulatory Authority *Code of Professional Conduct and Ethics for Public Accountants and Accounting Entities* ("ACRA Code") together with the ethical requirements that are relevant to our audit of the financial statements in Singapore, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ACRA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Revenue recognition for sale of development properties

(Refer to notes 3.14 and 23 to the financial statements)

Risk:

The Group enters into contracts with customers to deliver specified building units to the customers based on the plans and specifications as set out in the contracts. In accordance with SFRS(I) 15 *Revenue from Contracts with Customers*, the analysis of whether the contracts comprise one or more performance obligations, determining whether the performance obligations are satisfied over time and the methods used to measure progress for revenue recognition where performance obligations are satisfied over time represent areas requiring critical judgement and estimates by the Group.

There is a broad range of possible outcomes resulting from these judgements that could lead to different revenue and profit being reported in the financial statements.

Our response:

We evaluated the Group's processes over revenue recognition for sale of development properties and assessed the basis for the identification of performance obligations. We also read the sales and purchase agreements of development properties and discussed each of the developments with management to obtain an understanding of the specific terms to identify performance obligations. Also, we assessed whether the criteria are met for recognising revenue over time and the point of revenue recognition.

We assessed the appropriateness of methods and amounts used to measure the progress of the construction of specified building units by reference to construction costs incurred to date compared to the estimated total construction costs where the performance obligation is satisfied over time.

We assessed the adequacy of the estimated total construction costs by comparing them with the actual costs incurred to-date and discussed with management on the progress of the developments, taking into consideration of any significant deviation in design plans or potential delay, which may require revision in the estimated total construction costs.

Valuation of development properties

(Refer to notes 3.6 and 8 to the financial statements)

Risk:

The Group has significant development properties held for sale in Penang, Malaysia. Development properties for sale are stated at the lower of their cost and net realisable values. The determination of the estimated net realisable value of these development properties is critically dependent upon the Group's expectations of future selling prices of unsold properties. There is, therefore a risk that the estimated net realisable value exceeds the future actual selling prices, resulting in unforeseen losses when the properties are sold.

Our response:

We assessed the reasonableness of the Group's estimated selling prices of development properties for on-going projects by comparing them with recent transacted selling prices of the development properties.

Valuation of land rights

(Refer to notes 3.4 and 5 to the financial statements)

Risk:

As at 31 December 2018, the Group has land rights with a carrying amount of RM22,875,000 (2017: RM30,468,000). The land rights are impaired when the carrying amount exceeds their recoverable amount. The recoverable amount is the higher of their fair value less costs of sale and its value in use. Estimating the recoverable amount involves significant judgement in determining the appropriate valuation methodology to be used, and in estimating the underlying assumptions to be applied.

Our response:

We evaluated the independence, objectivity and competency of the independent external valuer. We considered the valuation methodologies adopted and assessed the reasonableness of the key assumptions used by the independent external valuer in deriving the recoverable amount, against historical rates and available market data, taking into consideration comparable and market factors.

Other information

Management is responsible for the other information contained in the annual report. Other information is defined as all information in the annual report other than the financial statements and our auditors' report thereon.

We have obtained all other information prior to the date of this auditors' report.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of management and directors for the financial statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the provisions of the Act and SFRS(I)s, and for devising and maintaining a system of internal accounting controls sufficient to provide a reasonable assurance that assets are safeguarded against loss from unauthorised use or disposition; and transactions are properly authorised and that they are recorded as necessary to permit the preparation of true and fair financial statements and to maintain accountability of assets.

In preparing the financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The directors' responsibilities include overseeing the Group's financial reporting process.

Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SSAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls.
- Obtain an understanding of internal controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal controls that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless the law or regulations preclude public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on other legal and regulatory requirements

In our opinion, the accounting and other records required by the Act to be kept by the Company have been properly kept in accordance with the provisions of the Act.

The engagement partner on the audit resulting in this independent auditors' report is Karen Lee Shu Pei.

KPMG LLP

*Public Accountants and
Chartered Accountants*

Singapore

29 March 2019

Statements of financial position

As at 31 December 2018

		Group			Company	
	Note	2018 RM'000	2017 RM'000 Restated	1 Jan 2017 RM'000 Restated	2018 RM'000	2017 RM'000
ASSETS						
Non-current assets						
Property, plant and equipment	4	86,809	55,541	44,771	–	–
Land rights	5	22,875	30,468	30,782	–	–
Subsidiaries	6	–	–	–	213,141	151,041
Associates	7	69,969	48,700	22,177	–	–
Deferred tax assets	19	8,546	11,434	9,819	–	–
Total non-current assets		188,199	146,143	107,549	213,141	151,041
Current assets						
Development properties	8	346,009	271,362	188,698	–	–
Contract costs	9	2,986	4,011	2,609	–	–
Contract assets	10	33,350	12,407	–	–	–
Inventories	11	17,603	99,703	99,703	–	–
Trade and other receivables	12	190,448	83,717	25,422	9,198	–
Cash and cash equivalents	13	163,035	139,988	103,383	50,278	9,124
Total current assets		753,431	611,188	419,815	59,476	9,124
Total assets		941,630	757,331	527,364	272,617	160,165
LIABILITIES						
Current liabilities						
Loans and borrowings	14	42,628	45,624	73,367	–	–
Trade and other payables	15	311,561	217,458	125,099	983	654
Contract liabilities	10	45,782	59,153	139,439	–	–
Current tax liabilities		245	4,547	4,126	–	–
Total current liabilities		400,216	326,782	342,031	983	654
Non-current liabilities						
Loans and borrowings	14	116,150	71,645	45,339	45,738	–
Deferred income	18	–	48,569	84,686	–	–
Deferred tax liabilities	19	10,506	13,376	12,903	–	–
Total non-current liabilities		126,656	133,590	142,928	45,738	–
Total liabilities		526,872	460,372	484,959	46,721	654
EQUITY						
Share capital	20	237,241	168,346	46,272	237,241	168,346
Reserves	21	153,825	112,904	(7,124)	(11,345)	(8,835)
Equity attributable to owners of the Company		391,066	281,250	39,148	225,896	159,511
Non-controlling interests	22	23,692	15,709	3,257	–	–
Total equity		414,758	296,959	42,405	225,896	159,511
Total equity and liabilities		941,630	757,331	527,364	272,617	160,165

The accompanying notes form an integral part of these financial statements.

Consolidated statement of profit or loss and other comprehensive income

Year ended 31 December 2018

	Note	Group	
		2018 RM'000	2017 RM'000 Restated
Revenue	23	569,973	453,073
Cost of sales	24	(447,537)	(276,253)
Gross profit		122,436	176,820
Other income		8,439	1,516
Administrative expenses		(38,999)	(35,992)
Selling and distribution expenses		(11,449)	(14,018)
Other operating expenses		(56)	(243)
Results from operating activities		80,371	128,083
Finance income		2,550	2,437
Finance costs		(7,806)	(2,804)
Net finance costs	25	(5,256)	(367)
Share of results of equity-accounted investees, net of tax		221	(566)
Profit before tax	26	75,336	127,150
Tax expense	27	(26,432)	(32,558)
Profit for the year		48,904	94,592
Other comprehensive income, net of tax		—	—
Total comprehensive income for the year		48,904	94,592
Profit and total comprehensive income for the year attributable to:			
Owners of the Company		40,921	82,140
Non-controlling interests		7,983	12,452
		48,904	94,592
Earnings per share			
Basic earnings per share (sen)	28	4.42	10.70
Diluted earnings per share (sen)	28	4.42	10.70

The accompanying notes form an integral part of these financial statements.

Consolidated statement of changes in equity

Year ended 31 December 2018

	Note	Attributable to owners of the Company					Non-controlling interests RM'000	Total equity RM'000
		Share capital RM'000	Other reserve RM'000	Merger reserve RM'000	Retained earnings RM'000	Total RM'000		
Group								
At 1 January 2018, as previously stated		168,346	–	37,442	80,494	286,282	16,266	302,548
Impact on change in accounting policy	2.5	–	–	–	(5,032)	(5,032)	(557)	(5,589)
At 1 January 2018, as restated		168,346	–	37,442	75,462	281,250	15,709	296,959
Total comprehensive income for the year								
Profit for the year		–	–	–	40,921	40,921	7,983	48,904
Other comprehensive income, net of tax		–	–	–	–	–	–	–
Total comprehensive income for the year		–	–	–	40,921	40,921	7,983	48,904
Transaction with owners, recognised directly in equity								
Issuance of shares through private placement	20	68,895	–	–	–	68,895	–	68,895
Total transactions with owners		68,895	–	–	–	68,895	–	68,895
At 31 December 2018		237,241	–	37,442	116,383	391,066	23,692	414,758

The accompanying notes form an integral part of these financial statements.

Consolidated statement of changes in equity (continued)

Year ended 31 December 2018

	Note	Attributable to owners of the Company					Non-controlling interests RM'000	Total equity RM'000
		Share capital RM'000	Other reserve RM'000	Merger reserve RM'000	(Accumulated losses)/ Retained earnings RM'000	Total RM'000		
Group								
At 1 January 2017, as previously stated		46,272	1,228	(1,674)	(4,914)	40,912	3,378	44,290
Impact on change in accounting policy	2.5	–	–	–	(1,764)	(1,764)	(121)	(1,885)
At 1 January 2017, as restated		46,272	1,228	(1,674)	(6,678)	39,148	3,257	42,405
Total comprehensive income for the year								
Profit for the year		–	–	–	82,140	82,140	12,452	94,592
Other comprehensive income, net of tax		–	–	–	–	–	–	–
Total comprehensive income for the year, as restated		–	–	–	82,140	82,140	12,452	94,592
Transaction with owners, recognised directly in equity								
Adjustment pursuant to restructuring exercise	1.1	(1,931)	(1,228)	39,116	–	35,957	–	35,957
Issuance of new shares pursuant to IPO (Note 20)		128,418	–	–	–	128,418	–	128,418
Capitalisation of listing expenses		(4,413)	–	–	–	(4,413)	–	(4,413)
Total transactions with owners		122,074	(1,228)	39,116	–	159,962	–	159,962
At 31 December 2017, as restated		168,346	–	37,442	75,462	281,250	15,709	296,959

The accompanying notes form an integral part of these financial statements.

Consolidated statement of cash flows

Year ended 31 December 2018

	Group	
	2018 RM'000	2017 RM'000 Restated
Cash flows from operating activities		
Profit before tax	75,336	127,150
Adjustments for:		
Amortisation of deferred income	(33,166)	(36,117)
Depreciation of property, plant and equipment	6,435	5,303
Finance costs	11,685	5,436
Finance income	(2,550)	(2,437)
Gain on disposal of property, plant and equipment	–	(28)
Listing expenses	–	7,996
Property, plant and equipment written off	54	74
Share of results of equity-accounted investees	(221)	566
Unrealised loss from downstream income from associate	12	61
	57,585	108,004
Changes in:		
– development properties	(357)	(76,728)
– contract costs	1,025	(1,402)
– contract assets	(20,943)	(12,407)
– trade and other receivables	(93,682)	(62,443)
– trade and other payables	93,515	91,681
– contract liabilities	(13,371)	(80,286)
Cash generated from/(used in) operations	23,772	(32,581)
Tax paid	(43,765)	(27,465)
Net cash generated used in operating activities	(19,993)	(61,046)
Cash flows from investing activities		
Acquisition of property, plant and equipment	(36,609)	(20,627)
Interest received	2,550	2,437
Changes in investment in associates	(21,060)	(27,150)
Proceeds from disposal of property, plant and equipment	12	708
Net cash used in investing activities	(55,107)	(44,632)

The accompanying notes form an integral part of these financial statements.

Consolidated statement of cash flows (continued)

Year ended 31 December 2018

	Note	Group	
		2018 RM'000	2017 RM'000
Cash flows from financing activities			
Proceeds from share capital contribution		–	128,418
Proceeds from issuance of shares through private placement		68,895	–
Listing expenses		–	(12,409)
Changes in fixed deposit pledged		(3,077)	(2,764)
Proceeds from loans and borrowings		67,262	129,811
Repayment of loans and borrowings		(26,119)	(98,043)
Repayment of finance lease liabilities		(794)	(1,484)
Interest paid		(11,097)	(4,010)
Net cash generated from financing activities		95,070	139,519
Net increase in cash and cash equivalents		19,970	33,841
Cash and cash equivalents at 1 January		134,262	100,421
Cash and cash equivalents at 31 December	13	154,232	134,262

Significant non-cash transactions

Acquisition of property, plant and equipment

During the financial year ended 31 December 2018, the Group acquired property, plant and equipment with an aggregate cost of RM37,769,000 (2017: RM22,449,000), of which RM1,160,000 (2017: RM1,822,000) was acquired by means of finance lease arrangements.

Notes to the financial statements

These notes form an integral part of the financial statements.

The financial statements were authorised for issue by the Board of Directors on 29 March 2019.

1 Domicile and activities

Aspen (Group) Holdings Limited (the "Company") is incorporated in the Republic of Singapore. The address of the Company's registered office is 80 Robinson Road #02-00 Singapore 068898.

The financial statements of the Company as at and for the year ended 31 December 2018 comprise the Company and its subsidiaries (together referred to as the "Group" and individually as "Group entities") and the Group's interest in equity-accounted investees.

The Company was listed on the Catalist of the Singapore Exchange Securities Trading Limited ("SGX-ST") on 28 July 2017.

The principal activity of the Company is that of investment holding. The principal activities of the subsidiaries are set out in note 6 to the financial statements. The immediate and ultimate holding company is Aspen Vision Group Sdn. Bhd., a company incorporated in Malaysia.

1.1 The restructuring exercise ("Restructuring Exercise")

The Company was incorporated on 22 December 2016. On the date of incorporation, the Company issued 10 ordinary shares at RM3.10 per share.

(i) Acquisition of Aspen Vision All Sdn. Bhd. ("AV All")

The Company entered into a share sale agreement dated 13 June 2017 with the shareholders of AV All and acquired the entire issued share capital of AV All comprising 6,150,000 ordinary shares for an aggregate consideration of approximately RM10,130,000. The purchase consideration was arrived at after taking into consideration the net asset value of AV All as at 31 December 2016. This was fully satisfied by the allotment of 1,999,990 new shares in the capital of the Company on 21 June 2017 and the Company became the holding company of AV All.

On 21 June 2017, the Company converted into a public limited company and changed its name to Aspen (Group) Holdings Limited.

The Company entered into a novation agreement dated 21 June 2017 ("Novation Agreement") in consideration for the allotment and issue of 34,210,730 ordinary shares by AV All to the Company, and the Company assumed the repayment obligations of the redeemable convertible unsecured loan stock ("RCULS") issued by AV All and Aspen Vision Development Sdn. Bhd. to the RCULS holders.

The Company entered into a capitalisation agreement dated 21 June 2017 and capitalised its obligations under the Novation Agreement by way of the allotment and issue of 11,000,000 shares in the Company to the RCULS holders.

The Restructuring Exercise was accounted for as a combination of businesses under common control by the shareholders of the Company, as they controlled the Group entities before and after the Restructuring Exercise. The presentation reflects the economic substance of the combining companies, which were under common control throughout the relevant period, as a single economic enterprise, notwithstanding that the Restructuring Exercise was completed on 21 June 2017 (see note 3.1(iii)).

(ii) Sub-division of shares

On 17 July 2017, 13,000,000 shares in the capital of the Company were split into 689,000,000 shares.

2 Basis of preparation

2.1 Statement of compliance

The financial statements have been prepared in accordance with Singapore Financial Reporting Standards (International) ("SFRS(I)"). These are the Group's first financial statements prepared in accordance with SFRS(I)s and SFRS(I) 1 *First-time Adoption of Singapore Financial Reporting Standards (International)* has been applied.

In the previous financial years, the financial statements were prepared in accordance with Financial Reporting Standards in Singapore ("FRS"). An explanation of how the transition to SFRS(I) and application of SFRS(I) 9 have affected the reported financial position and financial performance is provided in note 37.

2.2 Basis of measurement

The financial statements have been prepared on the historical cost basis except as otherwise described in the accounting policies below.

2.3 Functional and presentation currency

These financial statements are presented in Malaysian ringgit ("RM"), which is the Company's functional currency. All financial information presented in RM has been rounded to the nearest thousand, unless otherwise stated.

2.4 Use of estimates and judgements

The preparation of the financial statements in conformity with SFRS(I)s requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

Information about critical judgements in applying accounting policies that have the most significant effect on the amounts recognised in the financial statements are included in the following notes:

- Note 3.1(i) – Acquisition of equity interest: business combination and asset acquisition; and
- Note 23 – Revenue recognition – identifying performance obligations and measuring progress

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment within the next financial year are included in note 8 – Estimation of allowance for foreseeable losses for development properties.

A number of the Group's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities.

The Group has an established control framework with respect to the measurement of fair values. The framework includes a finance team that reports directly to the Chief Financial Officer, and has overall responsibility for all significant fair value measurement, including Level 3 fair values, where applicable.

The finance team regularly reviews significant unobservable inputs and valuation adjustments. If third party information, such as property valuations or broker quotes or pricing services, is used to measure fair values, then the finance team assesses and documents the evidence obtained from the third parties to support the conclusion that such valuations meet the requirements of SFRS(I), including the level in the fair value hierarchy in which such valuations should be classified.

Significant valuation issues are reported to the Group's Audit Committee.

When measuring the fair value of an asset or a liability, the Group uses observable market data as far as possible. Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

- Level 1 : quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2 : inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3 : inputs for the asset or liability that are not based on observable market data (unobservable inputs).

If the inputs used to measure the fair value of an asset or a liability might be categorised in different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement (with Level 3 being the lowest).

The Group recognises transfers between levels of the fair value hierarchy as of the end of the reporting period during which the change has occurred.

Further information about the assumptions made in measuring fair values is included in note 31 – Financial instruments.

2.5 Changes in significant accounting policies

Arising from the Agenda Decision issued by the IFRS Interpretation Committee (IFRIC) relating to the capitalisation of borrowing costs for the construction of a residential multi-unit estate development where revenue is recognised over time, the Group has ceased capitalisation of borrowing costs on development properties. The financial effect of the retrospective adjustments are set out as below:

	As previously stated RM'000	Adjustment RM'000	As restated RM'000
31 December 2017			
Group			
<i>Consolidated statement of financial position</i>			
Deferred tax assets	10,550	884	11,434
Development properties and contract costs	282,726	(7,353)	275,373
Deferred tax liabilities	(14,256)	880	(13,376)
Reserves	(117,936)	5,032	(112,904)
Non-controlling interests	(16,266)	557	(15,709)
<i>Consolidated statement of profit or loss and comprehensive income for the year ended 31 December 2017</i>			
Costs of sales	272,364	3,889	276,253
Finance costs	1,820	984	2,804
Tax expense	33,727	(1,169)	32,558
Profit and total comprehensive income for the year	(98,296)	3,704	(94,592)
Profit and total comprehensive income attributable to equity holders of the Company	(85,408)	3,268	(82,140)
Profit and total comprehensive income attributable to non-controlling interests	(12,888)	436	(12,452)
<i>Consolidated statement of changes in equity</i>			
Retained earnings	(80,494)	5,032	(75,462)
Non-controlling interests	(16,266)	557	(15,709)

	As previously stated RM'000	Adjustment RM'000	As restated RM'000
1 January 2017			
Group			
Consolidated Statement of financial position			
Deferred tax assets	9,415	404	9,819
Development properties and contract costs	193,787	(2,480)	191,307
Deferred tax liabilities	(13,094)	191	(12,903)
Reserves	5,360	1,764	7,124
Non-controlling interests	(3,378)	121	(3,257)
Consolidated statement of changes in equity			
Accumulated losses	4,914	1,764	6,678
Non-controlling interests	(3,378)	121	(3,257)

3 Significant accounting policies

The accounting policies set out below have been applied consistently to all periods presented in these financial statements and in preparing the opening SFRS(I)s statements of financial position at 1 January 2017 for the purposes of the transition to SFRS(I)s, except as explained in note 2.5, which addresses changes in accounting policies.

The accounting policies have been applied consistently by Group entities.

3.1 Basis of consolidation

(i) Business combinations

The Group accounts for business combinations using the acquisition method when control is transferred to the Group.

Acquisition from 1 January 2017

For acquisitions from 1 January 2017, the Group measures goodwill at the date of acquisition as:

- the fair value of the consideration transferred; plus
 - the recognised amount of any non-controlling interests ("NCI") in the acquiree; plus
 - if the business combination is achieved in stages, the fair value of the pre-existing equity interest in the acquiree, over the net recognised amount (generally fair value) of the identifiable assets acquired and liabilities assumed.
- Any goodwill that arises is tested annually for impairment.

When the excess is negative, a bargain purchase gain is recognised immediately in profit or loss.

The consideration transferred does not include amounts related to the settlement of pre-existing relationships. Such amounts are generally recognised in profit or loss.

Any contingent consideration payable is recognised at fair value at the acquisition date and included in the consideration transferred. If the contingent consideration that meets the definition of a financial instrument is classified as equity, it is not remeasured and settlement is accounted for within equity. Otherwise, other contingent consideration is remeasured at fair value at each reporting date and subsequent changes to the fair value of the contingent consideration are recognised in profit or loss.

NCI that are present ownership interests and entitle their holders to a proportionate share of the acquiree's net assets in the event of liquidation are measured either at fair value or at the NCI's proportionate share of the recognised amounts of the acquiree's identifiable net assets, at the acquisition date. The measurement basis taken is elected on a transaction-by-transaction basis. All other NCI are measured at acquisition-date fair value, unless another measurement basis is required by SFRS(I)s.

Costs related to the acquisition, other than those associated with the issue of debt or equity securities, that the Group incurs in connection with a business combination are expensed as incurred.

Changes in the Group's interest in a subsidiary that do not result in a loss of control are accounted for as transactions with owners in their capacity as owners and therefore no adjustments are made to goodwill and no gain or loss is recognised in profit or loss. Adjustments to NCI arising from transactions that do not involve the loss of control are based on a proportionate amount of the net assets of the subsidiary.

Acquisitions before 1 January 2017

As part of transition to SFRS(I)s, the Group elected not to restate those business combinations that occurred before the date of transition to SFRS(I)s, i.e. 1 January 2017. Goodwill arising from acquisitions before 1 January 2017 has been carried forward from the previous FRS framework as at the date of transition.

(ii) Subsidiaries

Subsidiaries are entities controlled by the Group. The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases.

The accounting policies of subsidiaries have been changed when necessary to align them with the policies adopted by the Group. Losses applicable to the NCI in a subsidiary are allocated to the NCI even if doing so causes the NCI to have a deficit balance.

The financial statements of the Group have been prepared to reflect the operations of the Company and the subsidiaries as a single economic enterprise and consist of those companies under common control since the date of incorporation.

(iii) Acquisitions from entities under common control

Business combinations arising from transfers of interests in entities that are under the control of the shareholder that controls the Group are accounted for as if the acquisition had occurred at the beginning of the earliest comparative year presented or, if later, at the date that common control was established; for this purpose comparatives are restated. The assets and liabilities acquired are recognised at the carrying amounts recognised previously in the Group controlling shareholder's financial statements. The components of equity of the acquired entities are added to the same components within Group equity and any gain/loss arising is recognised directly in equity.

(iv) Loss of control

When the Group loses control over a subsidiary, it derecognises the assets and liabilities of the subsidiary, and any related NCI and other components of equity. Any resulting gain or loss is recognised in profit or loss. Any interest retained in the former subsidiary is measured at fair value when control is lost.

(v) Investments in associates (equity-accounted investees)

Associates are those entities in which the Group has significant influence, but not control or joint control, over the financial and operating policies of these entities. Significant influence is presumed to exist when the Group holds 20% or more of the voting power of another entity.

Investments in associates are accounted for using the equity method. It is recognised initially at cost, which includes transaction costs. Subsequent to initial recognition, the financial statements include the Group's share of the profit or loss and other comprehensive income ("OCI") of equity-accounted investees, after adjustments to align the accounting policies with those of the Group, from the date that significant influence commences until the date that significant influence ceases.

When the Group's share of losses exceeds its interest in an equity-accounted investee, the carrying amount of the investment, together with any long-term interests that form part thereof, is reduced to zero, and the recognition of further losses is discontinued except to the extent that the Group has an obligation to fund the investee's operations or has made payments on behalf of the investee.

(vi) Transactions eliminated on consolidation

Intra-group balances and transactions, and any unrealised income and expenses arising from intra-group transactions, are eliminated in preparing the financial statements. Unrealised gains arising from transactions with equity-accounted investees are eliminated against the investment to the extent of the Group's interest in the investee. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

(vii) Subsidiaries and associates in the separate financial statements

Investments in subsidiaries and associates are stated in the Company's statement of financial position at cost less accumulated impairment losses.

3.2 Foreign currency

Foreign currency transactions

Transactions in foreign currencies are translated to the respective functional currencies of the Group entities at exchange rate at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies at the reporting date are translated to the functional currency at the exchange rate at that date. The foreign currency gain or loss on monetary items is the difference between amortised cost in the functional currency at the beginning of the year, adjusted for effective interest and payments during the year, and the amortised cost in foreign currency translated at the exchange rate at the end of the year.

Non-monetary assets and liabilities denominated in foreign currencies that are measured at fair value are translated to the functional currency at the exchange rate at the date that their fair value was determined. Non-monetary items in a foreign currency that are measured in terms of historical cost are translated using the exchange rate at the date of the transaction. Foreign currency differences arising on translation are recognised in profit or loss.

3.3 Property, plant and equipment

(i) Recognition and measurement

Items of property, plant and equipment are measured at cost less accumulated depreciation and accumulated impairment losses.

Cost includes expenditure that is directly attributable to the acquisition of the asset. The cost of self-constructed assets includes:

- the cost material and direct labour;
- any other costs directly attributable to bring the assets to a working condition for their intended use;
- when the Group has an obligation to remove the assets or restore the site, an estimate of the costs of dismantling and removing the items and restoring the site on which they are located; and
- capitalised borrowing costs.

When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

The gain or loss on disposal of an item of property, plant and equipment is recognised in profit or loss.

(ii) Subsequent costs

The cost of replacing a component of an item of property, plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the component will flow to the Group, and its cost can be measured reliably. The carrying amount of the replaced component is derecognised. The costs of the day-to-day servicing of property, plant and equipment are recognised in profit or loss as incurred.

(iii) Depreciation

Depreciation is based on the cost of an asset less its residual value. Significant components of individual assets are assessed and if a component has a useful life that is different from the remainder of that asset, that component is depreciated separately.

Depreciation is recognised as an expense in profit or loss on a straight-line basis over the estimated useful lives of each component of an item of property, plant and equipment, unless it is included in the carrying amount of another asset. Leased assets are depreciated over the shorter of the lease term and their useful lives unless it is reasonably certain that the Group will obtain ownership by the end of the lease term.

Depreciation is recognised from the date that the property, plant and equipment are installed and are ready for use, or in respect of internally constructed assets, from the date that the asset is completed and ready for use. Construction-in-progress is not depreciated.

The estimated useful lives for the current and comparative years are as follows:

Building	50 years
Building improvement	10 to 15 years
Sales gallery	4 years
Office and computer equipment, furniture and fittings	3 to 10 years
Motor vehicles	5 years

Depreciation methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.

(iv) Reclassification to development properties

When the use of a property changes from owner-occupation to development with a view to sell, the property is transferred from property, plant and equipment to development properties (note 3.6).

3.4 Land rights

The land rights that are acquired by the Group and have finite lives are measured at cost less accumulated amortisation and accumulated impairment losses.

Amortisation is calculated based on the cost of the asset, less its residual value. The land rights is amortised when the Group exercises their right to acquire the land parcels.

Amortisation of land rights is included in the carrying amount of development properties and recognised in 'cost of sales' on the same measure as contracts costs (note 3.7).

3.5 Leased assets

Leases in terms of which the Group assumes substantially all the risks and rewards of ownership are classified as finance leases. Upon initial recognition, the leased asset is measured at an amount equal to the lower of its fair value and the present value of the minimum lease payments. Subsequent to initial recognition, the asset is accounted for in accordance with the accounting policy applicable to that asset.

Other leases are operating leases and are not recognised in the Group's consolidated statement of financial position.

3.6 Development properties

Development properties are measured at the lower of cost and net realisable value. Cost includes acquisition costs, development expenditure and other costs directly attributable to the development activities.

Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and estimated costs necessary to make the sale. The write-downs to net realisable value are presented as allowance for foreseeable losses.

3.7 Contract costs

Incremental costs of obtaining a contract for the sale of a development property are capitalised as contract costs only if (a) these costs relate directly to a contract or an anticipated contract which the Group can specifically identify; (b) these costs generate or enhance resources of the Group that will be used in satisfying (or in continuing to satisfy) performance obligations in the future; and (c) these costs are expected to be recovered. Otherwise, such costs are recognised as an expense immediately.

Capitalised contract costs are subsequently amortised on a systematic basis as the Group recognises the related revenue on the contract. An impairment loss is recognised in the profit or loss to the extent that the carrying amount of capitalised contract costs exceeds the expected remaining consideration less any directly related costs not yet recognised as expenses.

3.8 Contract assets and liabilities

Contract assets primarily relate to the Group's rights to consideration for work completed but not billed at the reporting date on construction of development properties. Contract assets are transferred to trade receivables when the rights become unconditional. This usually occurs when the Group invoices the customer.

Contract liabilities primarily relate to:

- advance consideration received from customers; and
- progress billings issued in excess of the Group's rights to the consideration.

3.9 Inventories

Inventories represent tradable quotas approved by the local council in Penang, Malaysia, arising from the Group's development of low-medium cost and affordable houses. The cost of the quotas on initial recognition is determined at fair value based on directors' estimation using the latest available market information. Subsequently, the quotas are stated at the lower of cost and net realisable value. Net realisable value is the estimated selling price in the ordinary course of business, less estimated cost to completion and selling expenses.

3.10 Financial instruments

(i) Recognition and initial measurement

Non-derivative financial assets and financial liabilities

Trade receivables are initially recognised when they are originated. All other financial assets and financial liabilities are initially recognised when the Group becomes a party to the contractual provisions of the instrument.

A financial asset (unless it is a trade receivable without a significant financing component) or financial liability is initially measured at fair value plus, for an item not at fair value through profit or loss ("FVTPL"), transaction costs that are directly attributable to its acquisition or issue. A trade receivable without a significant financing component is initially measured at the transaction price.

(ii) Classification and subsequent measurement

Non-derivative financial assets - Policy applicable from 1 January 2018

On initial recognition, a financial asset is classified as measured at amortised cost.

Financial assets are not reclassified subsequent to their initial recognition unless the Group changes its business model for managing financial assets, in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

Financial assets at amortised cost

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:

- it is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets: Business model assessment – Policy applicable from 1 January 2018

The Group makes an assessment of the objective of the business model in which a financial asset is held at a portfolio level because this best reflects the way the business is managed and information is provided to management. The information considered includes:

- the stated policies and objectives for the portfolio and the operation of those policies in practice. These include whether management's strategy focuses on earning contractual interest income, maintaining a particular interest rate profile, matching the duration of the financial assets to the duration of any related liabilities or expected cash outflows or realising cash flows through the sale of the assets;
- how the performance of the portfolio is evaluated and reported to the Group's management;
- the risks that affect the performance of the business model (and the financial assets held within that business model) and how those risks are managed; and
- how managers of the business are compensated – e.g. whether compensation is based on the fair value of the assets managed or the contractual cash flows collected.

Transfers of financial assets to third parties in transactions that do not qualify for derecognition are not considered sales for this purpose, consistent with the Group's continuing recognition of the assets.

Non-derivative financial assets: Assessment whether contractual cash flows are solely payments of principal and interest – Policy applicable from 1 January 2018

For the purposes of this assessment, 'principal' is defined as the fair value of the financial asset on initial recognition. 'Interest' is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs (e.g. liquidity risk and administrative costs), as well as a profit margin.

In assessing whether the contractual cash flows are solely payments of principal and interest, the Group considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition. In making this assessment, the Group considers:

- contingent events that would change the amount or timing of cash flows;
- terms that may adjust the contractual coupon rate, including variable-rate features;
- prepayment and extension features; and
- terms that limit the Group's claim to cash flows from specified assets (e.g. non-recourse features).

A prepayment feature is consistent with the solely payments of principal and interest criterion if the prepayment amount substantially represents unpaid amounts of principal and interest on the principal amount outstanding, which may include reasonable additional compensation for early termination of the contract. Additionally, for a financial asset acquired at a discount or premium to its contractual par amount, a feature that permits or requires prepayment at an amount that substantially represents the contractual par amount plus accrued (but unpaid) contractual interest (which may also include reasonable additional compensation for early termination) is treated as consistent with this criterion if the fair value of the prepayment feature is insignificant at initial recognition.

Non-derivative financial assets: Subsequent measurement and gains and losses – Policy applicable from 1 January 2018
Financial assets at amortised cost

These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.

Non-derivative financial assets – Policy applicable before 1 January 2018

The Group classified non-derivative financial assets into the loans and receivables category.

Non-derivative financial assets: Subsequent measurement and gains and losses – Policy applicable before 1 January 2018
Loans and receivables

Loans and receivables were financial assets with fixed or determinable payments that were not quoted in an active market. Such assets are recognised initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, loans and receivables were measured at amortised cost using the effective interest method, less any impairment losses.

Loans and receivables comprised cash and cash equivalents, and trade and other receivables, excluding prepayment and tax recoverable.

Non-derivative financial liabilities: Classification, subsequent measurement and gains and losses

Financial liabilities are classified as measured at amortised cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held-for-trading or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognised in profit or loss. Directly attributable transaction costs are recognised in profit or loss as incurred.

Other financial liabilities are initially measured at fair value less directly attributable transaction costs. They are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in profit or loss. These financial liabilities comprised trade and other payables, and loans and borrowings.

(iii) Derecognition

Financial assets

The Group derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Group neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

The Group enters into transactions whereby it transfers assets recognised in its statements of financial position, but retains either all or substantially all of the risks and rewards of the transferred assets. In these cases, the transferred assets are not derecognised.

Financial liabilities

The Group derecognises a financial liability when its contractual obligations are discharged or cancelled, or expire. The Group also derecognises a financial liability when its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognised at fair value.

On derecognition of a financial liability, the difference between the carrying amount extinguished and the consideration paid (including any non-cash assets transferred or liabilities assumed) is recognised in profit or loss.

(iv) Offsetting

Financial assets and financial liabilities are offset and the net amount presented in the statements of financial position when, and only when, the Group currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

(v) Cash and cash equivalents

Cash and cash equivalents comprise highly liquid short term investment fund, cash balances and short-term deposits with maturities of three months or less from the date of acquisition that are subject to an insignificant risk of changes in their fair value, and are used by the Group in the management of its short-term commitments. For the purpose of the consolidated statement of cash flows, pledged deposits are excluded in cash and cash equivalents.

(vi) Share capital

Ordinary shares

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of ordinary shares are recognised as a deduction from equity, net of any tax effects.

Preference share capital

The Group's redeemable preference shares are classified as financial liabilities, because they bear non-discretionary dividends and are redeemable in cash by the holders. Non-discretionary dividends thereon are recognised as interest expense in profit or loss as accrued.

Issue expenses

Costs directly attributable to the issue of instruments classified as equity are recognised as a deduction from equity.

(vii) Compound financial instruments

Compound financial instruments issued by the Group comprise redeemable convertible unsecured loan stocks denominated in Malaysian ringgit that can be converted to share capital at the option of the holder, where the number of shares to be issued is fixed and does not vary with changes in fair value.

The liability component of a compound financial instrument is recognised initially at the fair value of a similar liability that does not have an equity conversion option. The equity component is recognised initially at the difference between the fair value of the compound financial instrument as a whole and the fair value of the liability component. Any directly attributable transaction costs are allocated to the liability and equity components in proportion to their initial carrying amounts.

Subsequent to initial recognition, the liability component of a compound financial instrument is measured at amortised cost using the effective interest method. The equity component of a compound financial instrument is not remeasured. Interest related to the financial liability component is recognised in profit or loss. On conversion at maturity, the financial liability is reclassified to equity and no gain or loss is recognised.

(viii) Financial guarantee contracts

Financial guarantees are financial instruments issued by the Company that require the issuer to make specified payments to reimburse the holder for the loss it incurs because a specified debtor fails to meet payment when due in accordance with the original or modified terms of a debt instrument.

Financial guarantees issued are initially measured at fair value and the initial fair value is amortised over the life of the guarantees. Subsequent to initial measurement, the financial guarantees are measured at the higher of the amortised amount and the amount of loss allowance.

ECLs are a probability-weighted estimate of credit losses. ECLs are measured for financial guarantees issued as the expected payments to reimburse the holder less any amounts that the Company expects to recover.

Loss allowances for ECLs for financial guarantees issued are presented in the Group's statements of financial position as 'trade and other payables'.

Intra-group financial guarantees in the separate financial statements – Policy applicable before 1 January 2018

The policy applied in the comparative information presented for 2017 is similar to that applied for 2018. However, for subsequent measurement, the financial guarantees were measured at the higher of the amortised amount and the present value of any expected payment to settle the liability when a payment under the contract has become probable.

3.11 Impairment

(i) Non-derivative financial assets and contract assets

Policy applicable from 1 January 2018

The Group recognises loss allowances for expected credit losses ("ECLs") on:

- Financial assets measured at amortised costs;
- Contract assets (as defined in SFRS(I) 15); and
- Intra-group financial guarantee contracts (FCG)

Loss allowances of the Group are measured on either of the following bases:

- 12-month ECLs: these are ECLs that result from default events that are possible within the 12 months after the reporting date (or for a shorter period if the expected life of the instrument is less than 12 months); or
- Lifetime ECLs: these are ECLs that result from all possible default events over the expected life of a financial instrument or contract asset.

Simplified approach

The Group applies the simplified approach to provide for ECLs for all trade receivables and contract assets. The simplified approach requires the loss allowance to be measured at an amount equal to lifetime ECLs.

General approach

The Group applies the general approach to provide for ECLs on all other financial instruments. Under the general approach, the loss allowance is measured at an amount equal to 12-month ECLs at initial recognition.

At each reporting date, the Group assesses whether the credit risk of a financial instrument has increased significantly since initial recognition. When credit risk has increased significantly since initial recognition, loss allowance is measured at an amount equal to lifetime ECLs.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the Group considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Group's historical experience and informed credit assessment and including forward-looking information.

If credit risk has not increased significantly since initial recognition or if the credit quality of the financial instruments improve such that there is no longer a significant increase in credit risk since initial recognition, loss allowance is measured at an amount equal to 12-month ECLs.

The Group considers a financial asset to be in default when:

- the borrower is unlikely to pay its credit obligations to the Group in full, without recourse by the Group to actions such as realising security (if any is held); or
- the financial asset is more than 90 days past due.

The Group considers a contract asset to be in default when the customer is unlikely to pay its contractual obligations to the Group in full, without recourse by the Group to actions such as realising security (if any is held).

The Group considers a FGC to be in default when the debtor of the loan is unlikely to pay its contractual obligations to the creditor and the Group in full, without recourse by the Group to actions such as realising security (if any is held). The Group only applies a discount rate if and to the extent that, the risks are not taken into account by adjusting the expected cash shortfalls.

The maximum period considered when estimating ECLs is the maximum contractual period over which the group is exposed to credit risk.

Measurement of ECLs

ECLs are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the Group expects to receive). ECLs are discounted at the effective interest rate of the financial asset.

Credit-impaired financial assets

At each reporting date, the Group assesses whether financial assets carried at amortised cost are credit-impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Evidence that a financial asset is credit-impaired includes the following observable data:

- significant financial difficulty of the borrower or issuer;
- a breach of contract such as a default or being more than 90 days past due;
- the restructuring of a loan or advance by the Group on terms that the Group would not consider otherwise;
- it is probable that the borrower will enter bankruptcy or other financial reorganisation; or
- the disappearance of an active market for a security because of financial difficulties.

Presentation of ECLs in the statements of financial position

Loss allowances for financial assets measured at amortised cost and contract assets are deducted from the gross carrying amount of the assets.

Loss allowances for FGC are recognised as a financial liability to the extent that they exceed the initial carrying amount of the FGC less the cumulated income recognised.

Write-off

The gross carrying amount of a financial asset is written off (either partially or in full) to the extent that there is no realistic prospect of recovery. This is generally the case when the Group determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Group's procedures for recovery of amounts due.

Policy applicable before 1 January 2018

A financial asset not carried at fair value through profit or loss, including interest in an associate, was assessed at the end of each reporting period to determine whether there was objective evidence that it was impaired. A financial asset was impaired if objective evidence indicated that a loss event(s) had occurred after the initial recognition of the asset, and that the loss event(s) had an impact on the estimated future cash flows of that asset that can be estimated reliably.

Objective evidence that financial assets (including equity investments) were impaired included default or delinquency by a debtor, restructuring of an amount due to the Group on terms that the Group would not consider otherwise, indications that a debtor or issuer would enter bankruptcy, adverse changes in the payment status of borrowers or issuers in the Group, economic conditions that correlate with defaults or the disappearance of an active market for a security. In addition, for an investment in an equity security, a significant or prolonged decline in its fair value below its cost was objective evidence of impairment.

Loans and receivables and contract assets

The Group considered evidence of impairment for loans and receivables and contract assets at both an individual asset and collective level. All individually significant assets were individually assessed for impairment. Those found not to be impaired were then collectively assessed for any impairment that had been incurred but not yet identified. Assets that were not individually significant were collectively assessed for impairment. Collective assessment was carried out by grouping together assets with similar risk characteristics.

In assessing collective impairment, the Group used historical information on the timing of recoveries and the amount of loss incurred, and made an adjustment if current economic and credit conditions were such that the actual losses were likely to be greater or lesser than suggested by historical trends.

An impairment loss was calculated as the difference between the asset's carrying amount and the present value of the estimated future cash flows, discounted at the asset's original effective interest rate. Losses were recognised in profit or loss and reflected in an allowance account. When the Group considered that there were no realistic prospects of recovery of the asset, the relevant amounts were written off. If the amount of impairment loss subsequently decreased and the decrease was related objectively to an event occurring after the impairment was recognised, then the previously recognised impairment loss was reversed through profit or loss.

(ii) Associate

An impairment loss in respect of an associate is measured by comparing the recoverable amount of the investment with its carrying amount in accordance with the requirements for non-financial assets. An impairment loss is recognised in profit or loss. An impairment loss is reversed if there has been a favourable change in the estimates used to determine the recoverable amount.

(iii) Non-financial assets

The carrying amount of the Group's non-financial assets, other than inventories, development properties and deferred tax assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

The recoverable amount of an asset or cash-generating units ("CGU") is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU. For the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or CGUs.

The Group's corporate assets do not generate separate cash inflows and are utilised by more than one CGU. Corporate assets are allocated to CGUs on a reasonable and consistent basis and tested for impairment as part of the testing of the CGU to which the corporate asset is allocated.

Impairment losses are recognised in profit or loss. Impairment losses recognised in respect of CGUs are allocated first to reduce the carrying amount of any goodwill allocated to the CGU (group of CGUs), and then to reduce the carrying amounts of the other assets in the CGU (group of CGUs) on a *pro rata* basis.

An impairment loss in respect of goodwill is not reversed. In respect of other assets, impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

3.12 Employee benefits

(i) Defined contribution plans

A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution pension plans are recognised as an employee benefit expense in profit or loss in the periods during which related services are rendered by employees.

(ii) Short-term employee benefits

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided. A liability is recognised for the amount expected to be paid under short-term cash bonus or profit-sharing plans if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee, and the obligation can be estimated reliably.

3.13 Provisions

A provision is recognised if, as a result of a past event, the Group has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects the current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognised as finance cost.

(i) Contingent liabilities

Where it is not probable that an outflow of economic benefits will be required, or the amount cannot be established reliably, the obligation is disclosed as a contingent liability, unless the probability of outflow of economic benefits is remote. Possible obligations, whose existence will only be confirmed by the occurrence or non-occurrence of one or more future events, are also disclosed as contingent liabilities unless the probability of outflow of economic benefits is remote.

(ii) Onerous contracts

A provision for onerous contracts is recognised when the expected benefits to be derived by the Group from a contract are lower than the unavoidable cost of meeting its obligations under the contract. The provision is measured at the present value of the lower of the expected cost of terminating the contract and the expected net cost of continuing with the contract. Before a provision is established, the Group recognises any impairment loss on the assets associated with that contract.

3.14 Revenue recognition

Sale of development properties

Revenue is recognised when control over the property has been transferred to the customer. In respect of a development property where the Company has an enforceable right to payment for performance completed to date, revenue is recognised based on the percentage of completion. The percentage of completion is measured by reference to the work performed, based on the stage of completion certified by quantity surveyor/architect's certification of construction costs incurred to-date to the estimated total construction costs. Profits are recognised only in respect of finalised sales contracts to the extent that such profits relate to the progress of the construction work.

In respect of a development property where the Company has no enforceable right to payment until the property is delivered to the customer, revenue is recognised at a point in time when the legal title is transferred to the customer.

Revenue is measured at the transaction price agreed under the contract. Progress billings to the customer are based on a payment schedule in the contract and are typically triggered upon achievement of specified construction milestones.

Where the period between the satisfaction of a performance obligation and payment by the customer exceeds a year, the Company adjusts the transaction price with its customer and recognises a financing component. In adjusting for the financing component, the Company uses a discount rate that would reflect that of a separate financing transaction between the Company and its customer at contract inception.

The Group grants customers the right to return for certain sales contract during a grace period. The Group recognises revenue to the extent it is highly probable that there will be no returns from customers. Refund liabilities is classified in trade and other payables and asset for recovery is classified in development properties.

3.15 Management fees

The revenue from management services is recognised as the service is performed over time.

3.16 Government grants – quotas on low-medium cost and affordable housing

The government grants are recognised initially as deferred income at fair value when there is reasonable assurance that they will be received and the Group will comply with the conditions associated with the grant. Grants that compensate the Group for expenses incurred are recognised in profit or loss as reduction to 'cost of sales' based on cost incurred in fulfilling the condition of the grants on a systematic basis in the same periods in which the expenses are recognised.

3.17 Lease payments

Payments made under operating leases are recognised in profit or loss on a straight-line basis over the term of the lease. Lease incentives received are recognised as an integral part of the total lease expense, over the term of the lease.

Minimum lease payments made under finance leases are apportioned between the finance expense and the reduction of the outstanding liability. The finance expense is allocated to each period during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability.

Contingent lease payments are accounted for by revising the minimum lease payments over the remaining term of the lease when the lease adjustment is confirmed.

3.18 Finance income and finance costs

The Group's finance income and finance costs include:

- interest income;
- interest expense;
- dividend income;
- dividend expense on preference shares issued classified as financial liabilities; and
- the foreign currency gain or loss on financial assets and financial liabilities.

Interest income or expense is recognised using the effective interest method. Dividend income is recognised in profit or loss on the date on which the Company's right to receive payment is established.

The 'effective interest rate' is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument to:

- the gross carrying amount of the financial asset; or
- the amortised cost of the financial liability.

In calculating interest income and expense, the effective interest rate is applied to the gross carrying amount of the asset (when the asset is not credit-impaired) or to the amortised cost of the liability. However, for financial assets that have become credit-impaired subsequent to initial recognition, interest income is calculated by applying the effective interest rate to the amortised cost of the financial asset. If the asset is no longer credit-impaired, then the calculation of interest income reverts to the gross basis.

Borrowing costs that are not directly attributable to the acquisition, construction or production of a qualifying asset are recognised in profit or loss using the effective interest method.

3.19 Earnings per share

The Group presents basic and diluted earnings per share data for its ordinary shares. Basic earnings per share is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the year, adjusted for own shares held. Diluted earnings per share is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding, adjusted for own shares held, and the effects of all dilutive potential ordinary shares.

3.20 Tax

Tax expense comprises current and deferred tax. Current tax and deferred tax is recognised in profit or loss except to the extent that it relates to a business combination, or items recognised directly in equity or in other comprehensive income.

The Group has determined that interest and penalties related to income taxes, including uncertain tax treatments, do not meet the definition of income taxes, and therefore accounted for them under SFRS(I) 1-37 *Provisions, Contingent Liabilities and Contingent Assets*.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years. The amount of current tax payable or receivable is the best estimate of the tax amount expected to be paid or received that reflects uncertainty related to income taxes, if any.

Current tax and liabilities are offset only if certain criteria are met.

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised for:

- temporary differences on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss; and
- temporary differences related to investments in subsidiaries and associates to the extent that the Group is able to control the timing of the reversal of the temporary difference and it is probable that they will not reverse in the foreseeable future.

The measurement of deferred taxes reflects the tax consequences that would follow the manner in which the Group expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities. Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, based on the laws that have been enacted or substantively enacted at the reporting date.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

Deferred tax assets are recognised for unused tax losses, unused tax credits and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be used. Future taxable profits are determined based on the reversal of relevant taxable temporary differences. If the amount of taxable temporary differences is insufficient to recognise a deferred tax asset in full, then future taxable profits, adjusted for reversals of existing temporary differences, are considered, based on the business plans for individual subsidiaries in the Group. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised; such reductions are reversed when the probability of future taxable profits improves.

Unrecognised deferred tax assets are reassessed at each reporting date and recognised to the extent that it has become probable that future taxable profits will be available against which they can be used.

In determining the amount of current and deferred tax, the Group takes into account the impact of uncertain tax positions and whether additional taxes and interest may be due. The Group believes that its accruals for tax liabilities are adequate for all open tax years based on its assessment of many factors, including interpretations of tax law and prior experience. This assessment relies on estimates and assumptions and may involve a series of judgements about future events. New information may become available that causes the Group to change its judgement regarding the adequacy of existing tax liabilities; such changes to tax liabilities will impact tax expense in the period that such a determination is made.

3.21 Segment reporting

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Group's other components. All operating segments' operating results are reviewed regularly by the Group's CEO (the chief operating decision maker) to make decisions about resources to be allocated to the segment and to assess its performance, and for which discrete financial information is available.

3.22 New standards and interpretations not yet adopted

A number of new standards, amendments to standards and interpretations are not yet effective and have not been applied in preparing these financial statements. An explanation of the impact on adoption of these new requirements are set out in note 38.

4 Property, plant and equipment

	Building RM'000	Building improvement RM'000	Sales gallery RM'000	Office and computer equipment, furniture and fittings RM'000	Motor vehicles RM'000	Construction- in-progress RM'000	Total RM'000
Group							
Cost							
At 1 January 2017	–	9,390	6,172	6,945	5,056	22,013	49,576
Additions	13,386	87	114	2,913	2,245	3,704	22,449
Write-off	–	–	–	(100)	–	–	(100)
Disposals	–	–	–	(4)	(1,477)	–	(1,481)
Reclassification	–	2,280	–	–	–	(2,280)	–
Transfer to development properties	–	–	–	–	–	(5,622)	(5,622)
At 31 December 2017	13,386	11,757	6,286	9,754	5,824	17,815	64,822
Additions	2,380	864	628	1,530	1,353	31,014	37,769
Write-off	–	–	–	(68)	–	–	(68)
Disposals	–	–	–	(21)	–	–	(21)
Reclassification	6,812	1,252	–	1,015	–	(9,079)	–
Transfer to development properties	–	–	–	(2)	–	–	(2)
At 31 December 2018	22,578	13,873	6,914	12,208	7,177	39,750	102,500
Accumulated depreciation							
At 1 January 2017	–	439	771	1,763	1,832	–	4,805
Depreciation charge for the year	89	804	1,558	1,787	1,065	–	5,303
Write-off	–	–	–	(26)	–	–	(26)
Disposals	–	–	–	(1)	(800)	–	(801)
At 31 December 2017	89	1,243	2,329	3,523	2,097	–	9,281
Depreciation charge for the year	547	1,051	1,618	2,042	1,177	–	6,435
Write-off	–	–	–	(14)	–	–	(14)
Disposals	–	–	–	(9)	–	–	(9)
Transfer to development properties	–	–	–	(2)	–	–	(2)
At 31 December 2018	636	2,294	3,947	5,540	3,274	–	15,691
Carrying amounts							
At 1 January 2017	–	8,951	5,401	5,182	3,224	22,013	44,771
At 31 December 2017	13,297	10,514	3,957	6,231	3,727	17,815	55,541
At 31 December 2018	21,942	11,579	2,967	6,668	3,903	39,750	86,809

The net carrying amounts of motor vehicles under finance lease arrangement of the Group amounts to RM3,817,000 (2017: RM3,693,000).

In 2017, transfer to development properties from construction-in-progress arises from reallocation of cost for sales gallery and car park at RM123,000 and RM5,499,000 respectively, between property, plant and equipment and development properties.

Security

At 31 December 2018, construction-in-progress, building and sales gallery of the Group with carrying amounts of RM39,043,000, RM13,360,000 and RM2,967,000 respectively (2017: RM17,815,000, RM13,297,000 and RM3,957,000) are pledged as security to secure bank loans (note 14).

5 Land rights

	Group	
	2018 RM'000	2017 RM'000
At 1 January	30,468	30,782
Amortisation charge for the year	(7,593)	(314)
At 31 December	22,875	30,468

In 2015, the Group acquired the land rights as part of the acquisition of 49% remaining interest in Aspen Vision Land Sdn. Bhd. ("AV Land") from a joint venture partner. AV Land, through its subsidiary and associate holds the right to acquire 221 acres of freehold land situated in Bandar Cassia, Batu Kawan, Penang, Malaysia (the "Batu Kawan Land") from the State Government of Penang for a pre-determined consideration over a 5-year period.

Amortisation

The amortisation of land rights is allocated to the development properties as part of the land cost and is included in 'cost of sales' as development property is sold. During the year, the Group acquired 26 acres of freehold land, leading to higher amortisation charge for the year.

Impairment loss

At every reporting date, the Group assesses the carrying amount of land rights for indicators of impairment. The recoverable amount of land rights is determined based on higher of their fair value less costs of sale and its value in use. The Group has engaged an independent property valuer to assess the fair value of land rights. The fair value is derived based on recent market transactions and prevailing market conditions of similar land in terms of nature, size and comparable locations. As at the reporting date, no impairment loss is recognised as the recoverable amount is higher than the carrying amount of land rights.

6 Subsidiaries

	Company	
	2018 RM'000	2017 RM'000
Equity investments at cost	151,041	151,041
Redeemable preference shares	62,100	—
	213,141	151,041

During the year, the Company subscribed 621,000 redeemable preference shares ("RPS") issued by Aspen Vision All Sdn. Bhd. at RM100 per share. The RPS shall be redeemed out of profit which would otherwise be available for dividend at the issue price of RM100. The RPS to be redeemed on such occasion shall be determined by the Board of Directors. The Company is entitled to a non-cumulative preferential dividend at a rate to be determined by Aspen Vision All Sdn. Bhd. on the paid-up capital and in priority to the holders of the ordinary shares.

The Company has investments in the following subsidiaries as at the year-end:

Name of subsidiaries	Principal place of business/ Country of incorporation	Principal activities	Ownership interest	
			2018 %	2017 %
Aspen Vision All Sdn. Bhd. ("AV All")	Malaysia	Investment holding	100	100
Subsidiaries of AV All				
Aspen Vision Construction Sdn. Bhd. ("AV Construction")	Malaysia	General construction	100	100
AG Innovation Sdn. Bhd. ("AG Innovation")	Malaysia	IT services	100	100
Aspen Vision Properties Sdn. Bhd. ("AV Properties")	Malaysia	Investment holding	100	100
Aspen Vision Credit Sdn. Bhd. ("AV Credit") ⁽ⁱ⁾	Malaysia	Investment holding	100	—
Subsidiaries of AV Properties				
Aspen Vision Development Sdn. Bhd. ("AV Development")	Malaysia	Provision of management services	100	100
Aspen Vision Development (Central) Sdn. Bhd. ("AVD Central")	Malaysia	Investment holding	100	100
Aspen Vision Synergy Sdn. Bhd. ("AV Synergy")	Malaysia	Property development	100	100
Aspen Vision Realty Sdn. Bhd. ("AV Realty")	Malaysia	Dormant	100	100
Aspen Vision Homes Sdn. Bhd. ("AV Homes")	Malaysia	Dormant	100	100
Subsidiaries of AV Development				
Aspen Vision Land Sdn. Bhd. ("AV Land")	Malaysia	Investment holding	100	100
Aspen Vision Builders Sdn. Bhd. ("AV Builders")	Malaysia	Property development	100	100
Aspen Vision Ventures Sdn. Bhd. ("AV Ventures")	Malaysia	Property development	100	100
Aspen Vision Tanjung Sdn. Bhd. ("AV Tanjung")	Malaysia	Property development	100	100
Subsidiary of AV Land				
Aspen Vision City Sdn. Bhd. ("AV City")	Malaysia	Property development	80	80

(i) During the year, the Company incorporated Aspen Vision Credit Sdn. Bhd.. The cost of investment of RM2 was satisfied by cash

Other member firm of KPMG International is auditor of significant foreign-incorporated subsidiaries. For this purpose, a subsidiary is considered significant as defined under the Singapore Exchange Limited's Listing Manual if its net tangible assets represent 20% or more of the Group's consolidated net tangible assets, or if its pre-tax profits account for 20% or more of the Group's consolidated pre-tax profits.

7 Associates

	Group	
	2018 RM'000	2017 RM'000
Interest in associates	16,134	15,925
Redeemable preference shares	53,835	32,775
	69,969	48,700

Redeemable preference shares ("RPS") in associates are issued by Bandar Cassia Properties (SC) Sdn. Bhd. ("Bandar Cassia") at RM31,350,000 (2017: RM26,850,000) redeemable for a period of 5 years and bears dividend of 5.5% and by Global Vision Logistics Sdn. Bhd. ("GVL") at RM22,485,000 (2017: RM5,925,000) redeemable for a period of 10 years and bears dividend of 3.5%.

Associates

The Group has 2 (2017: 2) material associates as at 31 December 2018, which are equity accounted for. Details of the material associates are as follows:

	Principal place of business/ Country of incorporation	Principal activities	Ownership interest/Voting rights held	
			2018 %	2017 %
Bandar Cassia*	Malaysia	Investment holding	30	30
GVL#	Malaysia	Warehouse and logistics solution provider	30	30

* Audited by Deloitte PLT, Malaysia.

Audited by PCCO PLT, Malaysia.

An associated company is considered significant as defined under the Singapore Exchange Limited's Listing Manual if the Group's share of its net tangible assets represent 20% or more of the Group's consolidated net tangible assets, or if the Group's share of its pre-tax profits accounts for 20% or more of the Group's consolidated pre-tax profits.

The following summarises the financial information of each of the Group's material associates based on the respective unaudited financial statements prepared in accordance with SFRS(I), modified for fair value adjustments on acquisition and differences in the Group's accounting policies:

	Bandar Cassia RM'000	GVL RM'000	Total RM'000
31 December 2018			
Revenue	235	438	673
Profit/(Loss) after tax	1,944	(1,208)	736
OCI	—	—	—
Total comprehensive income	1,944	(1,208)	736
Non-current assets	82,328	199,551	281,879
Current assets	52,031	3,818	55,849
Non-current liabilities	(112,809)	(207,375)	(320,184)
Current liabilities	(4,632)	(101)	(4,733)
Net assets	16,918	(4,107)	12,811

	Bandar Cassia RM'000	GVL RM'000	Total RM'000
Attributable to the Group	5,075	(288)	4,787
Elimination of unrealised profit	(71)	–	(71)
Other adjustments	11,418*	–	11,418
Carrying amount of interest in associate at the end of the year	16,422	(288)	16,134
Group's interest in net assets of investee at beginning of the year	15,850	75	15,925
Group's share of:			
– Profit/(Loss) after tax	584	(363)	221
– OCI	–	–	–
– Unrealised profit from associate	(12)	–	(12)
– Total comprehensive income	572	(363)	209
Carrying amount of interest in investee at end of the year	16,422	(288)	16,134
31 December 2017			
Revenue	216	–	216
Loss after tax	(1,887)	–	(1,887)
OCI	–	–	–
Total comprehensive income	(1,887)	–	(1,887)
Non-current assets	82,329	–	82,329
Current assets	29,863	20,931	50,794
Non-current liabilities	(95,583)	(19,750)	(115,333)
Current liabilities	(1,634)	(1,144)	(2,778)
Net assets	14,975	37	15,012
Attributable to the Group	4,493	11	4,504
Elimination of unrealised profit	(61)	–	(61)
Other adjustments	11,418*	64	11,482
Carrying amount of interest in associate at the end of the year	15,850	75	15,925
Group's interest in net assets of investee at beginning of the year	16,477	–	16,477
Group's share of:			
– Loss after tax	(566)	–	(566)
– OCI	–	–	–
– Unrealised loss from downstream income from associate	(61)	–	(61)
– Total comprehensive income	(627)	–	(627)
Additions during the year	–	75	75
Carrying amount of interest in investee at end of the year	15,850	75	15,925

* Other adjustments represent the fair value of land rights acquired by AV Development through the acquisition of 49% remaining interest in AV Land from a joint venture partner (note 5).

8 Development properties

	Group		
	2018 RM'000	2017 RM'000 Restated	1 Jan 2017 RM'000 Restated
<i>Properties under development, for which revenue is to be recognised over time</i>			
Land and land related costs	166,357	146,177	133,820
Development costs	38,554	119,096	53,419
	304,911	265,273	187,239
<i>Properties under development, for which revenue is to be recognised at a point in time</i>			
Land and land related costs	4,951	4,404	15
Development costs	1,793	1,685	1,444
	6,744	6,089	1,459
Completed units	34,354	–	–
Total development properties	346,009	271,362	188,698

(i) During the year, development properties for sale of RM398,603,000 (2017: RM312,270,000) were recognised as an expense and included in "cost of sales".

(ii) Asset for recovery

Included in properties under development are sold units of sales contracts with a right of return of RM6,214,000 (2017: RM4,205,000; 1 Jan 2017: RM Nil).

(iii) Land costs (sold units)

As at 31 December 2018, land related costs that are attributable to the sold units amounts to RM20,749,000 (2017: RM54,282,000). These costs are expected to be recoverable and are amortised in profit or loss when the related revenue are recognised. The land costs amortised in profit and loss for the financial year ended 31 December 2018 is RM36,773,000 (2017: RM38,188,000).

Security

At 31 December 2018, the land and land related cost of RM151,635,000 (2017: RM150,581,000) is charged to secure banking facilities granted to the Group (note 14).

Estimation of allowance for foreseeable losses for development properties

The Group assesses at every reporting date whether any allowance for foreseeable losses is required. The allowance for foreseeable losses is estimated after taking into account estimated selling prices and estimated total construction costs. The estimated selling prices are based on recent selling prices for the development project or comparable projects and prevailing market conditions. The estimated total construction costs are based on contracted amounts and, in respect of amounts not contracted for, management's estimates of the amounts to be incurred taking into consideration historical trends of the amounts incurred. As at the reporting date, no allowance for foreseeable losses is recognised.

9 Contract costs

Capitalised commission and legal fees

The amount relates to commission fees paid to property agents and legal fees for securing sale contracts. The Group has therefore capitalised the commission fees and amortised these commission fees when the related revenue is recognised. No impairment was recorded.

	Group		
	2018 RM'000	2017 RM'000 Restated	1 Jan 2017 RM'000 Restated
Capitalised commission and legal fees	2,986	4,011	2,609

10 Contract assets/(liabilities)

	Note	Group		
		2018 RM'000	2017 RM'000 Restated	1 Jan 2017 RM'000 Restated
Contract assets	(i)	33,350	12,407	–
Contract liabilities	(ii)	(45,782)	(59,153)	(139,439)
		(12,432)	(46,746)	(139,439)

(i) Contract assets

Contract assets relate primarily to the Group's right to consideration for work completed but not billed at the reporting date in respect of its property development business. The contract assets are transferred to trade receivables when the rights become unconditional. This usually occurs when the Group invoices the customer upon the construction milestones achieved.

Contract assets increased during 2018 and 2017 due to the timing differences between the agreed payment schedule and the progress of the construction work.

(ii) Contract liabilities

Contract liabilities relate primarily to:

- advance consideration received from customers; and
- progress billings issued in excess of the Group's rights to the consideration.

Contract liabilities are recognised as revenue when the Group fulfils its performance obligation under the contract with the customer. The significant changes in the contract liabilities during the year are as follows:

	Group		
	2018 RM'000	2017 RM'000	1 Jan 2017 RM'000
At 1 January	(59,153)	(139,439)	–
Revenue recognised that was included in the contract liabilities balance at the beginning of the year	59,153	139,439	–
Increases due to cash received, excluding amounts recognised as revenue during the year	(45,782)	(59,153)	(139,439)
At 31 December	(45,782)	(59,153)	(139,439)

11 Inventories

	Group	
	2018 RM'000	2017 RM'000
At 1 January	99,703	99,703
Utilisation of housing quotas	(82,100)	–
At 31 December	17,603	99,703

Inventories represent the tradable low-medium cost and affordable housing quotas approved by the local council in Penang, Malaysia, arising from the Group's development of low-medium cost and affordable houses. During the year, inventories of RM82,100,000 were recognised as an expense and included in 'cost of sales' upon completion of construction of the houses.

12 Trade and other receivables

	Group		Company	
	2018 RM'000	2017 RM'000	2018 RM'000	2017 RM'000
Trade receivables	57,170	32,700	–	–
Non-trade amounts due from:				
– holding company	2	2	–	–
– associate	12,249	193	–	–
– subsidiaries	–	–	9,170	–
Other receivables	25,656	17,965	–	–
Deposits	79,383	29,090	24	–
	174,460	79,950	9,194	–
Prepayments	2,921	3,749	4	–
Tax recoverable	13,067	18	–	–
	190,448	83,717	9,198	–

The non-trade amounts due from holding company, associate and subsidiaries are unsecured, interest-free and repayable on demand. There is no allowance for impairment loss arising from these outstanding balances as the ECL is not material.

Included in deposits of the Group is an amount of RM74,500,000 (2017: RM27,374,000) as at 31 December 2018, representing deposits paid for the purchase of land by its subsidiaries.

The Group's exposure to credit risk related to trade and other receivables is disclosed in note 31.

13 Cash and cash equivalents

	Group		Company	
	2018 RM'000	2017 RM'000	2018 RM'000	2017 RM'000
Short term investment fund	53,275	43,854	45,165	–
Fixed deposits	8,803	5,726	–	–
Cash and bank balances	100,957	90,408	5,113	9,124
Cash and cash equivalents in the statements of financial position	163,035	139,988	50,278	9,124
Deposit pledged to financial institutions	(8,803)	(5,726)		
Cash and cash equivalents in the consolidated statement of cash flows	154,232	134,262		

Short-term investment fund represents investment in fixed income trust which can be redeemed within a period of less than 31 days.

Included in the cash and bank balances of the Group is an amount of RM28,482,000 (2017: RM41,810,000), where the utilisation is subject to the Housing Developers (Housing Development Account) (Amendment) Regulation, 2002, Malaysia. These accounts, which consist of monies from purchasers, are for the payment of property development expenditure incurred. The surplus monies, if any, will be released to respective subsidiaries upon the completion of property development projects and after all property development expenditure have been fully settled.

Fixed deposits of RM8,803,000 (2017: RM5,726,000) were pledged as securities for bank facilities granted to the Group (note 14).

The Group's exposure to credit and interest rate risks related to cash and cash equivalents is disclosed in note 31.

14 Loans and borrowings

		Group		Company	
	Note	2018 RM'000	2017 RM'000	2018 RM'000	2017 RM'000
Current					
Finance lease liabilities		949	767	–	–
Term loans and bridging loans – secured		28,849	31,342	–	–
Revolving credit – secured		12,830	13,515	–	–
		42,628	45,624	–	–
Non-current					
Finance lease liabilities		2,839	2,655	–	–
Term loans and bridging loans – secured		58,173	59,590	–	–
RCULS	16	–	–	–	–
Redeemable preference shares	17	9,400	9,400	–	–
Convertible loans		45,738	–	45,738	–
		116,150	71,645	45,738	–

Finance lease liabilities

Finance lease liabilities are payable as follow:

	Future minimum lease payments RM'000	Interest RM'000	Present value of minimum lease payments RM'000
2018			
Less than one year	1,115	166	949
Between one and five years	2,633	272	2,361
More than five years	495	17	478
	4,243	455	3,788
2017			
Less than one year	921	154	767
Between one and five years	2,514	251	2,263
More than five years	411	19	392
	3,846	424	3,422

Terms and debt repayment schedule

	Nominal interest rate %	Year of maturity	Currency	2018		2017	
				Face value RM'000	Carrying amount RM'000	Face value RM'000	Carrying amount RM'000
Group							
Finance lease liabilities	2.38 – 3.43	2019 – 2025	RM	3,788	3,788	3,422	3,422
Term loans and bridging loans – secured	4.90 – 8.15	2019 – 2037	RM	89,831	87,022	93,811	90,932
Revolving credit – secured	7.95 – 8.24	2019	RM	12,830	12,830	13,515	13,515
Redeemable preference shares	8.00	2020 – 2027	RM	9,400	9,400	9,400	9,400
Convertible loans	6.50	2020	USD	46,095	45,738	–	–
				161,944	158,778	120,148	117,269

Securities

The term loans and bridging loans are secured over the freehold land under development properties (note 8), fixed and floating charges over certain subsidiaries' present and future assets, fixed deposits placed by the subsidiaries (note 13), joint and several guarantee by certain directors of the subsidiaries and corporate guarantees by subsidiaries.

The revolving credit facility is secured over fixed and floating charges over a subsidiary's present and future assets, pledge of the Company's shares held by the holding company, deed of assignment of benefits of certain contract proceeds of its subsidiary, corporate guarantee by its subsidiary and personal guarantee by a director of AV All.

The convertible loans are secured over personal guarantee by a director and shares held by a director in Aspen Vision Group Sdn. Bhd.

Convertible loans

During the year, convertible loans bore interest rate at 6.50% per annum. The tenure of the convertible loan is 18 months from the date of first drawn down of the loan and can be extended for another 12 months subject to the mutual consent of the lender. Up to 50% of the loans are convertible into ordinary shares at SGD0.35 per share at the option of the lender in one or multiple tranches at any time during the loan tenure.

Reconciliation of movements of liabilities to cash flows arising from financing activities

	Loans and borrowings RM'000	Interest payable RM'000 (note 15)	Total RM'000
Balance at 1 January 2017	118,706	815	119,521
Changes from financing cash flows			
Proceeds from loans and borrowings	129,811	–	129,811
Repayment of loans and borrowings	(98,043)	–	(98,043)
Payment of finance lease liabilities	(1,484)	–	(1,484)
Interest paid	(4,010)	–	(4,010)
Total changes from financing cash flows	26,274	–	26,274
Other changes – liability-related			
Pursuant to restructuring exercise (note 1.1)	(33,543)	–	(33,543)
New finance leases	1,822	–	1,822
Interest expense	4,010	1,426	5,436
Total liability-related other changes	(27,711)	1,426	(26,285)
Balance at 31 December 2017	117,269	2,241	119,510
Balance at 1 January 2018	117,269	2,241	119,510
Changes from financing cash flows			
Proceeds from loan and borrowings	67,262	–	67,262
Repayment of loan and borrowings	(26,119)	–	(26,119)
Payment of finance lease liabilities	(794)	–	(794)
Interest paid	(9,477)	(1,620)	(11,097)
Total changes from financing cash flows	30,872	(1,620)	29,252
Other changes – liability-related			
New finance leases	1,160	–	1,160
Interest expense	9,477	2,208	11,685
Total liability-related other changes	10,637	2,208	12,845
Balance at 31 December 2018	158,778	2,829	161,607

15 Trade and other payables

	Group		Company	
	2018 RM'000	2017 RM'000	2018 RM'000	2017 RM'000
Trade payables	99,289	49,488	–	–
Other payables	14,015	14,806	30	35
Non-trade amounts due to:				
– subsidiary	–	–	–	491
Accrued operating expenses	181,573	82,225	596	128
Advance payment for transfer of low-medium cost and affordable housing quotas	–	60,549	–	–
Booking fees received	6	1,146	–	–
Interest payable	2,829	2,241	357	–
Refund liabilities	13,849	7,003	–	–
	311,561	217,458	983	654

Included in trade payables of the Group are retention sums payable amounted to RM44,571,000 (2017: RM22,086,000).

Non-trade amounts with related parties of the Group and the Company are unsecured, interest-free and repayable on demand.

In 2017, advance payment received for transfer of low-medium cost and affordable housing quotas related to the sale of tradable low-medium cost and affordable housing quotas approved by the local council in Penang, Malaysia (note 11).

The Group's exposure to liquidity risk related to trade and other payables is disclosed in note 31.

16 Redeemable Convertible Unsecured Loan Stocks

	2018		2017	
	Equity component RM'000	Liability component RM'000	Equity component RM'000	Liability component RM'000
Group				
At 1 January	–	–	1,228	33,543
Pursuant to restructuring exercise (note 1.1)	–	–	(1,228)	(33,543)
At 31 December	–	–	–	–

On 18 August 2014, a wholly-owned subsidiary of the Group, AV All issued RM18,340,000 of 5-year 1% RCULS at 100% of its nominal value of RM1 each.

On 21 January 2015, a wholly-owned subsidiary of the Group, AV Development issued RM15,306,000 of 5-year 1% RCULS at 100% of its nominal value of RM1 each to the existing shareholders of the Group.

The main features of the RCULS are as follows:

- The RCULS are issued in multiples of RM1 each and bears interest at 1% per annum payable annually.
- The tenure of the RCULS is five years from the date of first issuance of the RCULS and can be extended for another two years subject to the mutual consent of the holder of the RCULS ("Maturity Date").
- The RCULS may be converted into new ordinary shares of the issuers at the option of the holders. Any outstanding RCULS which have not been converted shall automatically subject to redemption on Maturity Date.
- Upon conversion of the RCULS into new ordinary shares, such shares shall rank pari passu in all respects with the then existing ordinary shares of the issuers.

- v) Redemption is based on the par value of RM1 each, the coupon remaining unpaid together with the RCULS interest thereon at the rate of 3.5% per annum over the tenure, within 30 days after the maturity date, if not already converted.

On 21 June 2017, RCULS was novated from AV Development and AV All to the Company. The Company settled these obligations by way of allotment and issuance of 11,000,000 shares in the Company to RCULS holders (note 1.1).

17 Redeemable preference shares

In 2015, AV City, a wholly-owned subsidiary of the Group, issued redeemable preference shares ("RPS") to its non-controlling interests. The RPS is repayable in 2020 and bears dividend of 8% per annum.

The salient features of the RPS are as follows:

- (a) The maturity date of the RPS is the day falling five (5) years from the date of issue of the RPS unless the tenure of the RPS, if permitted by law, is extended by AV City and the RPS holder. If such date is not a business day, then it shall be the next business day immediately after the said non-business day.
- (b) The RPS shall carry the right to receive cumulative preferential dividend out of the distributable profit of AV City, at a dividend rate of RM8.00 per annum per RPS. No dividends shall be paid on the ordinary shares of AV City unless the dividends on the RPS have first been paid. The dividends for the RPS shall be payable within 30 days from the close of each financial year end, and to the extent that the dividends or any part thereof is not paid on the relevant dividend payment date, it shall continue to accumulate (whether or not there are any distributable reserves). Provided that the first dividend payment shall not be earlier than the 1st anniversary of the issuance of the RPS. The last dividend payment shall be made on the maturity date.
- (c) The RPS shall not be convertible into or exchangeable for shares of another class of AV City.
- (d) The RPS shall rank in priority to any other classes of shares in AV City. No further shares ranking as to dividends or as to capital in priority to the said RPS shall be created or issued by AV City except with the consent or sanction of the holder of the said RPS.
- (e) AV City may at any time, apply any profit or moneys of AV City which may be lawfully applied for purpose of the redemption of all or any of the RPS at its issue price during the tenure of the RPS at the option of AV City, where not less than seven (7) business days' in writing notice must be given.

At the same time and place so fixed such holders shall be bound to surrender to AV City the certificate of the RPS to be redeemed and AV City shall pay the amount payable in respect of such redemption and where such certificate comprises any RPS which have not been drawn for redemption, AV City shall issue to the holders thereof a fresh certificate.

Any remaining RPS not redeemed by AV City or surrendered by the RPS holders at the maturity date shall be automatically redeemed by AV City at its issue price.

All the provision of the Malaysia Companies Act, 1965 relating to redemption of shares, the premium payable on redemption (if any), the maintenance of the share premiums account of AV City (if any) as well as the creation or increase where requisite of the capital redemption reserve shall be duly observed.

- (f) The redemption price is at 100% of the RPS's issue price together with arrears of unpaid dividends up to the date of redemption.

AV City may redeem the RPS on a pro-rate basis at the Redemption Price commencing from the date of issue of the RPS up to the maturity date, subject to written notice given not less than seven (7) business days.

18 Deferred income

	Group	
	2018 RM'000	2017 RM'000
At 1 January	48,569	84,686
Reclassification to development properties	(15,403)	–
Amortisation for the year	(33,166)	(36,117)
At 31 December	–	48,569

Government grants

The amount represents tradable low-medium cost and affordable housing quotas approved by the local council in Penang, Malaysia, arising from the Group's development of low-medium cost and affordable houses. The quotas are conditional to the completion of the building of low-medium cost and affordable houses. The grants are recognised as deferred income and amortised to profit or loss based on the progress of the development. During the year, reclassification to development properties relates to unsold portion of the completed units.

19 Deferred tax assets/(liabilities)

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when the deferred taxes related to the same authority. The amounts, determined after appropriate offsetting, are included in the statements of financial position as follows:

	Assets			Liabilities			Net		
	2018 RM'000	2017 RM'000 Restated	1 Jan 2017 RM'000 Restated	2018 RM'000	2017 RM'000 Restated	1 Jan 2017 RM'000 Restated	2018 RM'000	2017 RM'000 Restated	1 Jan 2017 RM'000 Restated
Group									
Deferred tax assets/ (liabilities)									
RCULS	–	–	–	–	–	(1,666)	–	–	(1,666)
Land rights	–	–	–	(7,222)	(7,980)	(8,390)	(7,222)	(7,980)	(8,390)
Investment in associate	–	–	–	(2,740)	(2,740)	(2,740)	(2,740)	(2,740)	(2,740)
Unrealised profits	5,656	7,505	3,295	–	–	–	5,656	7,505	3,295
Deferred income	–	1,971	6,288	–	–	–	–	1,971	6,288
Housing quota	–	–	–	(528)	–	–	(528)	–	–
Property, plant and equipment	–	–	–	(232)	(395)	(430)	(232)	(395)	(430)
Tax loss carry- forwards	2,890	1,474	76	–	–	–	2,890	1,474	76
Other items	–	484	160	216	(2,261)	323	216	(1,777)	483
	8,546	11,434	9,819	(10,506)	(13,376)	(12,903)	(1,960)	(1,942)	(3,084)

The movements in the deferred tax assets and liabilities during the financial year are as follows:

	At 1 Jan 2017 RM'000 Restated	Pursuant to restructuring exercise RM'000	Recognised in profit or loss RM'000 Restated	At 31 December 2017 RM'000 Restated	Recognised in profit or loss RM'000	At 31 December 2018 RM'000
		(note 1.1)	(note 27)		(note 27)	
Group						
Deferred tax assets/(liabilities)						
RCULS	(1,666)	1,666	–	–	–	–
Land rights	(8,390)	–	410	(7,980)	758	(7,222)
Investment in associate	(2,740)	–	–	(2,740)	–	(2,740)
Unrealised profits	3,295	–	4,210	7,505	(1,849)	5,656
Deferred income	6,288	–	(4,317)	1,971	(1,971)	–
Housing quota	–	–	–	–	(528)	(528)
Property, plant and equipment	(430)	–	35	(395)	163	(232)
Tax loss carry-forwards	76	–	1,398	1,474	1,416	2,890
Other items	483	–	(2,260)	(1,777)	1,993	216
	(3,084)	1,666	(524)	(1,942)	(18)	(1,960)

Unrecognised deferred tax asset

Deferred tax asset has not been recognised in respect of the following item:

	Group	
	2018 RM'000	2017 RM'000
Unabsorbed capital allowance	1,511	–
Tax losses	21,787	6,064
	23,298	6,064

Unutilised tax losses do not expire under current tax legislation. Deferred tax assets have not been recognised in respect of the unutilised tax losses because it is not probable that future taxable profits will be available against which the Group can utilise the benefits therefrom.

20 Share capital

	2018 No. of shares '000	2017 No. of shares '000
Company		
At 1 January 2018/22 December 2016 (date of incorporation)	866,618	–*
Pursuant to restructuring exercise (note 1.1)	–	13,000
Shares split (note 1.1)	–	689,000
Issue of shares through private placement	97,000	–
Issue of shares to PrimePartners Corporate Finance Pte. Ltd. ("Full Sponsor")	–	4,348
Invitation shares issued pursuant to initial public offering ("IPO")	–	173,270
In issue at 31 December	963,618	866,618

* less than 1,000

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the Company. All shares rank equally with regard to the Company's residual assets.

All issued ordinary shares are fully paid up, with no par value.

Issue of ordinary shares

On 21 May 2018, 97,000,000 ordinary shares were issued through private placement at SGD0.24 per share.

On 17 July 2017, the shareholders of the Company approved for each existing share of the Company to be split into 53 shares. Additionally, 4,347,900 ordinary shares were issued to Full Sponsor in relation to listing onto Catalist Board, SGX-ST.

On 27 July 2017, 173,270,000 ordinary shares were issued for the Company's IPO at SGD0.23 per Invitation Share.

21 Reserves

	Group			Company	
	2018 RM'000	2017 RM'000 Restated	1 Jan 2017 RM'000 Restated	2018 RM'000	2017 RM'000
Other reserve	–	–	1,228	–	–
Merger reserve	37,442	37,442	(1,674)	–	–
Retained earnings/(Accumulated losses)	116,383	75,462	(6,678)	(11,345)	(8,835)
	153,825	112,904	(7,124)	(11,345)	(8,835)

Other reserve

At 1 January 2017, other reserve relates to the equity component of the redeemable convertible unsecured loan stocks (note 16).

Merger reserve

Merger reserve represents the difference between the cost of investment and nominal value of share capital of the merged subsidiaries.

22 Non-controlling interests

Subsidiaries with material NCI are as follows:

Name	Principal place of business/ Country of incorporation	Ownership interests held by NCI		
		2018 %	2017 %	1 Jan 2017 %
AV City	Malaysia	20	20	20
AV Synergy	Malaysia	–	–	40

On 8 June 2017, the Group fully acquired the remaining equity interest of AV Synergy. Accordingly, the information relating to AV Synergy is only for the period from 1 January 2017 to 31 May 2017.

The following summarises the financial information of the Group's subsidiaries with material NCI, based on their respective consolidated unaudited financial statements prepared in accordance with FRS modified for fair value adjustments on acquisition and differences in the Group's accounting policies.

	2018	2017			1 Jan 2017		
	AV City RM'000	AV Synergy RM'000	AV City RM'000	Total RM'000	AV Synergy RM'000	AV City RM'000	Total RM'000
Revenue	336,030	–	307,985	307,985	–	53,267	53,267
Profit/(Loss) after tax	39,702	–	62,368	62,368	(21)	(1,026)	(1,047)
OCI	–	(1)	–	(1)	–	–	–
Total comprehensive income	39,702	(1)	62,368	62,367	(21)	(1,026)	(1,047)
<i>Attributable to NCI:</i>							
Profit/(Loss) after tax	7,983	(22)	12,474	12,452	(8)	(205)	(213)
OCI	–	–	–	–	–	–	–
Total comprehensive income	7,983	(22)	12,474	12,452	(8)	(205)	(213)
Non-current assets	45,839	–	24,399	24,399	–	27,177	27,177
Current assets	382,478	2,988	279,104	282,092	6,228	218,283	224,511
Non-current liabilities	(47,351)	–	(49,473)	(49,473)	–	(49,261)	(49,261)
Current liabilities	(262,508)	(3,042)	(175,273)	(178,315)	(6,280)	(179,810)	(186,090)
Net assets/(liabilities)	118,458	(54)	78,757	78,703	(52)	16,389	16,337
Net assets/(liabilities) attributable to NCI	23,692	(43)	15,752	15,709	(21)	3,278	3,257
Cash flows from operating activities	30,201	–	(35,692)		*	65,065	
Cash flows from investing activities	(21,546)	–	1,339		–	(8,302)	
Cash flows from financing activities	(398)	–	664		–	(18,927)	
Net increase/(decrease) in cash and cash equivalents	8,257	–	(33,689)		*	37,836	

* Less than RM1,000

23 Revenue

	Group	
	2018 RM'000	2017 RM'000
Sale of development properties		
– percentage of completion method	487,873	436,085
– sales of hospital land	–	16,988
Sale of housing quotas	82,100	–
	569,973	453,073

Critical judgements in identifying performance obligations and measuring progress

Under the terms of the contract, the Group contracted with the customer to deliver a specified building unit to the customer in accordance with the plans and specifications set out in the contract. The contract includes the specified building unit and an undivided share in the land and the common property. The analysis of whether the contract comprises one or more performance obligations, the method used to measure progress for revenue recognition and the amounts to be included as fulfilment cost represent areas requiring critical judgement by the Group.

Transaction price allocated to the remaining performance obligations

The following table includes revenue expected to be recognised in the future related to performance obligations that are unsatisfied (or partially unsatisfied) at the reporting date.

	2018 RM'000	2017 RM'000
Aggregate amount of the transaction price allocated to sale of development properties for contracts that are partially unsatisfied	444,867	794,673

The Group expects the full transaction price allocated to the unsatisfied contracts at the reporting date to be recognised as revenue over the next 1 to 3 years (2017: 1 to 3 years).

24 Cost of sales

	Group	
	2018 RM'000	2017 RM'000 Restated
Property development expenses	398,603	312,370
Amortisation of deferred income	(33,166)	(36,117)
Cost of housing quotas	82,100	–
	447,537	276,253

25 Net finance costs

	Group	
	2018 RM'000	2017 RM'000 Restated
Finance income		
Interest income from short term investment funds	2,550	2,437
Total finance income	2,550	2,437
Finance costs		
Interest expense on:		
– Finance lease liabilities	(164)	(148)
– Secured term loans and bridging loans	(7,651)	(3,746)
– Revolving credit	(1,062)	(1,542)
– Convertible loan	(600)	–
– Preference shares	(1,300)	–
– Late payment interests	(908)	–
	(11,685)	(5,436)
Less: Interest expense included in cost of sales	3,879	2,632
Total finance costs	(7,806)	(2,804)
Net finance costs recognised in profit or loss	(5,256)	(367)

26 Profit before tax

The following items have been included in arriving at profit before tax for the year ended:

	Group	
	2018 RM'000	2017 RM'000
Audit fees paid to:		
– Auditors of the Company	(270)	(410)
– Other member firms of KPMG International	(233)	(194)
Non-audit fees paid to other member firms of KPMG International	(60)	(208)
Depreciation of property, plant and equipment	(6,435)	(5,303)
Gain on disposal of property, plant and equipment	–	28
Listing expenses	–	(7,996)
Management fee income	124	377
Operating lease expense	(337)	(703)
Property, plant and equipment written off	(54)	(74)
Employee benefit expense*:		
Salaries, bonus and other costs	(14,956)	(13,831)
Contributions to defined contribution plans	(1,702)	(1,533)
	(16,658)	(15,364)
Less: Employee benefit expenses capitalised under development properties	10,357	9,032
	(6,301)	(6,332)

* Employee benefit expense excluding directors' remuneration.

27 Tax expense

		Group	
	Note	2018 RM'000	2017 RM'000 Restated
Current tax expense			
Current year		26,033	33,268
Changes in estimates related to prior years		381	(1,234)
		26,414	32,034
Deferred tax expense			
Origination and reversal of temporary differences		733	(1,401)
Changes in estimates related to prior years		(715)	1,925
	19	18	524
Total tax expense		26,432	32,558

Reconciliation of effective tax rate is as follows:

	Group	
	2018 RM'000	2017 RM'000 Restated
Profit before tax	75,336	127,150
Less: Share of result of equity-accounted investees, net of tax	(221)	566
	75,115	127,716
Income tax using Singapore tax rate of 17% (2017: 17%)	12,770	21,712
Effect of tax rates in foreign jurisdiction	6,675	8,940
Non-deductible expenses	3,250	4,050
Non-taxable income	(86)	(101)
Tax incentives	–	(3,906)
Effect of deferred tax assets not recognised	4,136	645
Changes in estimates related to prior years	(334)	691
Other items	21	527
	26,432	32,558

Domestic income tax rate for Singapore incorporated company for the year ended 31 December 2018 was calculated at 17% (2017: 17%) of the estimated assessable profit for the year. Taxation for other jurisdiction was calculated at the rates prevailing in the relevant jurisdictions.

The tax rate applicable to entities incorporated in Malaysia is at 24% (2017: 24%).

Unrecognised deferred tax liabilities

Deferred tax liabilities have not been recognised for withholding and other taxes that would be payable on the unremitted earnings of RM171,203,000 (2017: RM99,094,000) of certain overseas subsidiaries for the year ended 31 December 2018 as the timing of the reversal of the temporary difference arising from such amounts can be controlled and it is probable that such temporary differences will not reverse in the foreseeable future.

28 Earnings per share

The basic earnings per share for the years ended 31 December 2018 and 2017 were based on the profit attributable to ordinary shareholders and a weighted average number of ordinary shares outstanding, calculated as follows:

	Group	
	2018 RM'000	2017 RM'000 Restated
Profit attributable to ordinary shareholders	40,921	82,140

Weighted average number of ordinary shares

	Group	
	2018 RM'000	2017 RM'000 Restated
At beginning/22 December 2016 (date of incorporation)	866,618	—*
Effect of shares issued through private placement	59,529	—
Pre-invitation ordinary shares#	—	693,348
Effect of shares issued pursuant to IPO	—	74,530
At end	926,147	767,878

* Less than RM1,000

Pre-invitation ordinary shares has been used in the calculation of basic and diluted earnings per share adjusted for changes in the number of shares arising from Restructuring Exercise (note 1.1) and shares split and shares issued to Full Sponsor (note 20).

Diluted earnings per share are the same as basic earnings per share as there were no potential dilutive ordinary shares existing during the respective years.

29 Operating leases

Non-cancellable operating lease rentals are payable as follows:

	Group	
	2018 RM'000	2017 RM'000 Restated
Within one year	1,081	707
Between one and five years	2,303	1,526
More than five years	11,124	11,474
	14,508	13,707

The Group leases office spaces and motor vehicles under non-cancellable operating lease agreements. The leases have varying terms, escalation clauses and renewal rights. The leases typically run for a period between 1 to 30 years. Lease payments are increased every two years to reflect current market rentals.

There are no contingent rents included in operating lease expense for the Group.

30 Commitments

Capital commitments

Capital expenditure contracted for at the reporting dates but not recognised in the financial statements were as follows:

	Group	
	2018 RM'000	2017 RM'000
Construction in progress		
- Contracted for but not provided for	75,449	63,709

Other commitments

In 2014, the Group entered into a joint venture agreement with a joint venture partner and several other agreements with the Penang Development Corporation to jointly acquire the Batu Kawan Land for a consideration of RM483,952,000 over a 5-year period, from the State Government of Penang, Malaysia, for purposes of developing an integrated shopping centre and a mixed development comprising inter alia residential and office complexes.

As at the reporting date, the Group has contractual commitments to acquire the various land parcels based on acquisition date as follows:

	Group	
	2018 RM'000	2017 RM'000
Contracted but not provided for		
– Commitment of the subsidiaries	277,429	390,483
– Commitment of the associate*	–	51,300
	277,429	441,783

* represents the Group's share

31 Financial instruments

Overview

The Group has exposure to the following risks from its use of financial instruments:

- Credit risk
- Market risk
- Liquidity risk

This note presents information about the Group's exposure to each of the above risks, the Group's objectives, policies and processes for measuring and managing risk, and the Group's management of capital.

Risk management framework

Risk management is integral to the whole business of the Group. The Board of Directors has overall responsibility for the establishment and oversight of the Group's risk management framework.

The management has a system of controls in place to create an acceptable balance between the cost of risks occurring and the cost of managing the risks. The management continually monitors the Group's risk management process to ensure that an appropriate balance between risk and control is achieved. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Group's activities.

The Group Audit Committee ("AC") oversees how management monitors compliance with the Group's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Group. The Group AC is assisted in its oversight role by Internal Audit. Internal Audit undertakes both regular and ad hoc reviews of risk management controls and procedures, the results of which are reported to the AC.

Credit risk

Credit risk is the risk of financial loss to the Group resulting from the failure of a customer or counterparty to meet its contractual obligations, and arises principally from the Group's receivables from customers and cash placed with financial institutions.

Financial transactions are restricted to counterparties that meet appropriate credit criteria that are approved by the Group and are reviewed on a regular basis. In respect of trade and other receivables, the Group has guidelines governing the process of granting credit and outstanding balances are monitored on an ongoing basis.

The Group has a credit policy in place and the exposure to credit risk is monitored on an ongoing basis. Credit evaluations are performed on all customers requiring credit over a certain amount. They are further restrained by credit limits and terms. The Group does not require collateral in respect of financial assets.

The carrying amounts of financial assets and contract assets represent the Group and the Company's maximum exposures to credit risk, before taking into account any collateral held. The Group and the Company do not require any collateral in respect of their financial assets.

Exposure to credit risk

The carrying amount of financial assets and contract assets represents the Group's maximum credit exposure. The maximum exposure to credit risk at the reporting date is as follows:

	Note	Group			Company	
		2018 RM'000	2017 RM'000	1 Jan 2017 RM'000	2018 RM'000	2017 RM'000
Contract assets	10	33,350	12,407	–	–	–
Trade and other receivables*	12	174,460	79,950	16,591	9,194	–
Cash and cash equivalents	13	163,035	139,988	103,383	50,278	9,124
		370,845	232,345	119,974	59,472	9,124

* Excluding prepayments and tax recoverable.

Expected credit loss assessment for individual customers as at 1 January 2018 and 31 December 2018

The Group measures loss allowances for trade receivables and contract assets at an amount equal to lifetime ECLs, which is calculated using a provision matrix. Loss rates are calculated using a 'roll-rate' method based on the probability of a receivable progressing through successive stages of delinquency to write-off.

The following table provides information about the exposure to credit risk and ECLs for trade receivables and contract assets as at 31 December 2018:

	Weighted average loss rate %	Group			
		Gross carrying amount RM'000	Impairment loss allowance RM'000	Net carrying amount RM'000	Credit impaired RM'000
Current (not past due)	–	79,290	–	79,290	No
1 to 30 days past due	–	139	–	139	No
31 to 60 days past due	–	9,386	–	9,386	No
Over 60 days past due	–	1,705	–	1,705	No
		90,520	–	90,520	

There are no impairment losses arising from these outstanding balances as the ECL is not material and no historical loss recorded for the past 2 years. The Group believes that no impairment allowance is necessary in respect of neither past due nor impaired balances as these are supported by booking fees received and the unimpaired amounts that are past due more than 30 days are still collectible in full, based on historical payment behaviour and analyses of customer credit risks.

Comparative information under FRS 39

The Group establishes an allowance for impairment that represents its estimate of the specific loss component in respect of trade and other receivables. The allowance account in respect of trade receivables and other receivables is used to record impairment losses unless the Group is satisfied that no recovery of the amount owing is possible. At that point, the financial asset is considered irrecoverable and the amount charged to the allowance account is written off against the carrying amount of the impaired financial asset. At the reporting date, there is no significant concentration of credit risk.

Impairment

The ageing of trade and other receivables and contract assets (excluding prepayments and tax recoverable) that were not impaired at the reporting date was:

	Group
	2017 RM'000
Neither past due nor impaired	72,418
1 - 30 days past due	3,419
31 - 60 days past due	15,851
Over 60 days past due	669
	<u>92,357</u>

The Group believes that no impairment allowance is necessary in respect of neither past due nor impaired balances as these are supported by booking fees received and the unimpaired amounts that are past due more than 30 days are still collectible in full, based on historical payment behaviour and analyses of customer credit risks.

Financial guarantees

A wholly-owned subsidiary of the Group has provided RM6,300,000 (2017: RM6,300,000) corporate guarantee to an unrelated party in respect of performance contract.

At the reporting date, the Group has not recognised an ECL provision. The Group does not consider it probable that a claim will be made against the Group under the financial guarantees. The periods in which the financial guarantees will expire are as follows:

	Group	
	2018 RM'000	2017 RM'000
Within one year	6,300	–
Between one and five years	–	6,300
	<u>6,300</u>	<u>6,300</u>

Cash and cash equivalents

At the reporting date, the Group and Company held cash and cash equivalents of RM163,035,000 (2017: RM139,988,000; 1 Jan 2017: RM103,383,000), and RM50,278,000 (2017: RM9,124,000) respectively which represents its maximum exposure on these assets. The cash and cash equivalents are held with bank and financial institution which are regulated.

Impairment on cash and cash equivalents has been measured on the 12-month expected loss basis and reflects the short maturities of the exposures. The Group considers that its cash and cash equivalents have low credit risk based on the external credit ratings of the counterparties. The amount of the allowance on cash and cash equivalents was negligible.

Redeemable preference shares and non-trade amounts due from related companies

The Group and the Company held redeemable preference shares from its associates and a subsidiary, and non-trade receivables from its associates and subsidiaries to meet their funding requirements. Impairment on these balances has been measured on the 12-month expected loss basis which reflects the low credit risk of the exposures. The amount of the allowance on these balances is insignificant.

Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting financial obligations due to shortage of funds.

The Group's exposure to liquidity risk arises primarily from mismatches of the maturities of financial assets and liabilities. The Group's objective is to maintain a balance between continuity of funding and flexibility through use of stand-by credit facilities.

The table below highlights the profile of the maturity of the Group's financial liabilities based on contractual undiscounted cash flows, including the interest payments and excluding the impact of netting agreements:

	Carrying amount RM'000	Contractual cash flows RM'000	Less than 1 year RM'000	Between 1 and 5 years RM'000	More than 5 years RM'000
Group					
31 December 2018					
Trade and other payables*	311,555	(311,555)	(311,555)	–	–
Loans and borrowings**	149,378	(177,942)	(53,566)	(112,226)	(12,150)
Redeemable preference shares	9,400	(10,904)	(752)	(10,152)	–
	470,333	(500,401)	(365,873)	(122,378)	(12,150)
31 December 2017					
Trade and other payables*	155,763	(155,763)	(155,763)	–	–
Loans and borrowings**	107,869	(130,021)	(55,960)	(61,788)	(12,273)
Redeemable preference shares	9,400	(11,656)	(752)	(10,904)	–
	273,032	(297,440)	(212,475)	(72,692)	(12,273)
Company					
31 December 2018					
Trade and other payables	983	(983)	(983)	–	–
31 December 2017					
Trade and other payables	654	(654)	(654)	–	–

* Excluding advance payment and booking fees received.

** Excluding RCULS and preference shares.

Market risk

Market risk is the risk that changes in market prices, such as interest rate and foreign exchange rates will affect the Group's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return on risk.

Currency risk

The Group's main operations are in Malaysia where majority of the transactions are primarily denominated in the functional currency, Ringgit Malaysia. Accordingly, the Group is not exposed to significant currency risk.

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of the Group's financial instruments will fluctuate because of changes in market interest rates. The Group's exposure to interest rate risk arises primarily from cash and cash equivalents and borrowings. The Group does not hedge against this risk.

At the reporting date, the interest rate profile of the Group and the Company's interest-bearing financial instruments was:

	Nominal amount			Nominal amount	
	Group			Company	
	2018 RM'000	2017 RM'000	1 Jan 2017 RM'000	2018 RM'000	2017 RM'000
Fixed rate instruments					
Financial assets	62,638	38,501	8,662	–	–
Financial liabilities	(71,756)	(26,337)	(61,597)	(45,738)	–
	(9,118)	12,164	(52,935)	(45,738)	–
Variable rate instruments					
Financial assets	53,275	43,854	13,040	–	–
Financial liabilities	(87,022)	(90,932)	(57,109)	–	–
	(33,747)	(47,078)	(44,069)	–	–

Fair value sensitivity analysis for fixed rate instruments

The Group does not account for any fixed rate financial assets and liabilities at fair value through profit or loss. Therefore a change in interest rates at the reporting dates would not affect profit or loss.

Cash flow sensitivity analysis for variable rate instruments

A change of 100 basis points ("bp") in interest rates at the reporting dates would have increased/(decreased) profit or loss by the amounts shown below. There is no effect to the equity. This analysis assumes that all other variables, in particular foreign currency rates, remain constant. The analysis is performed on the same basis for all periods presented.

	Profit or loss	
	Group	
	100 bp Increase RM'000	100 bp Decrease RM'000
2018		
Variable rate instruments	(337)	337
2017		
Variable rate instruments	(471)	471

Accounting classifications and fair values

The carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy are set out below. It does not include fair value information for financial assets and financial liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value:

		Carrying amount			Fair value			
		Amortised costs RM'000	Other financial liabilities RM'000	Total RM'000	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	Total RM'000
Group	Note							
31 December 2018								
Financial assets not measured at fair value								
Redeemable preference shares – associates	7	53,835	–	53,835	–	–	49,271	49,271
Trade and other receivables*	12	174,460	–	174,460				
Cash and cash equivalents	13	163,035	–	163,035				
		<u>391,330</u>	<u>–</u>	<u>391,330</u>				
Financial liabilities not measured at fair value								
Trade and other payables [^]	15	–	(311,555)	(311,555)				
Loans and borrowings								
– Finance lease liabilities	14	–	(3,788)	(3,788)	–	–	(3,819)	(3,819)
– Term loans and bridging loans	14	–	(87,022)	(87,022)	–	–	(89,831)	(89,831)
– Revolving credit	14	–	(12,830)	(12,830)	–	–	(12,830)	(12,830)
– Redeemable preference shares	14	–	(9,400)	(9,400)	–	–	(9,740)	(9,740)
– Convertible loan	14	–	(45,738)	(45,738)	–	–	(45,438)	(45,438)
		<u>–</u>	<u>(470,333)</u>	<u>(470,333)</u>				
31 December 2017								
Financial assets not measured at fair value								
Redeemable preference shares – associates	7	32,775	–	32,775	–	–	31,142	31,142
Trade and other receivables*	12	79,950	–	79,950				
Cash and cash equivalents	13	139,988	–	139,988				
		<u>252,713</u>	<u>–</u>	<u>252,713</u>				
Financial liabilities not measured at fair value								
Trade and other payables [^]	15	–	(155,763)	(155,763)				
Loans and borrowings								
– Finance lease liabilities	14	–	(3,422)	(3,422)	–	–	(3,415)	(3,415)
– Term loans and bridging loans	14	–	(90,932)	(90,932)	–	–	(93,811)	(93,811)
– Revolving credit	14	–	(13,515)	(13,515)	–	–	(13,515)	(13,515)
– Redeemable preference shares	14	–	(9,400)	(9,400)	–	–	(9,896)	(9,896)
		<u>–</u>	<u>(273,032)</u>	<u>(273,032)</u>				

* Excluding prepayments and tax recoverable

[^] Excluding advance payment and booking fee received

		Carrying amount			Fair value			
	Note	Loans and receivables RM'000	Other financial liabilities RM'000	Total RM'000	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	Total RM'000
Company								
31 December 2018								
Financial assets not measured at fair value								
Redeemable preference shares – subsidiary	6	62,100	–	62,100				
Trade and other receivables	12	9,194	–	9,194				
Cash and cash equivalents	13	50,278	–	50,278				
		121,572	–	121,572				
Financial liabilities not measured at fair value								
Trade and other payables	15	–	(983)	(983)				
Convertible loan	14	–	(45,738)	(45,738)	–	–	(45,438)	(45,438)
		–	(46,721)	(46,721)				
31 December 2017								
Financial assets not measured at fair value								
Cash and cash equivalents	13	9,124	–	9,124				
Financial liabilities not measured at fair value								
Trade and other payables	15	–	(654)	(654)				

Valuation technique

Financial instruments not measured at fair value

The following table shows the valuation technique used in measuring Level 3 fair values, as well as the significant unobservable inputs used.

Type	Valuation technique	Significant unobservable inputs	Inter-relationship between key unobservable inputs and fair value measurement
Financial assets – redeemable preference shares	Discounted cash flows	Discount rate : 6.03% (2017 : 6.03%)	The estimated fair value would increase/(decrease) if discount rate was lower/(higher).
Other financial liabilities*	Discounted cash flows	Discount rate : 6.32% - 6.41% (2017 : 5.03% - 6.03%)	The estimated fair value would increase/(decrease) if discount rate was lower/(higher).

*Other financial liabilities include loans and borrowings.

32 Capital management

The primary objectives of the Group's capital management are to safeguard the Group's ability as a going concern and to maintain an optimal capital structure so as to maximise shareholder value. Capital consists of equity attributable to owners of the Company.

To maintain or adjust the capital structure, the Group may adjust the dividend payment, return capital to shareholders, issue new shares, and obtain new borrowings to leverage on lower cost of borrowings versus the Group's weighted average cost of capital or sell assets to reduce borrowings.

The Company and its subsidiaries are in compliance with its externally imposed capital requirements for the financial year ended 31 December 2018.

33 Related parties

Transactions with key management personnel

Key management personnel of the Group are those persons having the authority and responsibility for planning, directing and controlling the authorities of the entity. The directors and senior key management are considered as key management personnel of the Group.

Key management personnel remuneration comprised:

	Group	
	2018 RM'000	2017 RM'000
Directors fee	349	112
Short-term employee benefits	7,781	4,583
Post-employment benefits (including contributions to defined contribution plans)	836	495
Benefits-in-kind	128	33
	9,094	5,223

Key management personnel transactions comprised:

	Group	
	2018 RM'000	2017 RM'000
Progress billings		
Key management personnel	6,943	5,161
Companies in which directors and key management personnel have substantial interests	7,904	1,955
Companies in which close family member of key management personnel have substantial interests	1,706	405
	16,553	7,521

In addition to the related party information disclosed elsewhere in the financial statements, the following significant transactions took place between the Group and its related parties during the financial year on terms agreed between the parties concerned:

	2018 RM'000	2017 RM'000
Associate		
Cost allocation received and receivable	10,221	10,914
Management fee income	40	325

34 Contingent liabilities

During the year, AG Innovation Sdn. Bhd. and Aspen Vision All Sdn. Bhd., both subsidiaries of the Group, have been served with a Writ of Summons endorsed with a statement of claim filed by IBM Malaysia and IBM Capital Malaysia, claiming RM2.2 million and RM5.4 million respectively. As at 31 December 2018, the claims are pending legal trial of which the outcome are not presently determinable. Accordingly, no provision for any liability has been made in these financial statements.

35 Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the Group's chief operating decision maker ("CODM"). The CODM is responsible for allocating resources and assessing performance of the operating segments. The operating segments were determined based on the reports reviewed by management.

Management considers that the entire Group's operation constitute a single segment which is in the business of property development in Malaysia. Management assessed the performance of the Group's operations based on the profit before tax, total assets and total liabilities which are measured in a manner consistent with that of the financial statements.

36 Subsequent events

On 2 January 2019, AV City completed the acquisition of approximately 45 acres of land in Bandar Cassia, Batu Kawan, Penang from Penang Development Corporation at an aggregate consideration of RM98,010,000.

On 10 January 2019, AV Development acquired Viana Mentari Sdn. Bhd., a Company incorporated in Malaysia for a cash consideration of RM1.

On 4 March 2019, the Group further increased its investment in GVL by cash injection of RM2,100,0000, representing 30% of the total additional contributions by the Group and other shareholders.

On 21 March 2019, AVD Central entered into a loan agreement with a financial institution for principal amount of RM109 million to partially finance the purchase and development of a piece of land in Tropicana Heights, Semenyih, Selangor.

37 Explanation of transition to SFRS(I) and adoption of new standards

In December 2017, the Accounting Standards Council ("ASC") issued the Singapore Financial Reporting Standards (International) ("SFRS(I)"). SFRS(I) comprises standards and interpretations that are equivalent to International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") at 31 December 2017 that are applicable for annual period beginning on 1 January 2018. Singapore-incorporated companies that have issued, or are in the process of issuing, equity or debt instruments for trading in a public market in Singapore, will apply SFRS(I) with effect from annual periods beginning on or after 1 January 2018.

As stated in note 2.1, these are the first financial statements of the Group and of the Company prepared in accordance with SFRS(I).

Reconciliation of the Group's equity Consolidated statement of financial position

	1 January 2017			31 December 2017 and 1 January 2018		
	FRS framework RM'000 Restated ^a	SFRS(I) 1 RM'000	SFRS(I) framework RM'000	FRS framework RM'000 Restated ^a	SFRS(I) 1 RM'000	SFRS(I) framework RM'000
Non-current assets	107,549	–	107,549	146,143	–	146,143
Current assets	419,815	–	419,815	611,188	–	611,188
Total assets	527,364	–	527,364	757,331	–	757,331
Non-current liabilities	142,928	–	142,928	133,590	–	133,590
Current liabilities	342,031	–	342,031	326,782	–	326,782
Total liabilities	484,959	–	484,959	460,372	–	460,372

	1 January 2017			31 December 2017 and 1 January 2018		
	FRS framework RM'000 Restated [^]	SFRS(I) 1 RM'000	SFRS(I) framework RM'000	FRS framework RM'000 Restated [^]	SFRS(I) 1 RM'000	SFRS(I) framework RM'000
Equity						
Share capital	46,272	–	46,272	168,346	–	168,346
Reserves	(7,124)	–	(7,124)	112,904	–	112,904
Equity attributable to owners	39,148	–	39,148	281,250	–	281,250
Non-controlling interests	3,257	–	3,257	15,709	–	15,709
Total equity	42,405	–	42,405	296,959	–	296,959
Total equity and liabilities	527,364	–	527,364	757,331	–	757,331

[^] Relates to changes in accounting policies (see note 2.5)

The accounting policies set out in note 3 have been applied in preparing the financial statements for the year ended 31 December 2018, the comparative information presented in these financial statements for the year ended 31 December 2017 and in the preparation of the opening SFRS(I) statements of financial position at 1 January 2017 (the Group's date of transition). The adoption of the new framework do not have material effect on the financial statements.

In addition to the adoption of the new framework, the Group also concurrently applied 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 amendments arising from 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 arising from the amendments to IFRS 1 – *Deletion of short-term exemptions for first-time adopters* 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 application of the above standards and interpretations do not have a material effect on the financial statements.

SFRS(I) 9 *Financial Instruments*

SFRS(I) 9 *Financial Instruments* sets out requirements for recognising and measuring financial assets, financial liabilities and some contracts to buy or sell non-financial items. It also introduces a new 'expected credit loss' (ECL) model and a new general hedge accounting model. The Group adopted SFRS(I) 9 from 1 January 2018.

In accordance with the exemption in SFRS(I) 1, the Group elected not to restate information for 2017. Accordingly, the information presented for 2017 is presented, as previously reported, under FRS 39 *Financial Instruments: Recognition and Measurement*. Differences in the carrying amounts of financial assets and financial liabilities resulting from the adoption of SFRS(I) 9 are recognised in retained earnings and reserves as at 1 January 2018.

Arising from this election, the Group is exempted from providing disclosures required by SFRS(I) 7 *Financial Instruments: Disclosures* for the comparative period to the extent that these disclosures relate to items within the scope of SFRS(I) 9. Instead, disclosures under FRS 107 *Financial Instruments: Disclosures* relating to items within the scope of FRS 39 are provided for the comparative period.

Changes in accounting policies resulting from the adoption of SFRS(I) 9 have been generally applied by the Group retrospectively, except as described below.

The following assessments were made on the basis of facts and circumstances that existed at 1 January 2018:

- The determination of the business model within which a financial asset is held; and
- The determination of whether the contractual terms of a financial asset give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding.

(i) Classification of financial assets and financial liabilities

Under SFRS(I) 9, financial assets are classified in the following categories: measured at amortised cost, FVOCI – debt instrument, FVOCI – equity instrument; or FVTPL. The classification of financial assets under SFRS(I) 9 is generally based on the business model in which a financial asset is managed and its contractual cash flow characteristics. SFRS(I) 9 eliminates the previous FRS 39 categories of held-to-maturity, loans and receivables and available-for-sale. Under SFRS(I) 9, derivatives embedded in contracts where the host is a financial asset in the scope of the standard are never separated. Instead, the hybrid financial instrument as a whole is assessed for classification.

For an explanation of how the Group classifies and measures financial assets and related gains and losses under SFRS(I) 9, see note (3.10(ii)).

The adoption of SFRS(I) 9 has not had a significant effect on the Group's accounting policies for financial liabilities.

The following table and the accompanying notes below explain the original measurement categories under FRS 39 and the new measurement categories under SFRS(I) 9 for each class of the Company's financial assets as at 1 January 2018.

			1 January 2018	
	Original classification under FRS 39	New classification under FRS 109	Original carrying amount under FRS 39 RM'000	New carrying amount under FRS 109 RM'000
Group				
Redeemable preference shares	Loans and receivables	Amortised cost	32,775	32,775
Trade and other receivables	Loans and receivables	Amortised cost	79,950	79,950
Cash and cash equivalents	Loans and receivables	Amortised cost	139,988	139,988
			252,713	252,713
Company				
Cash and cash equivalents	Loans and receivables	Amortised cost	9,124	9,124

(ii) Impairment of financial assets

SFRS(I) 9 replaces the 'incurred loss' model in FRS 39 with an 'expected credit loss' (ECL) model. The new impairment model applies to financial assets measured at amortised cost, contract assets, and intra-group financial guarantee contracts, but not to equity investments. The adoption of the new impairment model under SFRS(I) does not affect the carrying amount of intra-group financial guarantee contracts at 1 January 2018, as the amount initially recognised less the cumulative amount of income recognised in accordance with SFRS(I) 15 is higher than the estimated ECL amount.

Additional information about how the Group and the Company measure the allowance for impairment is described in note 31.

38 New standards and interpretations not yet adopted

A number of new standards and interpretations and amendments to standards are effective for annual periods beginning after 1 January 2018 and earlier application is permitted; however, the Group has not early adopted the new or amended standards and interpretations in preparing these financial statements.

The following new SFRS(I)s, interpretations and amendments to SFRS(I)s are effective for annual periods beginning after 1 January 2018:

Applicable to 2019 financial statements

- SFRS(I) 16 Leases
- 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)

Mandatory effective date deferred

- *Sale or Contribution of Assets between an Investor and its Associate or Joint Venture* (Amendments to SFRS(I) 10 and SFRS(I) 1-28)

SFRS(I) 16 Leases

SFRS(I) 16 introduces a single, on-balance sheet lease accounting model for lessees. A lessee recognises a right-of-use (ROU) asset representing its right to use the underlying asset and a lease liability representing its obligation to make lease payments. There are recognition exemptions for short-term leases and leases of low-value items. Lessor accounting remains similar to the current standard – i.e. lessors continue to classify leases as finance or operating leases. SFRS(I) 16 replaces existing lease accounting guidance, including SFRS(I) 1-17 *Leases*, SFRS(I) INT 4 *Determining whether an Arrangement contains a Lease*, SFRS(I) INT 1-15 *Operating Leases – Incentives* and SFRS(I) INT 1-27 *Evaluating the Substance of Transactions Involving the Legal Form of a Lease*. The standard is effective for annual periods beginning on or after 1 January 2019, with early adoption permitted.

The Group and the Company plan to apply SFRS(I) 16 initially on 1 January 2019, using the modified retrospective approach. Therefore, the cumulative effect of adopting SFRS(I) 16 will be recognised as an adjustment to the opening balance of retained earnings at 1 January 2019, with no restatement of comparative information. The Group and the Company plan to apply the practical expedient to grandfather the definition of a lease on transition. This means that they will apply SFRS(I) 16 to all contracts entered into before 1 January 2019 and identified as leases in accordance with SFRS(I) 1-17 and SFRS(I) INT 4.

The Group as lessee

The Group and the Company expect to measure lease liabilities by applying a single discount rate to their portfolio of office spaces and motor vehicles leases. Furthermore, the Group and the Company are likely to apply the practical expedient to recognise amounts of ROU assets equal to their lease liabilities at 1 January 2019. For lease contracts that contain the option to renew, the Group and the Company are expected to use hindsight in determining the lease term.

The Group and the Company expect their existing operating lease arrangements to be recognised as ROU assets with corresponding lease liabilities under SFRS(I) 16. Lease payments that are increased every five years to reflect market rentals, and those that are based on changes in local price index, are included in the measurement of lease liabilities as at date of initial application.

As at 1 January 2019, the Group expects an increase in ROU assets of RM6,772,000, an increase in lease liabilities of RM7,407,000 and a decrease in retained earnings of RM635,000.

The nature of expenses related to those leases will change as SFRS(I) 16 replaces the straight-line operating lease expense with depreciation charge for ROU assets and interest expense on lease liabilities.

The Group as lessor

SFRS(I) 16 substantially carries forward the current existing lessor accounting requirements. Accordingly, the Group continues to classify its leases as operating leases or finance leases, and to account for these two types of leases using the existing operating lease and finance lease accounting models respectively.

No significant impact is expected for other leases in which the Group is a lessor.

Statistics Of Shareholdings

AS AT 15 MARCH 2019

Share Capital as at 15 March 2019

Issued and paid up capital	: RM237,240,943
Number of Issued Shares	: 963,617,900
Number / Percentage of Treasury Shares	: Nil
Number / Percentage of Subsidiary Holdings Held	: Nil
Class of Shares	: Ordinary Shares
Voting Rights	: One Vote Per Share

DISTRIBUTION OF SHAREHOLDERS BY SIZE OF SHAREHOLDINGS

AS AT 15 MARCH 2019

SIZE OF SHAREHOLDINGS	NO. OF SHAREHOLDERS	%	NO. OF SHARES	%
1 - 99	-	0.00	-	0.00
100 - 1,000	135	28.66	129,400	0.02
1,001 - 10,000	155	32.91	863,800	0.09
10,001 - 1,000,000	163	34.61	15,542,700	1.61
1,000,001 AND ABOVE	18	3.82	947,082,000	98.28
TOTAL	471	100.00	963,617,900	100.00

TWENTY LARGEST SHAREHOLDERS

AS AT 15 MARCH 2019

NO.	SHAREHOLDER'S NAME	NUMBER OF SHARES HELD	%
1	ASPEN VISION GROUP SDN. BHD.	178,451,000	18.52
2	OCBC SECURITIES PRIVATE LTD	162,669,400	16.88
3	KENANGA NOMINEES (TEMPATAN) SDN BHD	151,924,500	15.77
4	CGS-CIMB SECURITIES (SINGAPORE) PTE LTD	139,738,400	14.50
5	MAYBANK KIM ENG SECURITIES PTE. LTD.	102,152,600	10.60
6	CITIBANK NOMINEES SINGAPORE PTE LTD	79,769,300	8.28
7	RAFFLES NOMINEES (PTE) LIMITED	61,752,800	6.41
8	UNITED OVERSEAS BANK NOMINEES PTE LTD	34,490,500	3.58
9	UOB KAY HIAN PTE LTD	7,845,000	0.81
10	ASDEW ACQUISITIONS PTE LTD	6,852,200	0.71
11	RHB SECURITIES SINGAPORE PTE LTD	4,671,100	0.48
12	CHEAH TEIK SENG	4,360,000	0.45
13	YEE WEI MENG	3,478,000	0.36
14	YIM AH HOE	3,017,100	0.31
15	DBS NOMINEES PTE LTD	2,027,200	0.21
16	MERRILL LYNCH (SINGAPORE) PTE LTD	1,506,400	0.16
17	DB NOMINEES (SINGAPORE) PTE LTD	1,226,500	0.13
18	LIEW CHEE KONG	1,150,000	0.12
19	MAX LEE KIM LOONG	1,000,000	0.10
20	PHILLIP SECURITIES PTE LTD	954,500	0.10
TOTAL		949,036,500	98.48

SUBSTANTIAL SHAREHOLDERS

AS AT 15 MARCH 2019

Substantial Shareholders of the Company (as recorded in the Register of Substantial Shareholders) as at 15 March 2019

Substantial Shareholders	Direct Interest		Deemed Interest		Total	
	Number of Shares	%	Number of Shares	%	Number of Shares	%
Aspen Vision Group Sdn. Bhd.	482,300,000	50.05	-	-	482,300,000	50.05
Dato' Murly Manokharan ⁽¹⁾	-	-	492,300,000	51.09	492,300,000	51.09
Ideal Force Sdn. Bhd. ⁽²⁾	62,010,000	6.44	26,000,000	2.70	88,010,000	9.14
Oh Kim Sun ⁽³⁾	41,340,000	4.29	88,010,000	9.13	129,350,000	13.42
Oxley Holdings Limited	98,620,600	10.23	-	-	98,620,600	10.23
Ching Chiat Kwong ⁽⁴⁾	-	-	98,620,600	10.23	98,620,600	10.23
Low See Ching (Liu Shijin) ⁽⁵⁾	-	-	98,620,600	10.23	98,620,600	10.23

Notes:

- By virtue of Section 4 of the Securities and Futures Act, Chapter 289 of Singapore, Dato' Murly Manokharan is deemed interested in the shares of the Company held through the following entities:

- Aspen Vision Group Sdn. Bhd. – 482,300,000 (50.05%); and
- Intisari Utama Sdn. Bhd. – 10,000,000 (1.04%).

Dato' Murly Manokharan holds 64.76% and 100% of the ordinary shares of Aspen Vision Group Sdn. Bhd. and Intisari Utama Sdn. Bhd. respectively.

- By virtue of Section 4 of the Securities and Futures Act, Chapter 289 of Singapore, Ideal Force Sdn. Bhd. is deemed interested in the shares of the Company held by Setia Batu Kawan Sdn. Bhd.

Ideal Force Sdn. Bhd. holds 30% of the issued share capital of Setia Batu Kawan Sdn. Bhd.

- By virtue of Section 4 of the Securities and Futures Act, Chapter 289 of Singapore, Mr. Oh Kim Sun is deemed interested in the shares of the Company held through the following entities:-

- Ideal Force Sdn. Bhd. – 62,010,000 (6.44%); and
- Setia Batu Kawan Sdn. Bhd. – 26,000,000 (2.70%).

The issued share capital of Ideal Force Sdn. Bhd. is wholly owned by Mr. Oh Kim Sun and his associates.

Mr. Oh Kim Sun holds 20% of the issued share capital of Setia Batu Kawan Sdn. Bhd.

- By virtue of Section 4 of the Securities and Futures Act, Chapter 289 of Singapore, Mr. Ching Chiat Kwong is deemed interested in the shares of the Company held through Oxley Holdings Limited as he holds 41.12% of the ordinary shares of Oxley Holdings Limited.

- By virtue of Section 4 of the Securities and Futures Act, Chapter 289 of Singapore, Mr. Low See Ching (Liu Shijin) is deemed interested in the shares of the Company held through Oxley Holdings Limited as he holds 27.59% of the ordinary shares of Oxley Holdings Limited.

PUBLIC FLOAT

Based on the information available to the Company as at 15 March 2019, approximately 24.71% of the total issued ordinary shares of the Company is held by the public and therefore, Rule 723 of the Singapore Exchange Securities Trading Limited Listing Manual Section B: Rules of Catalyst is complied with.

Notice Of Annual General Meeting

ASPEN (GROUP) HOLDINGS LIMITED

(Company Registration No.: 201634750K)

(Incorporated in the Republic of Singapore)

NOTICE IS HEREBY GIVEN that the Annual General Meeting ("AGM") of Aspen (Group) Holdings Limited (the "Company") will be held at Novotel Singapore on Stevens, 28 Stevens Road, Singapore 257878 on Thursday, 25 April 2019 at 10.00 a.m. to transact the following business:

ORDINARY BUSINESS

1. To receive and adopt the Audited Financial Statements of the Company for the financial year ended 31 December 2018, the Directors' Statement and the Report of the Auditors thereon.
(Resolution 1)
2. To approve the payment of Directors' fees of RM349,424.66 for the financial year ended 31 December 2018.
(Resolution 2)
3. To re-elect Dato' Murly Manokharan, a Director retiring under Regulation 97 of the Constitution of the Company.
[See Explanatory Note 1] (Resolution 3)
4. To re-elect Dato' Alan Teo Kwong Chia, a Director retiring under Regulation 97 of the Constitution of the Company.
[See Explanatory Note 1] (Resolution 4)
5. To re-elect Ir. Anilarasu Amaranazan, a Director retiring under Regulation 103 of the Constitution of the Company.
[See Explanatory Note 1] (Resolution 5)
6. To re-elect Mr. Ching Chiat Kwong, a Director retiring under Regulation 103 of the Constitution of the Company.
[See Explanatory Note 1] (Resolution 6)
7. To re-elect Dato' Choong Khuat Seng, a Director retiring under Regulation 103 of the Constitution of the Company.
[See Explanatory Note 1] (Resolution 7)
8. To re-appoint Messrs. KPMG LLP as Auditors of the Company for the financial year ending 31 December 2019 and to authorise the Directors to fix their remuneration.
(Resolution 8)

SPECIAL BUSINESS

To consider and, if thought fit, to pass, the following Ordinary Resolutions, with or without modifications:

9. AUTHORITY TO ALLOT AND ISSUE SHARES

"THAT pursuant to Section 161 of the Companies Act, Chapter 50 of Singapore, and Rule 806 of the Singapore Exchange Securities Trading Limited ("SGX-ST") Listing Manual Section B: Rules of Catalist (the "**Catalist Rules**"), authority be and is hereby given to the Directors of the Company to allot and issue new ordinary shares in the capital of the Company ("**Shares**") (whether by way of rights, bonus or otherwise), and/or make or grant offers, agreements or options (collectively, "**Instruments**") that might or would require Shares to be issued, including but not limited to the creation and issue of (as well as adjustments to) options, warrants, debentures or other instruments convertible into Shares, at any time and upon such terms and conditions and for such purposes and to such persons as the Directors may, in their absolute discretion, deem fit; and (notwithstanding that this authority may have ceased to be in force) issue Shares in pursuance of any Instrument made or granted by the Directors while this authority was in force, provided that:

1. the aggregate number of the Shares to be issued pursuant to this authority (including the Shares to be issued in pursuance of Instruments made or granted pursuant to this authority), does not exceed one hundred per cent (100%) of the total number of issued Shares (excluding treasury shares and subsidiary holdings) in the capital of the Company (as calculated in accordance with paragraph (2) below), of which the aggregate number of Shares to be issued other than on a pro-rata basis to the existing shareholders of the Company (including the Shares to be issued in pursuance of Instruments made or granted pursuant to this authority) shall not exceed fifty per cent (50%) of the total number of issued Shares (excluding treasury shares and subsidiary holdings) in the capital of the Company (as calculated in accordance with paragraph (2) below);
2. (subject to such manner of calculation as may be prescribed by the SGX-ST) for the purpose of determining the aggregate number of the Shares that may be issued under paragraph (1) above, the total number of issued Shares (excluding treasury shares and subsidiary holdings) shall be based on the total number of issued Shares (excluding treasury shares and subsidiary holdings) of the Company at the time such authority was conferred, after adjusting for:
 - (a) new Shares arising from the conversion or exercise of any convertible securities;
 - (b) new Shares arising from the exercise of any share options or vesting of share awards which are outstanding or subsisting at the time this authority was conferred, provided that the options or awards were granted in compliance with Part VIII of Chapter 8 of the Catalist Rules; and
 - (c) any subsequent consolidation or subdivision of the Shares;

and, in relation to an Instrument, the number of Shares shall be taken to be that number as would have been issued had the rights therein been fully exercised or effected on the date of the making or granting of the Instrument;
3. in exercising the authority conferred by this Resolution, the Company shall comply with the requirements imposed by the SGX-ST from time to time and the provisions of the Catalist Rules for the time being in force (in each case, unless such compliance has been waived by the SGX-ST), all applicable legal requirements under the Companies Act, Chapter 50 of Singapore and otherwise, and the Constitution of the Company for the time being; and
4. such authority shall, unless revoked or varied by the Company in a general meeting, continue in force until the conclusion of the next AGM of the Company or the date by which the next AGM of the Company is required by law to be held, whichever is earlier."

[See Explanatory Note 2]

(Resolution 9)

10. AUTHORITY TO OFFER AND GRANT OPTIONS AND ALLOT AND ISSUE SHARES UNDER THE AV EMPLOYEE SHARE OPTION SCHEME

"THAT pursuant to Section 161 of the Companies Act, Chapter 50 of Singapore, approval be and is hereby given to the Directors of the Company to offer and grant options, and allot and issue from time to time such number of new Shares in the share capital of the Company as may be required to be delivered pursuant to the exercise of options granted in accordance with the provisions of the AV Employee Share Option Scheme (the "ESOS"), provided that the aggregate number of the ESOS Shares to be issued or transferred pursuant to the ESOS on any date, when aggregated with the number of Shares over which options or awards are granted under any share option schemes or share schemes of the Company, shall not exceed fifteen per cent (15%) of the total number of issued Shares (excluding treasury shares and subsidiary holdings) of the Company on the day preceding that date, and that such authority shall, unless revoked or varied by the Company in a general meeting, continue in force until the conclusion of the next AGM of the Company or the date by which the next AGM of the Company is required by law to be held, whichever is earlier."

[See Explanatory Note 3]

(Resolution 10)

11. AUTHORITY TO ALLOT AND ISSUE SHARES UNDER THE AV PERFORMANCE SHARE PLAN

"THAT pursuant to Section 161 of the Companies Act, Chapter 50 of Singapore, approval be and is hereby given to the Directors of the Company to allot and issue from time to time such number of new Shares in the share capital of the Company as may be required to be issued pursuant to the vesting of awards under the AV Performance Share Plan (the "PSP"), provided that the aggregate number of additional new Shares to be allotted and issued pursuant to the PSP and other share scheme(s) to be implemented by the Company (if any) shall not exceed fifteen per cent (15%) of the total number of issued Shares (excluding treasury shares and subsidiary holdings) of the Company preceding that date of grant of award, and that such authority shall, unless revoked or varied by the Company in a general meeting, continue in force until the conclusion of the next AGM of the Company or the date by which the next AGM of the Company is required by law to be held, whichever is earlier."

[See Explanatory Note 4]

(Resolution 11)

12. PROPOSED RENEWAL OF THE SHARE BUY BACK MANDATE

"THAT:

- (a) for the purposes of the Catalist Rules and the Companies Act, Chapter 50 of Singapore, the Directors be and are hereby authorised to exercise all the powers of the Company to purchase or acquire its issued and fully paid-up Shares representing not more than ten per cent (10%) of the total number of issued Shares of the Company at such price(s) as may be determined by the Directors or a committee of Directors that may be constituted for the purposes of effecting purchases or acquisitions of Shares by the Company from time to time up to the Maximum Price (as defined below), whether by way of:

- (i) an on-market purchase ("**Market Purchase**"), transacted on the SGX-ST through the ready market, and which may be transacted through one or more duly licensed stock brokers appointed by the Company for the purpose; and/or
- (ii) an off-market purchase ("**Off-Market Purchase**"), effected otherwise than on the SGX-ST pursuant to an equal access scheme in accordance with Section 76C of the Companies Act, Chapter 50 of Singapore,

and otherwise in accordance with all other laws and regulations, including but not limited to, the provisions of the Companies Act, Chapter 50 of Singapore and the Catalist Rules as may for the time being be applicable, be and is hereby authorised and approved generally and unconditionally (the "Share Buy Back Mandate");

- (b) unless varied or revoked by the Shareholders in a general meeting, purchases or acquisitions of Shares pursuant to the proposed Share Buy Back Mandate may be made, at any time and from time to time during the period commencing from the date of the passing of this Resolution and expiring on the earlier of:

- (i) the date on which the next AGM of the Company is held or required by law to be held; or
- (ii) the date on which the purchases or acquisitions of Shares by the Company pursuant to the Share Buy Back Mandate are carried out to the full extent mandated; or
- (iii) the date on which the authority conferred by the Share Buy Back Mandate is revoked or varied by the Shareholders in a general meeting,

whichever the earliest.

- (c) in this Resolution:

"**Maximum Price**", in relation to a Share to be purchased or acquired, means the purchase price (including brokerage, stamp duties, commission, applicable goods and services tax and other related expenses) which shall not exceed:

- (i) in the case of a Market Purchase, one hundred and five per cent (105%) of the Average Closing Price (as defined below); and
- (ii) in the case of an Off-Market Purchase pursuant to an equal access scheme, one hundred and twenty per cent (120%) of the Average Closing Price, where:

"**Average Closing Price**" means the average of the closing market prices of the Shares over the last five (5) Market Days, on which transactions in the Shares were recorded, before the day on which the purchase or acquisition of Shares was made, or as the case may be, the day of the making of the offer pursuant to the Off-Market Purchase, and deemed to be adjusted for any corporate action that occurs after the relevant five (5) Market Days period;

"**day of the making of the offer**" means the day on which the Company announces its intention to make an offer for an Off-Market Purchase, stating therein the purchase price (which shall not be more than the Maximum Price for an Off-Market Purchase calculated on the foregoing basis) for each Share and the relevant terms of the equal access scheme for effecting the Off-Market Purchase; and

- (d) the Directors and/or any of them be and are hereby authorised to complete and do all such acts and things (including executing such documents as may be required) as they and/or he may consider necessary, expedient, incidental or in the interests of the Company to give effect to the transactions contemplated and/ or authorised by this Resolution."

[See Explanatory Note 5]

(Resolution 12)

13. OTHER BUSINESS

To transact any other ordinary business that may be properly transacted at an AGM of the Company.

BY ORDER OF THE BOARD

Dato' Murly Manokharan
President and Group Chief Executive Officer
10 April 2019

NOTES:

- (1) (a) A member of the Company who is entitled to attend and vote at the AGM and who is not a relevant intermediary is entitled to appoint not more than two (2) proxies to attend and vote on his behalf. Where such member appoints more than one (1) proxy, he/she shall specify the proportion or number of his/her shareholding to be represented by each proxy. If no such proportion or number is specified the first named proxy may be treated as representing 100% of the shareholding and any second named proxy as an alternate to the first named. A proxy need not be a member of the Company. If the appointer is a corporation, the proxy must be executed under seal or the hand of its duly authorised officer or attorney.
- (b) A member of the Company who is entitled to attend and vote at the AGM and who is a relevant intermediary is entitled to appoint more than two (2) proxies to attend and vote in his stead. Where such member appoints more than one (1) proxy, the number of shares in relation to which each proxy has been appointed shall be specified in the form of proxy.

"Relevant intermediary" has the meaning ascribed to it in Section 181 of the Companies Act, Chapter 50 of Singapore.

- (2) The instrument appointing a proxy or proxies must be under the hand of the appointor or of his attorney duly authorised in writing. Where the instrument appointing a proxy or proxies is executed by a corporation, it must be executed under its seal or under the hand of its attorney duly authorised. Where the instrument appointing a proxy or proxies is executed by an attorney on behalf of the appointor, the power of attorney or a duly certified copy thereof must be lodged with the instrument.
- (3) A corporation which is a member may authorise by resolution of its directors or other governing body such person as it thinks fit to act as its representative at the AGM in accordance with Section 179 of the Companies Act, Chapter 50 of Singapore.
- (4) The instrument appointing a proxy or proxies, duly executed, must be deposited at the office of the Company's Share Registrar, Tricor Barbindar Share Registration Services at 80 Robinson Road, #11-02, Singapore 068898 not later than 72 hours before the time appointed for the AGM.

EXPLANATORY NOTES

1. Dato' Murly Manokharan (President and Group Chief Executive Officer) is a Substantial Shareholder of the Company and does not have any other relationships including immediate family relationships between himself and the Directors, the Company and other Substantial Shareholders. Dato' Murly Manokharan is deemed interested in the shares of the Company held through the following entities:-

- (a) Aspen Vision Group Sdn. Bhd. - 482,300,000 (50.05%); and
- (b) Intisari Utama Sdn. Bhd. - 10,000,000 (1.04%).

Dato' Murly Manokharan holds 64.76% and 100% of the ordinary shares of Aspen Vision Group Sdn. Bhd. and Intisari Utama Sdn. Bhd. respectively.

Ir. Anilarasu Amaranazan (Group Managing Director) does not have any relationships including immediate family relationships between himself and the Directors, the Company and the Substantial Shareholders.

Dato' Alan Teo Kwong Chia (Independent Non-Executive Director) will, upon re-election as Director of the Company, continue to serve as the Chairman of the Nominating Committee as well as a member of the Audit Committee and Remuneration Committee. He is considered independent for the purposes of Rule 704(7) of the Catalist Rules. Dato' Alan Teo Kwong Chia does not have any relationships including immediate family relationships between himself and the Directors, the Company and the Substantial Shareholders.

Mr. Ching Chiat Kwong (Non-Independent Non-Executive Director) is a Substantial Shareholder of the Company via his interest in 41.12% of the ordinary shares of Oxley Holdings Limited and does not have any other relationships including immediate family relationships between himself and the Directors, the Company and other Substantial Shareholders. He is considered Non-Independent for the purposes of Rule 704(7) of the Catalist Rules.

Dato' Choong Khuat Seng (Independent Non-Executive Director) will, upon re-election as Director of the Company, continue to serve as a member of the Nominating Committee. He is considered independent for the purposes of Rule 704(7) of the Catalist Rules. Dato' Choong Khuat Seng does not have any relationships including immediate family relationships between himself and the Directors, the Company and the Substantial Shareholders.

Detailed information on Dato' Murly Manokharan, Ir. Anilarasu Amaranazan, Dato' Alan Teo Kwong Chia, Mr. Ching Chiat Kwong and Dato' Choong Khuat Seng can be found under the "Meet The Board of Directors", Corporate Governance Report and "Disclosure of information on Directors seeking re-election pursuant to Rule 720(5) of the Listing Manual Section B: Rules of Catalist of the SGX-ST" sections in the Company's Annual Report 2018.

2. Ordinary Resolution 9, if passed, will empower the Directors of the Company from the date of this AGM until the date of the next AGM, to allot and issue Shares and/or Instruments (as defined above). The aggregate number of new Shares (including Shares to be issued in pursuance of Instruments made or granted) which the Directors may issue under this Resolution shall not exceed 100% of the total number of issued Shares (excluding treasury shares and subsidiary holdings) of the Company at the time of passing of this Resolution. For issue of Shares and convertible securities other than on a pro-rata basis, the aggregate number of Shares and convertible securities to be issued shall not exceed 50% of the total number of issued Shares (excluding treasury shares and subsidiary holdings) of the Company at the time of passing of this Resolution. This authority will, unless revoked or varied at a general meeting, expire on the date of the next AGM of the Company or on the date by which the next AGM of the Company is required by law to be held, whichever is earlier.
3. Ordinary Resolution 10, if passed, will empower the Directors of the Company to offer and grant options, and allot and issue new Shares pursuant the ESOS provided that the aggregate number of new Shares to be allotted and issued pursuant to the ESOS and other share-based incentive scheme(s) or plan(s) to be implemented by the Company (if any) shall not exceed 15% of the total number of issued Shares (excluding treasury shares and subsidiary holdings) of the Company. This authority will, unless revoked or varied at a general meeting, expire at the next AGM of the Company or by the date by which the next AGM of the Company is required by law to be held, whichever is earlier.
4. Ordinary Resolution 11, if passed, will empower the Directors of the Company to allot and issue new Shares pursuant to PSP, provided that the aggregate number of new Shares to be allotted and issued pursuant to the PSP and other share scheme(s) to be implemented by the Company (if any) shall not exceed 15% of the total number of issued Shares (excluding treasury shares and subsidiary holdings) of the Company. This authority will, unless revoked or varied at a general meeting, expire at the next AGM of the Company or by the date by which the next AGM of the Company is required by law to be held, whichever is earlier.
5. Ordinary Resolution 12, if passed, will empower the Directors of the Company from the date of this AGM until the date of the next AGM is held or is required by law to be held, whichever is the earlier, to purchase or acquire up to 10% of the total number of issued Shares (excluding treasury shares and subsidiary holdings) of the Company as at the date of the passing of this Resolution. Details of the proposed renewal of Share Buyback Mandate, including the sources of funds to be used for the purchase or acquisition, the amount of financing (if any) and the illustrative financial effects on the Group, are set out in the Appendix to the Annual Report 2018.

PERSONAL DATA PRIVACY

By submitting an instrument appointing a proxy(ies) and/or representative(s) to attend, speak and vote at the AGM and/or any adjournment thereof, a member of the Company: (i) consents to the collection, use and disclosure of the member's personal data by the Company (or its agents or service providers) for the purpose of the processing, administration and analysis by the Company (or its agents or service providers) of proxies and representatives appointed for the AGM (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the AGM (including any adjournment thereof), and in order for the Company (or its agents or service providers) to comply with any applicable laws, listing rules, regulations and/or guidelines (collectively, the "**Purposes**"); (ii) warrants that where the member discloses the personal data of the member's proxy(ies) and/or representative(s) to the Company (or its agents or service providers), the member has obtained the prior consent of such proxy(ies) and/or representative(s) for the collection, use and disclosure by the Company (or its agents or service providers) of the personal data of such proxy(ies) and/or representative(s) for the Purposes; and (iii) agrees that the member will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the member's breach of warranty.

Disclosure Of Information On Directors Seeking Re-Election Pursuant To Rule 720(5) Of The Rules Of Catalist Of The SGX-ST (The "Catalist Rules")

Dato' Murly Manokharan, the Director seeking re-election at the forthcoming Annual General Meeting of the Company to be convened on 25 April 2019 ("AGM") (the "Retiring Director").

Pursuant to Rule 720(5) of the Catalist Rules, the following is the information relating to the Retiring Director as set out in Appendix 7F to the Catalist Rules:

Date of Appointment	22 December 2016
Date of last re-appointment	N.A.
Age	33
Country of principal residence	Malaysia
The Board's comments on this appointment (including rationale, selection criteria, and the search and nomination process)	The Board of Directors of the Company has considered, among others, the recommendation of the Nominating Committee ("NC") and has reviewed and considered the qualification, work experience and suitability of Dato' Murly Manokharan for re-election as the President and Group Chief Executive Officer of the Company. The Board have reviewed and concluded that Dato' Murly Manokharan possess the experience, expertise, knowledge and skills to contribute towards the core competencies of the Board.
Whether appointment is executive, and if so, the area of responsibility	Executive. Dato' Murly Manokharan is responsible for leading and implementing the Group's strategy, vision and mission and the overall management, strategic planning and business development of the Group.
Job Title (e.g. Lead ID, AC Chairman, AC Member etc.)	President and Group Chief Executive Officer and Member of Nominating Committee
Professional qualifications	Executive Diploma in Project Management, Malaysia University of Technology Malaysia

Working experience and occupation(s) during the past 10 years	<p>January 2013 to present: Aspen Vision Development Sdn. Bhd. - Executive Director and Chief Executive Officer</p> <p>February 2012 – January 2013: Ivory Properties Group Bhd - Executive Director & Group Chief Operating Officer</p> <p>June 2011 – February 2012: Ivory Properties Group Bhd - Operations Director</p> <p>May 2010 – June 2011: Ivory Properties Group Bhd - Project Director (Design & Marketing)</p> <p>August 2009 – May 2010: Ivory Properties Group Bhd - Assistant Project Director (Design & Marketing)</p> <p>November 2005 – August 2009: Ivory Properties Group Bhd - Assistant Project Coordinator (Architecture)</p>
Shareholding interest in the listed issuer and its subsidiaries	<p>Deemed interest of 50.05% in the Company via 64.76% shareholding in Aspen Vision Group Sdn. Bhd.; and</p> <p>Deemed interest of 1.04% in the Company via 100% shareholding in Intisari Utama Sdn. Bhd.</p>
Any relationship (including immediate family relationships) with any existing director, existing executive officer, the issuer and/or substantial shareholder of the listed issuer or of any of its principal subsidiaries	<p>Yes. Dato' Murly Manokharan is a Substantial Shareholder of the Company with a deemed interest of 51.09% in the Company held through the following entities: (a) Aspen Vision Group Sdn. Bhd. - 482,300,000 (50.05%); and (b) Intisari Utama Sdn. Bhd. - 10,000,000 (1.04%).</p> <p>Dato' Murly Manokharan holds 64.76% and 100% of the ordinary shares of Aspen Vision Group Sdn. Bhd. and Intisari Utama Sdn. Bhd. respectively.</p>
Conflict of Interest (including any competing business)	No.
Undertaking (in the format set out in Appendix 7H) under Rule 720(1) has been submitted to the listed issuer	Yes.

Other Principal Commitments* Including Directorships#
Past (for the last 5 years)

Past

Endless Profit Sdn. Bhd.
Ivory Place Sdn. Bhd.
Tropicana Ivory Sdn. Bhd.
Triple Three Properties Sdn. Bhd.

Present

Present

Aspen Vision Development (Central) Sdn. Bhd.
Aspen Vision Synergy Sdn. Bhd.
Bandar Cassia Properties (SC) Sdn. Bhd.
Aspen Vision City Sdn. Bhd.
Aspen Vision All Sdn. Bhd.
Aspen Vision Realty Sdn. Bhd.
Aspen Vision Properties Sdn. Bhd.
Aspen Vision Tanjung Sdn. Bhd.
Aspen Vision Builders Sdn. Bhd.
Aspen Vision Ventures Sdn. Bhd.
Aspen Vision Land Sdn. Bhd.
Aspen Vision Development Sdn. Bhd.
Aspen Vision Construction Sdn. Bhd.
AG Innovation Sdn. Bhd.
Aspen Vision Homes Sdn. Bhd.
Aspen Vision Group Sdn. Bhd.
Insiders Group Sdn. Bhd.
MK Jasa Sdn. Bhd.
Maksima Ulung Sdn. Bhd.
Intisari Utama Sdn. Bhd.
Summer Empire Pte. Ltd.
Global Vision Logistics Sdn. Bhd.
Aspen Vision Credit Sdn. Bhd.
Viana Mentari Sdn. Bhd.

Disclose the following matters concerning an appointment of director, chief executive officer, chief financial officer, chief operating officer, general manager or other officer of equivalent rank. If the answer to any question is "yes", full details must be given.

a. Whether at any time during the last 10 years, an application or a petition under any bankruptcy law of any jurisdiction was filed against him or against a partnership of which he was a partner at the time when he was a partner or at any time within 2 years from the date he ceased to be a partner?

No.

b. Whether at any time during the last 10 years, an application or a petition under any law of any jurisdiction was filed against an entity (not being a partnership) of which he was a director or an equivalent person or a key executive, at the time when he was a director or an equivalent person or a key executive of that entity or at any time within 2 years from the date he ceased to be a director or an equivalent person or a key executive of that entity, for the winding up or dissolution of that entity or, where that entity is the trustee of a business trust, that business trust, on the ground of insolvency?

No.

c. Whether there is any unsatisfied judgment against him? No.

d. Whether he has ever been convicted of any offence, in Singapore or elsewhere, involving fraud or dishonesty which is punishable with imprisonment, or has been the subject of any criminal proceedings (including any pending criminal proceedings of which he is aware) for such purpose? No.

e. Whether he has ever been convicted of any offence, in Singapore or elsewhere, involving a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, or has been the subject of any criminal proceedings (including any pending criminal proceedings of which he is aware) for such breach? No.

f. Whether at any time during the last 10 years, judgment has been entered against him in any civil proceedings in Singapore or elsewhere involving a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, or a finding of fraud, misrepresentation or dishonesty on his part, or he has been the subject of any civil proceedings (including any pending civil proceedings of which he is aware) involving an allegation of fraud, misrepresentation or dishonesty on his part? No.

g. Whether he has ever been convicted in Singapore or elsewhere of any offence in connection with the formation or management of any entity or business trust? No.

h. Whether he has ever been disqualified from acting as a director or an equivalent person of any entity (including the trustee of a business trust), or from taking part directly or indirectly in the management of any entity or business trust? No.

i. Whether he has ever been the subject of any order, judgment or ruling of any court, tribunal or governmental body, permanently or temporarily enjoining him from engaging in any type of business practice or activity? No.

j. Whether he has ever, to his knowledge, been concerned with the management or conduct, in Singapore or elsewhere, of the affairs of:—

No.

- i) any corporation which has been investigated for a breach of any law or regulatory requirement governing corporations in Singapore or elsewhere; or
- ii) any entity (not being a corporation) which has been investigated for a breach of any law or regulatory requirement governing such entities in Singapore or elsewhere; or

iii) any business trust which has been investigated for a breach of any law or regulatory requirement governing business trusts in Singapore or elsewhere; or

No.

iv) any entity or business trust which has been investigated for a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere

in connection with any matter occurring or arising during that period when he was so concerned with the entity or business trust?

k. Whether he has been the subject of any current or past investigation or disciplinary proceedings, or has been reprimanded or issued any warning, by the Monetary Authority of Singapore or any other regulatory authority, exchange, professional body or government agency, whether in Singapore or elsewhere?

No.

Disclosure applicable to the appointment of Director only

Any prior experience as a director of a listed company?

Not applicable as this is a re-election of a director.

If yes, please provide details of prior experience.

If no, please state if the director has attended or will be attending training on the roles and responsibilities of a director of a listed issuer as prescribed by the Exchange.

Please provide details of relevant experience and the nominating committee's reasons for not requiring the director to undergo training as prescribed by the Exchange (if applicable).

Disclosure Of Information On Directors Seeking Re-Election Pursuant To Rule 720(5) Of The Rules Of Catalist Of The SGX-ST (The "Catalist Rules")

Ir. Anilarasu Amaranazan is the Director seeking re-election at the forthcoming Annual General Meeting of the Company to be convened on 25 April 2019 ("AGM") (the "Retiring Director").

Pursuant to Rule 720(5) of the Catalist Rules, the following is the information relating to the Retiring Director as set out in Appendix 7F to the Catalist Rules:

Date of Appointment	1 February 2019
Date of last re-appointment	N.A.
Age	38
Country of principal residence	Malaysia
The Board's comments on this appointment (including rationale, selection criteria, and the search and nomination process)	The Board of Directors of the Company has considered, among others, the recommendation of the Nominating Committee ("NC") and has reviewed and considered the qualification, work experience and suitability of Ir Anilarasu Amaranazan for re-election as the Group Managing Director of the Company. The Board have reviewed and concluded that Ir Anilarasu Amaranazan possess the experience, expertise, knowledge and skills to contribute towards the core competencies of the Board.
Whether appointment is executive, and if so, the area of responsibility	Executive. Ir Anilarasu Amaranazan is responsible for developing and executing viable business strategies, overseeing the Group's financial performance, operations, marketing activities, investments and business ventures as well as implementing such policies and procedures as part of the overall quality management system for the Group.
Job Title (e.g. Lead ID, AC Chairman, AC Member etc.)	Group Managing Director
Professional qualifications	<ul style="list-style-type: none"> • Bachelor of Engineering (Civil), University Teknologi Malaysia • Master of Science (Construction Management), University Teknologi Malaysia • Member of the Institute of Engineering Malaysia • Professional Member of the Board of Engineers Malaysia

Working experience and occupation(s) during the past 10 years	<p>June 2006 - July 2014: SP Setia Sdn. Bhd. - Project Engineer (Head of Technical)</p> <p>July 2014 - June 2015: Eco World Bhd - Head of Technical</p> <p>June 2015 - August 2016: Aspen Vision Development Sdn. Bhd. - Operations Director</p> <p>September 2016 - October 2016: Aspen Vision Construction Sdn. Bhd. - Operations Director</p> <p>November 2016 - December 2017: Aspen Vision Construction Sdn. Bhd. - Chief Operating Officer</p> <p>January 2018 - January 2019: Aspen Vision Construction Sdn. Bhd. & Aspen Vision Development Sdn. Bhd. - Chief Operating Officer</p>
Shareholding interest in the listed issuer and its subsidiaries	Direct Interest - 242,000 ordinary shares
Any relationship (including immediate family relationships) with any existing director, existing executive officer, the issuer and/or substantial shareholder of the listed issuer or of any of its principal subsidiaries	None.
Conflict of Interest (including any competing business)	No.
Undertaking (in the format set out in Appendix 7H) under Rule 720(1) has been submitted to the listed issuer	Yes.
Other Principal Commitments* Including Directorships# Past (for the last 5 years)	<p>Past</p> <p>BT Sepakat Sdn. Bhd. Eco World Agro Trading Sdn. Bhd. Bina Teguh Sepakat Engineering Sdn. Bhd. (Dissolved)</p>
Present	<p>Present</p> <p>Aspen Vision City Sdn. Bhd.</p>
Disclose the following matters concerning an appointment of director, chief executive officer, chief financial officer, chief operating officer, general manager or other officer of equivalent rank. If the answer to any question is "yes", full details must be given.	
a. Whether at any time during the last 10 years, an application or a petition under any bankruptcy law of any jurisdiction was filed against him or against a partnership of which he was a partner at the time when he was a partner or at any time within 2 years from the date he ceased to be a partner?	No.

b. Whether at any time during the last 10 years, an application or a petition under any law of any jurisdiction was filed against an entity (not being a partnership) of which he was a director or an equivalent person or a key executive, at the time when he was a director or an equivalent person or a key executive of that entity or at any time within 2 years from the date he ceased to be a director or an equivalent person or a key executive of that entity, for the winding up or dissolution of that entity or, where that entity is the trustee of a business trust, that business trust, on the ground of insolvency?	No.
c. Whether there is any unsatisfied judgment against him?	No.
d. Whether he has ever been convicted of any offence, in Singapore or elsewhere, involving fraud or dishonesty which is punishable with imprisonment, or has been the subject of any criminal proceedings (including any pending criminal proceedings of which he is aware) for such purpose?	No.
e. Whether he has ever been convicted of any offence, in Singapore or elsewhere, involving a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, or has been the subject of any criminal proceedings (including any pending criminal proceedings of which he is aware) for such breach?	No.
f. Whether at any time during the last 10 years, judgment has been entered against him in any civil proceedings in Singapore or elsewhere involving a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, or a finding of fraud, misrepresentation or dishonesty on his part, or he has been the subject of any civil proceedings (including any pending civil proceedings of which he is aware) involving an allegation of fraud, misrepresentation or dishonesty on his part?	No.
g. Whether he has ever been convicted in Singapore or elsewhere of any offence in connection with the formation or management of any entity or business trust?	No.
h. Whether he has ever been disqualified from acting as a director or an equivalent person of any entity (including the trustee of a business trust), or from taking part directly or indirectly in the management of any entity or business trust?	No.
i. Whether he has ever been the subject of any order, judgment or ruling of any court, tribunal or governmental body, permanently or temporarily enjoining him from engaging in any type of business practice or activity?	No.

j. Whether he has ever, to his knowledge, been concerned with the management or conduct, in Singapore or elsewhere, of the affairs of:—

- i) any corporation which has been investigated for a breach of any law or regulatory requirement governing corporations in Singapore or elsewhere; or
- ii) any entity (not being a corporation) which has been investigated for a breach of any law or regulatory requirement governing such entities in Singapore or elsewhere; or

No.

iii) any business trust which has been investigated for a breach of any law or regulatory requirement governing business trusts in Singapore or elsewhere; or

No.

iv) any entity or business trust which has been investigated for a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere

in connection with any matter occurring or arising during that period when he was so concerned with the entity or business trust?

k. Whether he has been the subject of any current or past investigation or disciplinary proceedings, or has been reprimanded or issued any warning, by the Monetary Authority of Singapore or any other regulatory authority, exchange, professional body or government agency, whether in Singapore or elsewhere?

No.

Disclosure applicable to the appointment of Director only

Any prior experience as a director of a listed company?

Not applicable as this is a re-election of a director.

If yes, please provide details of prior experience.

If no, please state if the director has attended or will be attending training on the roles and responsibilities of a director of a listed issuer as prescribed by the Exchange.

Please provide details of relevant experience and the nominating committee's reasons for not requiring the director to undergo training as prescribed by the Exchange (if applicable).

Disclosure Of Information On Directors Seeking Re-Election Pursuant To Rule 720(5) Of The Rules Of Catalist Of The SGX-ST (The "Catalist Rules")

Dato' Alan Teo Kwong Chia, the Director seeking re-election at the forthcoming Annual General Meeting of the Company to be convened on 25 April 2019 ("AGM") (the "Retiring Director").

Pursuant to Rule 720(5) of the Catalist Rules, the following is the information relating to the Retiring Director as set out in Appendix 7F to the Catalist Rules:

Date of Appointment	20 June 2017
Date of last re-appointment	25 April 2018
Age	60
Country of principal residence	Malaysia
The Board's comments on this appointment (including rationale, selection criteria, and the search and nomination process)	The Board of Directors of the Company has considered, among others, the recommendation of the Nominating Committee ("NC") and has reviewed and considered the qualification, work experience and suitability of Dato' Alan Teo Kwong for re-election as an Independent Non-Executive Director of the Company. The Board have reviewed and concluded that Dato' Alan Teo Kwong possess the experience, expertise, knowledge and skills to contribute towards the core competencies of the Board.
Whether appointment is executive, and if so, the area of responsibility	Non-Executive
Job Title (e.g. Lead ID, AC Chairman, AC Member etc.)	Independent Non-Executive Director, Chairman of Nominating Committee and Member of Audit Committee and Remuneration Committee
Professional qualifications	<ul style="list-style-type: none"> • ASEAN Senior Manager Development Program, Harvard Business School Alumni Club of Malaysia • Premier Business Manager Program, Harvard Club of Malaysia
Working experience and occupation(s) during the past 10 years	<p>June 2011 to November 2014: AIA Bhd (part of AIA Group) – Chief Operating Officer MY</p> <p>October 2009 to June 2011: Great Eastern Life Malaysia – Chief Operating Officer</p> <p>April 2004 to November 2008: Genting Bhd - Executive Vice President</p>

Shareholding interest in the listed issuer and its subsidiaries	Direct Interest - 200,000 ordinary shares
Any relationship (including immediate family relationships) with any existing director, existing executive officer, the issuer and/or substantial shareholder of the listed issuer or of any of its principal subsidiaries	None.
Conflict of Interest (including any competing business)	None.
Undertaking (in the format set out in Appendix 7H) under Rule 720(1) has been submitted to the listed issuer	Yes.
Other Principal Commitments* Including Directorships# Past (for the last 5 years)	Past NoneLighthouse Resources Sdn. Bhd. EMS Education Services Sdn. Bhd.
Present	Present THSL Food Sdn. Bhd. Bluestone Education Group Sdn. Bhd.
Disclose the following matters concerning an appointment of director, chief executive officer, chief financial officer, chief operating officer, general manager or other officer of equivalent rank. If the answer to any question is "yes", full details must be given.	
a. Whether at any time during the last 10 years, an application or a petition under any bankruptcy law of any jurisdiction was filed against him or against a partnership of which he was a partner at the time when he was a partner or at any time within 2 years from the date he ceased to be a partner?	No.
b. Whether at any time during the last 10 years, an application or a petition under any law of any jurisdiction was filed against an entity (not being a partnership) of which he was a director or an equivalent person or a key executive, at the time when he was a director or an equivalent person or a key executive of that entity or at any time within 2 years from the date he ceased to be a director or an equivalent person or a key executive of that entity, for the winding up or dissolution of that entity or, where that entity is the trustee of a business trust, that business trust, on the ground of insolvency?	No.
c. Whether there is any unsatisfied judgment against him?	No.
d. Whether he has ever been convicted of any offence, in Singapore or elsewhere, involving fraud or dishonesty which is punishable with imprisonment, or has been the subject of any criminal proceedings (including any pending criminal proceedings of which he is aware) for such purpose?	No.

e. Whether he has ever been convicted of any offence, in Singapore or elsewhere, involving a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, or has been the subject of any criminal proceedings (including any pending criminal proceedings of which he is aware) for such breach?

No.

f. Whether at any time during the last 10 years, judgment has been entered against him in any civil proceedings in Singapore or elsewhere involving a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, or a finding of fraud, misrepresentation or dishonesty on his part, or he has been the subject of any civil proceedings (including any pending civil proceedings of which he is aware) involving an allegation of fraud, misrepresentation or dishonesty on his part?

No.

g. Whether he has ever been convicted in Singapore or elsewhere of any offence in connection with the formation or management of any entity or business trust?

No.

h. Whether he has ever been disqualified from acting as a director or an equivalent person of any entity (including the trustee of a business trust), or from taking part directly or indirectly in the management of any entity or business trust?

No.

i. Whether he has ever been the subject of any order, judgment or ruling of any court, tribunal or governmental body, permanently or temporarily enjoining him from engaging in any type of business practice or activity?

No.

j. Whether he has ever, to his knowledge, been concerned with the management or conduct, in Singapore or elsewhere, of the affairs of:—

No.

- i) any corporation which has been investigated for a breach of any law or regulatory requirement governing corporations in Singapore or elsewhere; or
- ii) any entity (not being a corporation) which has been investigated for a breach of any law or regulatory requirement governing such entities in Singapore or elsewhere; or

iii) any business trust which has been investigated for a breach of any law or regulatory requirement governing business trusts in Singapore or elsewhere; or

No.

iv) any entity or business trust which has been investigated for a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere

in connection with any matter occurring or arising during that period when he was so concerned with the entity or business trust?

k. Whether he has been the subject of any current or past investigation or disciplinary proceedings, or has been reprimanded or issued any warning, by the Monetary Authority of Singapore or any other regulatory authority, exchange, professional body or government agency, whether in Singapore or elsewhere?

No.

Disclosure applicable to the appointment of Director only

Any prior experience as a director of a listed company?

Not applicable as this is a re-election of a director.

If yes, please provide details of prior experience.

If no, please state if the director has attended or will be attending training on the roles and responsibilities of a director of a listed issuer as prescribed by the Exchange.

Please provide details of relevant experience and the nominating committee's reasons for not requiring the director to undergo training as prescribed by the Exchange (if applicable).

Disclosure Of Information On Directors Seeking Re-Election Pursuant To Rule 720(5) Of The Rules Of Catalist Of The SGX-ST (The "Catalist Rules")

Mr. Ching Chiat Kwong is the Director seeking re-election at the forthcoming Annual General Meeting of the Company to be convened on 25 April 2019 ("AGM") (the "Retiring Director").

Pursuant to Rule 720(5) of the Catalist Rules, the following is the information relating to the Retiring Director as set out in Appendix 7F to the Catalist Rules:

Date of Appointment	25 May 2018
Date of last re-appointment	N.A.
Age	52
Country of principal residence	Singapore
The Board's comments on this appointment (including rationale, selection criteria, and the search and nomination process)	The Board of Directors of the Company has considered, among others, the recommendation of the Nominating Committee ("NC") and has reviewed and considered the qualification, work experience and suitability of Mr. Ching Chiat Kwong for re-election as Non-Independent Non-Executive Director of the Company. The Board have reviewed and concluded that Mr. Ching Chiat Kwong possess the experience, expertise, knowledge and skills to contribute towards the core competencies of the Board.
Whether appointment is executive, and if so, the area of responsibility	Non-Executive.
Job Title (e.g. Lead ID, AC Chairman, AC Member etc.)	Non-Independent Non-Executive Director.
Professional qualifications	<ul style="list-style-type: none"> • Degree of Bachelor of Arts, National University of Singapore • Degree of Bachelor of Social Sciences with Honours, National University of Singapore
Working experience and occupation(s) during the past 10 years	<p>2010 - to Present: Oxley Holdings Limited - Executive Chairman and Chief Executive Officer</p> <p>1996 - 2010 to Present: Oxley Construction Pte. Ltd. - Managing Director</p>

Shareholding interest in the listed issuer and its subsidiaries	Deemed interest in 98,620,600 ordinary shares, representing 10.23% of the issued and paid-up share capital of the Company held by Oxley Holdings Limited.
Any relationship (including immediate family relationships) with any existing director, existing executive officer, the issuer and/or substantial shareholder of the listed issuer or of any of its principal subsidiaries	Yes. Mr. Ching Chiat Kwong is a substantial shareholder of the Company via his interest in 41.12% of the ordinary shares of Oxley Holdings Limited.
Conflict of Interest (including any competing business)	Yes. Mr. Ching Chiat Kwong is the Executive Chairman and Chief Executive Officer of Oxley Holdings Limited ("Oxley"). Mr. Ching Chiat Kwong also holds interests of 41.12% of the total issued shares (excluding treasury shares) of Oxley. Oxley and its subsidiaries (the "Group") are principally engaged in the business of property development, property investment and project management. Should any conflict of interest arise of which Mr. Ching Chiat Kwong is reasonably aware in respect of himself and/or his alternate director Mr. Low See Ching, Mr. Ching Chiat Kwong will make such conflict known to the board of directors as soon as he is so reasonably aware so that he may recuse himself from such related discussions and/or decisions and resolutions as most appropriate. Further, any future transactions between the Group or any company where Mr. Ching Chiat Kwong and/or Mr. Low See Ching is a director of or has substantial interest in and Aspen (Group) Holdings Limited or its subsidiaries will be done on an arm's length basis. In view of the above, the Nominating Committee is satisfied with the appointment of Mr. Ching Chiat Kwong.
Undertaking (in the format set out in Appendix 7H) under Rule 720(1) has been submitted to the listed issuer	Yes.
Other Principal Commitments* Including Directorships# Past (for the last 5 years)	<p>Past</p> <ol style="list-style-type: none"> Galaxy Contracts and Design Pte. Ltd. Extra Space AMK Pte. Ltd. Artivision Technologies Ltd. Great Development Pte. Ltd. HG Metal Manufacturing Limited Store4You Pte. Ltd. BRC Asia Limited Clixter Mobile Group Inc. Oxley Australia Management Pty Ltd Oxley Australia Property Holdings Pty Ltd Oxley Land Sdn. Bhd. Oxley Realty Sdn. Bhd. Median Capital Group Sdn. Bhd. Alpha Sunray Sdn. Bhd. Grid Mobile Sdn. Bhd. Boulevard Channel Sdn. Bhd. Bern Pte. Ltd. PT Oxley Karya Indo Batam Oxley Concept Sdn. Bhd. Oxley Jade Sdn. Bhd.

21. Oxley World Sdn. Bhd.
22. Stellar Treasure Sdn. Bhd.
23. Oxley Mosaic Sdn. Bhd.
24. Oxley Treasure Sdn. Bhd.
25. Oxley Zest Sdn. Bhd.
26. Bullish Investment Pte. Ltd.
27. Flitous Properties Limited
28. Jemina Properties Limited

Present

Present

1. Grandeur Fortune Pte. Ltd.
2. Agrivabrian Pte. Ltd.
3. Netcell International Pte. Ltd.
4. Galaxy Capital Pte. Ltd.
5. Owen Private Limited
6. Oxley & Hume Builders Pte. Ltd.
7. Oxley Otto Pte. Ltd.
8. Ascend Group Pte. Ltd.
9. Oxpays Holdings Pte. Ltd.
10. Oxley China Pte. Ltd.
11. Oxley Vietnam Pte. Ltd.
12. Oxley Malaysia Pte. Ltd.
13. Oxley MTN Pte. Ltd.
14. Oxley Bliss Pte. Ltd.
15. Oxley Vista Pte. Ltd.
16. Oxley Holdings Limited
17. Centra Cove Pte. Ltd.
18. Orchard Suites Residence Pte. Ltd.
19. Oxley Japan Pte. Ltd.
20. Oxley Sanctuary Pte. Ltd.
21. Oxley Spinel Pte. Ltd.
22. Oxley Gem Pte. Ltd.
23. Oxley Assets Pte. Ltd.
24. Oxley UK Pte. Ltd.
25. Metro Global Solutions Pte. Ltd.
26. Oxley Niche Pte. Ltd.
27. Oxley Pearl Pte. Ltd.
28. Citrine Property Pte. Ltd.
29. OXHM Pte. Ltd.
30. Oxley Batam Pte. Ltd.
31. Oxley Serangoon Pte. Ltd.
32. Oxley Onyx Pte. Ltd.
33. Oxley Garnet Pte. Ltd.
34. Oxley Fort Pte. Ltd.
35. Oxley Australia Pte. Ltd.
36. Oxley Rising Pte. Ltd.
37. Oxley Mosaic Pte. Ltd.
38. Galaxy Land Pte. Ltd.
39. Oxley Amber Pte. Ltd.
40. Oxley Module Pte. Ltd.
41. Oxley Dublin Pte. Ltd.
42. Hume Homes Pte. Ltd.
43. Oxley Vibrant Pte. Ltd.
44. Oxley Global Pte. Ltd.
45. Oxley Sparkle Pte. Ltd.
46. Oxley Cyprus Pte. Ltd.
47. Oxley Ascend Realty Pte. Ltd.
48. Oxley Quartz Pte. Ltd.
49. Oxley Blossom Pte. Ltd.
50. Oxley Akasaka Pte. Ltd.

51. Oxley Zircon Pte. Ltd.
52. Goldprime Land Pte. Ltd.
53. Oxley Petalite Pte. Ltd.
54. Oxley Beryl Pte. Ltd.
55. Oxley Consortium Pte. Ltd.
56. Oxley Asset Management Pte. Ltd.
57. Oxley Viva Pte. Ltd.
58. Oxley-LBD Pte. Ltd.
59. Oxley London Pte. Ltd.
60. Oxley International Holdings Pte. Ltd.
61. Oxley Opal Pte. Ltd.
62. Oxley Connections Pte. Ltd.
63. Oxley Myanmar Pte. Ltd.
64. SLB-Oxley (NIR) Pte. Ltd.
65. Oxley Rise Pte. Ltd.
66. Oxley Jasper Pte. Ltd.
67. Oxley Amethyst Pte. Ltd.
68. Action Property Pte. Ltd.
69. Rio Casa Venture Pte. Ltd.
70. Oxley Cambodia Pte. Ltd.
71. Oxley Bright Pte. Ltd.
72. Oxley Fund Management Pte. Ltd.
(formerly known as Oxley Druzy Pte. Ltd.)
73. Oxley YCK Pte. Ltd.
74. Oxley Vibes Pte. Ltd.
75. Oxley Topaz Pte. Ltd.
76. Oxley Florence Pte. Ltd.
77. KAP Holdings (China) Pte. Ltd.
78. Oxley Hotel 88 Pte. Ltd.
79. ACPAC Properties Pte. Ltd.
80. Oxley Hotel Pte. Ltd.
81. Oxley Properties Pte. Ltd.
82. Hume Land Pte. Ltd.
83. Oxley Construction Pte Ltd
84. CCK Trust Co. Pte. Ltd.
85. Oxley JV Pte. Ltd.
86. Oxley Blossom Hotel Pte. Ltd.
87. Angeion Medical International Pte. Ltd.
88. Angeion Medical Global Holdings Pte. Ltd.
89. MGlory Pte. Ltd.
90. Ren Ci Hospital
91. Victori International Pte. Ltd.
92. Thye Hua Kwan Nursing Home Limited
93. World Furnishing Hub Pte. Ltd.
94. Artimedia Holdings Global Pte. Ltd.
95. AOC Acquisitions Pte. Ltd.
96. Metro Global Hospitality Malaysia Sdn. Bhd.
97. Peninsular Teamwork Sdn. Bhd.
98. Oxley Rising Sdn. Bhd.
99. Posh Properties Sdn. Bhd.
100. Oxley Diamond Sdn. Bhd.
101. Oxley Emerald Sdn. Bhd.
102. Oxley Gem Sdn. Bhd.
103. Oxley Holdings (Malaysia) Sdn. Bhd.
104. Oxley Ruby Sdn. Bhd.
105. Oxley Sapphire Sdn. Bhd.
106. Oxley Star Sdn. Bhd.
107. Ascend Capital Limited
108. Galliard (Group) Limited
109. Oxley Consultancy & Management Company Limited
110. Oxley Deanston Limited

111. Oxley Docklands Quay One Limited
112. Oxley Docklands Quay Two Limited
113. Oxley Emerald (Cambodia) Co, Ltd
114. Oxley Gem (Cambodia) Co, Ltd
115. Oxley Holdings (Cambodia) Co, Ltd
116. Oxley Sapphire (Cambodia) Co, Ltd
117. Oxley Diamond (Cambodia) Co, Ltd
118. Oxley Wharf Limited
119. Oxley Wharf Property 1 Limited
120. Oxley Wharf Property 2 Limited
121. Oxley Wharf Property 3 Limited
122. Oxley Wharf Property 4 Limited
123. Oxley Yangon Company Limited
124. Oxley-Worldbridge (Cambodia) Co, Ltd
125. Sino-Singapore KAP Construction Co., Ltd.
126. THK Nursing Home Limited
127. Hebei Yue Zhi Real Estate Development Co., Ltd.
128. Hebei Xu Xing Investment Co., Ltd.
129. Gaobeidian City KAP Real Estate Development Co., Ltd.
130. Walker Street No.100 Pty Ltd
131. Oxley Holdings (Cyprus) Limited
132. Oxley Planetvision Properties Ltd
133. Oxley Florence SPA
134. Oxley Australia Pty Ltd
135. Oxley Docklands Quay Three Limited
136. Oxley Wharf Property 8 Limited
137. ANG MO KIO - Thye Hua Kwan Hospital Ltd.
138. Thye Hua Kwan Moral Charities Ltd.
139. Oxley Capital Management Pte. Ltd.
140. Pindan Group Pty Ltd

Disclose the following matters concerning an appointment of director, chief executive officer, chief financial officer, chief operating officer, general manager or other officer of equivalent rank. If the answer to any question is "yes", full details must be given.

a. Whether at any time during the last 10 years, an application or a petition under any bankruptcy law of any jurisdiction was filed against him or against a partnership of which he was a partner at the time when he was a partner or at any time within 2 years from the date he ceased to be a partner? No.

b. Whether at any time during the last 10 years, an application or a petition under any law of any jurisdiction was filed against an entity (not being a partnership) of which he was a director or an equivalent person or a key executive, at the time when he was a director or an equivalent person or a key executive of that entity or at any time within 2 years from the date he ceased to be a director or an equivalent person or a key executive of that entity, for the winding up or dissolution of that entity or, where that entity is the trustee of a business trust, that business trust, on the ground of insolvency? No.

c. Whether there is any unsatisfied judgment against him? No.

d. Whether he has ever been convicted of any offence, in Singapore or elsewhere, involving fraud or dishonesty which is punishable with imprisonment, or has been the subject of any criminal proceedings (including any pending criminal proceedings of which he is aware) for such purpose?	No.
e. Whether he has ever been convicted of any offence, in Singapore or elsewhere, involving a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, or has been the subject of any criminal proceedings (including any pending criminal proceedings of which he is aware) for such breach?	No.
f. Whether at any time during the last 10 years, judgment has been entered against him in any civil proceedings in Singapore or elsewhere involving a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, or a finding of fraud, misrepresentation or dishonesty on his part, or he has been the subject of any civil proceedings (including any pending civil proceedings of which he is aware) involving an allegation of fraud, misrepresentation or dishonesty on his part?	No.
g. Whether he has ever been convicted in Singapore or elsewhere of any offence in connection with the formation or management of any entity or business trust?	No.
h. Whether he has ever been disqualified from acting as a director or an equivalent person of any entity (including the trustee of a business trust), or from taking part directly or indirectly in the management of any entity or business trust?	No.
i. Whether he has ever been the subject of any order, judgment or ruling of any court, tribunal or governmental body, permanently or temporarily enjoining him from engaging in any type of business practice or activity?	No.

j. Whether he has ever, to his knowledge, been concerned with the management or conduct, in Singapore or elsewhere, of the affairs of:—

No.

i) any corporation which has been investigated for a breach of any law or regulatory requirement governing corporations in Singapore or elsewhere; or

ii) any entity (not being a corporation) which has been investigated for a breach of any law or regulatory requirement governing such entities in Singapore or elsewhere; or

iii) any business trust which has been investigated for a breach of any law or regulatory requirement governing business trusts in Singapore or elsewhere; or

No.

iv) any entity or business trust which has been investigated for a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere

in connection with any matter occurring or arising during that period when he was so concerned with the entity or business trust?

k. Whether he has been the subject of any current or past investigation or disciplinary proceedings, or has been reprimanded or issued any warning, by the Monetary Authority of Singapore or any other regulatory authority, exchange, professional body or government agency, whether in Singapore or elsewhere?

No.

Disclosure applicable to the appointment of Director only

Any prior experience as a director of a listed company?

Not applicable as this is a re-election of a director.

If yes, please provide details of prior experience.

If no, please state if the director has attended or will be attending training on the roles and responsibilities of a director of a listed issuer as prescribed by the Exchange.

Please provide details of relevant experience and the nominating committee's reasons for not requiring the director to undergo training as prescribed by the Exchange (if applicable).

Disclosure Of Information On Directors Seeking Re-Election Pursuant To Rule 720(5) Of The Rules Of Catalist Of The SGX-ST (The "Catalist Rules")

Dato' Choong Khuat Seng, the Director seeking re-election at the forthcoming Annual General Meeting of the Company to be convened on 25 April 2019 ("AGM") (the "Retiring Director").

Pursuant to Rule 720(5) of the Catalist Rules, the following is the information relating to the Retiring Director as set out in Appendix 7F to the Catalist Rules:

Date of Appointment	28 June 2018
Date of last re-appointment	N.A.
Age	59
Country of principal residence	Malaysia
The Board's comments on this appointment (including rationale, selection criteria, and the search and nomination process)	The Board of Directors of the Company has considered, among others, the recommendation of the Nominating Committee ("NC") and has reviewed and considered the qualification, work experience and suitability of Dato' Choong Khuat Seng for re-election as Independent Non-Executive Director of the Company. The Board have reviewed and concluded that Dato' Choong Khuat Seng possess the experience, expertise, knowledge and skills to contribute towards the core competencies of the Board.
Whether appointment is executive, and if so, the area of responsibility	Non-Executive.
Job Title (e.g. Lead ID, AC Chairman, AC Member etc.)	Independent Non-Executive Director and Member of Nominating Committee
Professional qualifications	<ul style="list-style-type: none"> • Bachelor of Arts in Economics, City of Birmingham Polytechnic • Master of Business Administration, The University of Aston in Birmingham
Working experience and occupation(s) during the past 10 years	<p>1986 - 2012: Choongs Sdn. Bhd. – Executive Officer</p> <p>2012 - Present: Choongs Sdn. Bhd. – Director</p>
Shareholding interest in the listed issuer and its subsidiaries	No.

Any relationship (including immediate family relationships) with any existing director, existing executive officer, the issuer and/or substantial shareholder of the listed issuer or of any of its principal subsidiaries

None.

Conflict of Interest (including any competing business)

No.

Undertaking (in the format set out in Appendix 7H) under Rule 720(1) has been submitted to the listed issuer

Yes.

**Other Principal Commitments* Including Directorships#
Past (for the last 5 years)**

Past

Seng Leok Sdn. Berhad
Miami Boulevard Sdn. Bhd.
Choongs Sporting Management Sdn. Bhd.
Maxipro (M) Sdn. Bhd.
Garden Court Sdn. Bhd.
Gagasan Anggun Sdn. Bhd.
Signature Promotions Sdn. Bhd.
Thean Portfolio Sdn. Bhd.

Present

Present

Taman Serasi Sdn. Bhd.
Taman Sri Setia Sdn. Bhd.
Taman Sri Bunga Sdn. Bhd.
Penang Realty Sdn. Bhd.
Choongs Property Corp. Sdn. Bhd.
Choongs Real Income Sdn. Bhd.
Choongs Resources Sdn. Bhd.
Choongs Venture Sdn. Bhd.
Ogostar Sdn. Bhd.
Signature Homes Sdn. Bhd.
Signature Products Sdn. Bhd.
Century Fair Sdn. Bhd.
Signature Corporate Services Sdn. Bhd.
Chye Siew Sdn. Berhad
Leok Seng Sdn. Berhad
Lumbona Products Sdn. Bhd.
Ultra Binary Sdn. Bhd.
Heng Ee School Board Berhad
Epic Focus Sdn. Bhd.
Ho Khuat Sendirian Berhad
Hock Hin Bros. Sdn. Bhd.
Kim Hye Properties Sdn. Bhd.
FAC Properties Sdn. Bhd.
Choongs Sdn. Bhd.
Belle Isle & Co. Sdn. Bhd.
Lumbona Nature Products Sdn. Bhd.
Solaris Consortium Sdn. Bhd.
Sulomas Utara Sdn Bhd

Disclose the following matters concerning an appointment of director, chief executive officer, chief financial officer, chief operating officer, general manager or other officer of equivalent rank. If the answer to any question is "yes", full details must be given.

a. Whether at any time during the last 10 years, an application or a petition under any bankruptcy law of any jurisdiction was filed against him or against a partnership of which he was a partner at the time when he was a partner or at any time within 2 years from the date he ceased to be a partner? No.

b. Whether at any time during the last 10 years, an application or a petition under any law of any jurisdiction was filed against an entity (not being a partnership) of which he was a director or an equivalent person or a key executive, at the time when he was a director or an equivalent person or a key executive of that entity or at any time within 2 years from the date he ceased to be a director or an equivalent person or a key executive of that entity, for the winding up or dissolution of that entity or, where that entity is the trustee of a business trust, that business trust, on the ground of insolvency? No.

c. Whether there is any unsatisfied judgment against him? No.

d. Whether he has ever been convicted of any offence, in Singapore or elsewhere, involving fraud or dishonesty which is punishable with imprisonment, or has been the subject of any criminal proceedings (including any pending criminal proceedings of which he is aware) for such purpose? No.

e. Whether he has ever been convicted of any offence, in Singapore or elsewhere, involving a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, or has been the subject of any criminal proceedings (including any pending criminal proceedings of which he is aware) for such breach? No.

f. Whether at any time during the last 10 years, judgment has been entered against him in any civil proceedings in Singapore or elsewhere involving a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, or a finding of fraud, misrepresentation or dishonesty on his part, or he has been the subject of any civil proceedings (including any pending civil proceedings of which he is aware) involving an allegation of fraud, misrepresentation or dishonesty on his part? No.

g. Whether he has ever been convicted in Singapore or elsewhere of any offence in connection with the formation or management of any entity or business trust? No.

h. Whether he has ever been disqualified from acting as a director or an equivalent person of any entity (including the trustee of a business trust), or from taking part directly or indirectly in the management of any entity or business trust?

No.

i. Whether he has ever been the subject of any order, judgment or ruling of any court, tribunal or governmental body, permanently or temporarily enjoining him from engaging in any type of business practice or activity?

No.

j. Whether he has ever, to his knowledge, been concerned with the management or conduct, in Singapore or elsewhere, of the affairs of:–

No.

i) any corporation which has been investigated for a breach of any law or regulatory requirement governing corporations in Singapore or elsewhere; or

ii) any entity (not being a corporation) which has been investigated for a breach of any law or regulatory requirement governing such entities in Singapore or elsewhere; or

iii) any business trust which has been investigated for a breach of any law or regulatory requirement governing business trusts in Singapore or elsewhere; or

No.

iv) any entity or business trust which has been investigated for a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere

in connection with any matter occurring or arising during that period when he was so concerned with the entity or business trust?

k. Whether he has been the subject of any current or past investigation or disciplinary proceedings, or has been reprimanded or issued any warning, by the Monetary Authority of Singapore or any other regulatory authority, exchange, professional body or government agency, whether in Singapore or elsewhere?

No.

Disclosure applicable to the appointment of Director only

Any prior experience as a director of a listed company?

Not applicable as this is a re-election of a director.

If yes, please provide details of prior experience.

If no, please state if the director has attended or will be attending training on the roles and responsibilities of a director of a listed issuer as prescribed by the Exchange.

Please provide details of relevant experience and the nominating committee's reasons for not requiring the director to undergo training as prescribed by the Exchange (if applicable).

Appendix To The Annual Report For The Financial Year Ended 31 December 2018

DATED 10 APRIL 2019

THIS APPENDIX IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. PLEASE READ IT CAREFULLY.

If you are in any doubt about its contents or the action you should take, you should consult your bank manager, stockbroker, solicitor, accountant or other professional adviser immediately.

Capitalised terms appearing on the cover of this Appendix have the same meanings as defined herein.

If you have sold or transferred all your ordinary shares in the share capital of the Company represented by physical share certificate(s), you should immediately forward this Appendix, the Notice of the Annual General Meeting and the accompanying Proxy Form which are enclosed with the Annual Report for the financial year ended 31 December 2018 to the purchaser or the transferee or to the bank, stockbroker or agent through whom the sale or the transfer was effected, for onward transmission to the purchaser or the transferee.

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 (the "IPO") was sponsored by PrimePartners Corporate Finance Pte. Ltd. (the "Sponsor" or "PPCF").

This Appendix has been prepared by the Company and its contents have been reviewed by the Sponsor for compliance with the SGX-ST Listing Manual Section B: Rules of Catalist. The Sponsor has not verified the contents of this Appendix. This Appendix has not been examined or approved by the SGX-ST. The Sponsor and the SGX-ST assume no responsibility for the contents of this Appendix including the accuracy, completeness or correctness of any of the information, statements or opinions made or reports contained in this Appendix.

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).

LETTER TO SHAREHOLDERS IN RELATION TO THE PROPOSED RENEWAL OF THE SHARE BUY BACK MANDATE

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In this Appendix, the following definitions shall apply throughout unless the context otherwise requires or otherwise stated:

"2019 AGM"	: The annual general meeting of the Company to be held on 25 April 2019
"ACRA"	: Accounting and Corporate Regulatory Authority
"Act" or "Companies Act"	: Companies Act (Chapter 50) of Singapore, as amended, modified or supplemented from time to time
"AGM"	: The annual general meeting of the Company
"Appendix"	: This Appendix to Shareholders in respect of the proposed renewal of the Share Buy Back Mandate
"Associate"	: (a) in relation to any Director, chief executive officer, Substantial Shareholder or Controlling Shareholder (being an individual) means: <ul style="list-style-type: none"> i. his immediate family; ii. the trustees of any trust of which he or his immediate family is a beneficiary or, in the case of a discretionary trust, is a discretionary object; and iii. any company in which he and his immediate family together (directly or indirectly) have an interest of 30% or more. (b) in relation to a Substantial Shareholder or Controlling Shareholder (being a company) means any company which is its subsidiary or holding company or is a subsidiary of any such holding company or one in the equity of which it and/or such other company or companies taken together (directly or indirectly) have an interest of 30% or more
"Board of Directors" or "Board"	: The board of directors of the Company for the time being
"Catalist"	: The Catalist Board of the SGX-ST
"Catalist Rules"	: Section B: Rules of Catalist of the Listing Manual of the SGX-ST as amended, supplemented or modified from time to time
"CDP"	: The Central Depository (Pte) Limited
"Company"	: Aspen (Group) Holdings Limited
"Constitution"	: Constitution of the Company, as amended, supplemented or modified from time to time
"Control"	: The capacity to dominate decision-making, directly or indirectly, in relation to the financial and operating policies of the Company
"Controlling Shareholder"	: A person who: <ul style="list-style-type: none"> (a) holds directly or indirectly 15% or more of the issued share capital of the Company; or (b) in fact exercises Control over the Company
"Directors"	: The directors of the Company for the time being
"EGM"	: The extraordinary general meeting of the Company held on 29 January 2019
"EPS"	: Earnings per Share
"FY"	: Financial year of the Company ended or ending 31 December (as the case may be)
"Group"	: The Company and its subsidiaries
"Latest Practicable Date"	: 1 April 2019, being the latest practicable date prior to the printing of this Appendix
"Market Day"	: A day on which SGX-ST is open for securities trading
"NAV"	: Net asset value
"NTA"	: Net tangible assets
"Relevant Period"	: Has the meaning ascribed to it under Section 3.2 of this Appendix
"Securities Account"	: The securities account maintained by a Depositor with CDP (but does not include a securities sub-account)

"SFA" or "Securities and Futures Act"	: The Securities and Futures Act (Chapter 289) of Singapore, as amended or modified from time to time
"SGX-ST"	: Singapore Exchange Securities Trading Limited
"Shares"	: Ordinary shares in the share capital of the Company and "Share" shall be construed accordingly
"Shareholders"	: The registered holders of the Shares in the register of members of the Company, except where the registered holder is CDP, the term "Shareholders" shall, in relation to such Shares and where the context so admits, mean the Depositors whose Securities Accounts are credited with such Shares
"Share Buy Back"	: The exercise of buy-back(s) of Shares pursuant to the Share Buy Back Mandate
"Share Buy Back Mandate"	: The general and unconditional mandate given by the Shareholders on 29 January 2019 to authorise the Directors to exercise all the powers of the Company to purchase or otherwise acquire issued Shares within the Relevant Period, in accordance with the terms set out in this Appendix, as well as the rules and regulations set forth in the Companies Act and the Catalist Rules
"SIC"	: Securities Industry Council
"Sponsor"	: PrimePartners Corporate Finance Pte. Ltd.
"Substantial Shareholder"	: A person (including a corporation) who holds, directly or indirectly, 5% or more of the total issued share capital of the Company
"Takeover Code"	: The Singapore Code on Take-overs and Mergers, and all practice notes, rules and guidelines thereunder, as may from time to time be issued or amended
"Treasury Shares"	: Issued Shares of the Company which was (or is treated as having been) purchased or acquired by the Company in circumstances which Section 76H of the Companies Act applies and has since been continuously held by the Company and "Treasury Share" shall be construed accordingly

Currencies, Units and Others

"S\$", or "cents"	: Singapore dollars and cents, respectively
"RM", or "RM cents"	: Malaysian Ringgit and cents, respectively
"%" or "per cent"	: Per centum or percentage

The terms "Depositor", "Depository Agent" and "Depository Register" shall have the same meanings ascribed to them respectively in Section 81SF of the SFA.

Words importing the singular shall, where applicable, include the plural and vice versa, and words importing the masculine gender shall, where applicable, include the feminine and neuter genders and vice versa. References to persons shall, where applicable, include corporations.

Any reference in this Appendix to any statute or enactment is a reference to that statute or enactment as for the time being amended or re-enacted. Any word or term defined under the Companies Act, the SFA, the Catalist Rules or any statutory modification thereof and used in this Appendix shall, where applicable, has the meaning ascribed to it under the Companies Act, the SFA, the Catalist Rules or any statutory modification thereof, as the case may be, unless otherwise provided.

Any reference to a time of day in this Appendix shall be a reference to Singapore time, unless otherwise stated. Any discrepancies in this Appendix between the amounts listed and the total thereof are due to rounding. Accordingly, figures shown as totals in this Appendix may not be an arithmetic aggregation of the figures which precede them.

ASPEN (GROUP) HOLDINGS LIMITED

(Incorporated in the Republic of Singapore)
(Company Registration No. 201634750K)

Directors:

Dato' Murly Manokharan	President and Group Chief Executive Officer
Dato' Seri Nazir Ariff Bin Mushir Ariff	Executive Deputy Chairman
Mr. Cheah Teik Seng	Independent Non-Executive Director and Chairman
Ir. Anilarasu Amaranazan	Group Managing Director
Dato' Alan Teo Kwong Chia	Independent Non-Executive Director
Dato' Choong Khuat Seng	Independent Non-Executive Director
Dr. Lim Su Kiat	Non-Independent Non-Executive Director
Mr. Ching Chiat Kwong	Non-Independent Non-Executive Director
Mr. Low See Ching (Liu Shijin)	Alternate Director to Mr. Ching Chiat Kwong

Registered Office:

80 Robinson Road #02-00
Singapore 068898

10 April 2019

To: The Shareholders of Aspen (Group) Holdings Limited

Dear Shareholders,

1. INTRODUCTION

The Company will be holding its 2019 AGM on 25 April 2019, 10:00 am, at Novotel Singapore on Stevens, 28 Stevens Road, Singapore 257878.

The purpose of this Appendix is to provide Shareholders with information relating to, and to seek Shareholders' approval for, the renewal of the Share Buy Back Mandate to be tabled at the 2019 AGM. The Notice of AGM is set out on pages 144 to 148 of the Annual Report for FY2018.

The SGX-ST and Sponsor take no responsibility for the contents of this Appendix, including the accuracy, completeness or correctness of any of the information, statements or opinions made or reports contained in this Appendix.

2. THE PROPOSED RENEWAL OF THE SHARE BUY BACK MANDATE

2.1 The Proposed Renewal of the Share Buy Back Mandate

At the EGM of the Company, the Shareholders had approved the Share Buy Back Mandate to enable the Company to purchase or otherwise acquire Shares. As the Share Buy Back Mandate will expire on the date of the forthcoming 2019 AGM, the Directors propose that the Share Buy Back Mandate be renewed at the 2019 AGM.

Any purchase or acquisition of Shares by the Company would have to be made in accordance with, and in the manner prescribed by, the Companies Act and the Catalist Rules and such other laws and regulations as may for the time being be applicable. As the Company is listed on Catalist, it is also required to comply with Part XI of Chapter 8 of the Catalist Rules, which relates to the purchase or acquisition by an issuer of its own shares. Regulation 13(B) of the Constitution expressly permits the Company to purchase its issued Shares.

If approved by Shareholders at the 2019 AGM, the authority conferred by the Share Buy Back Mandate will take effect from the date of the 2019 AGM at which the renewal of the Share Buy Back Mandate has been approved ("Renewal Date") and continue to be in force until the date on which the next AGM of the Company is held or required to be held, the date on which the Share Buy Back are carried out to the full extent mandated or it is varied or revoked by the Company in a general meeting, whichever is the earliest, and may be renewed by Shareholders in a general meeting.

Subject to its continued relevance to the Company, the Share Buy Back Mandate will be put to Shareholders for renewal at each subsequent AGM of the Company.

2.2 Rationale for the Share Buy Back Mandate

The Share Buy Back Mandate will give the Company the flexibility to purchase or otherwise acquire its Shares if and when circumstances permit. The Directors believe that Share Buy Back would allow the Company and its Directors to better manage the Company's share capital structure, dividend payout and cash reserves. In addition, it also provides the Directors a mechanism to facilitate the return of surplus cash over and above the Company's ordinary capital requirements in an expedient and cost-efficient manner, and the opportunity to exercise control over the Company's share capital structure with a view to enhance the EPS and/or NAV per Share of the Group.

The Directors further believe that Share Buy Back by the Company will help mitigate short-term market volatility, offset the effects of short-term speculation and bolster Shareholders' confidence.

If and when circumstances permit, the Directors will decide whether to effect the Share Buy Back via market purchases or off-market purchases, after taking into account the amount of surplus cash available, the prevailing market conditions and the most cost-effective and efficient approach. The Directors do not propose to carry out Share Buy Back to an extent that would, or in circumstances that might, result in a material adverse effect on the liquidity and/or the orderly trading of the Shares and/or the financial position of the Company or the Group.

3. TERMS OF THE SHARE BUY BACK MANDATE

The authority and limitations placed on purchases and acquisitions of the Shares by the Company under the Share Buy Back Mandate, if renewed at the 2019 AGM, are summarised below:

3.1 Maximum Number of Shares

Only Shares which are issued and fully paid-up may be purchased or acquired by the Company.

The total number of Shares that may be purchased or acquired by the Company pursuant to the Share Buy Back Mandate during the Relevant Period is limited to that number of Shares representing not more than 10% of the issued share capital of the Company, ascertained as at the date of the 2019 AGM at which the Share Buy Back Mandate is renewed (the "Approval Date"), unless the Company has effected a reduction of the share capital of the Company in accordance with the applicable provisions of the Companies Act, at any time during the Relevant Period, in which event the total number of Shares of the Company shall be taken to be the total number of Shares of the Company as altered. For purposes of calculating the percentage of issued shares above, any of the Shares which are held as Treasury Shares and subsidiary holdings (if applicable) will be disregarded.

For illustrative purposes only, based on the existing issued and paid-up share capital of the Company as at the Latest Practicable Date of 963,595,300 Shares, excluding 22,600 Treasury Shares held by the Company and no subsidiary holdings, and assuming that no further shares are issued at or prior to the 2019 AGM, not more than 96,359,530 Shares (representing ten per cent (10%) of the issued and paid-up share capital of the Company) may be purchased or acquired by the Company pursuant to the Share Buy Back Mandate during the duration referred to under Section 3.2 below.

3.2 Duration of Authority

Purchases or acquisitions of Shares may be made at any time and from time to time, on and from the Renewal Date, up to the earlier of:

- (a) the conclusion of the next AGM or the date by which such AGM is required by law or the Constitution to be held; or
- (b) the date on which the Share Buy Back is carried out to the full extent mandated; or
- (c) the date on which the authority conferred by the Share Buy Back Mandate is varied or revoked by the Shareholders in a general meeting;

(hereinafter referred to as "Relevant Period"). The authority conferred by the Share Buy Back Mandate to purchase or acquire Shares may be renewed at each AGM or any other general meeting of the Company. When seeking the approval of the Shareholders for the renewal of the Share Buy-Back Mandate, the Company is required to disclose details pertaining to any Share Buy Back made during the previous twelve (12) months, including the total number of Shares purchased or acquired, the purchase price per Share or the highest and lowest prices paid for such Share Buy Back, where relevant, and the total consideration paid for such Share Buy Back.

3.3 Manner of Purchase or Acquisition of Shares

Purchases or acquisitions of Shares may be made by way of:

- (a) on-market purchases ("Market Purchase"), transacted on the SGX-ST through the ready market and which may be transacted through one or more duly licensed stockbrokers appointed by the Company for the purpose; and/or
- (b) off-market purchases ("Off-Market Purchase") (if effected otherwise than on the SGX-ST) in accordance with any equal access scheme(s) as defined in Section 76C of the Companies Act and which will satisfy all the conditions prescribed by the Constitution, Companies Act and the Catalist Rules.

The Directors may impose such terms and conditions which are not inconsistent with the Share Buy Back Mandate, the Catalist Rules, Constitution and the Companies Act as they consider fit in the interest of the Company in connection with or in relation to any equal access scheme(s).

An Off-Market Purchase must, however, satisfy all the following conditions:

- (a) offers for the purchase or acquisition of Shares shall be made to every person who holds Shares to purchase or acquire the same percentage of their Shares;
- (b) all of those persons shall be given a reasonable opportunity to accept the offers made to them; and
- (c) the terms of all the offers shall be the same, except that there shall be disregarded:
 - i. differences in consideration attributable to the fact that offers may relate to Shares with different accrued dividend entitlements;
 - ii. differences in consideration attributable to the fact that the offers relate to Shares with different amounts remaining unpaid; and
 - iii. differences in the offers introduced solely to ensure that each person is left with a whole number of Shares.

In addition, Rule 870 of the Catalist Rules provides that, in making an Off-Market Purchase, the Company must issue an offer document to all Shareholders, which must contain at least the following information:

- (a) the terms and conditions of the offer;
- (b) the period and procedures for acceptances;
- (c) the reasons for the proposed Share Buy Back;
- (d) the consequences, if any, of Share Buy Back by the Company that will arise under the Takeover Code or other applicable take-over rules;
- (e) whether the Share Buy Back, if made, would have any effect on the listing of the Shares on the SGX-ST;
- (f) details of any Share Buy Back made by the Company in the previous twelve (12) months (whether by way of Market Purchases or Off-Market Purchases in accordance with an equal access scheme(s)), setting out the total number of Shares purchased or acquired, the purchase price per Share or the highest and lowest prices paid for the purchases or acquisitions, where relevant, and the total consideration paid for the purchases or acquisitions; and
- (g) whether the Shares purchased or acquired by the Company will be cancelled or kept as Treasury Shares.

3.4 Maximum Purchase Price

The purchase price (including brokerage, stamp duties, commission, applicable goods and services tax and other related expenses) to be paid for the Shares will be determined by the Directors.

However, the purchase price to be paid for the Shares must not exceed:

- (a) in the case of a Market Purchase, 105% of the Average Closing Price (as defined hereinafter); and
- (b) in the case of an Off-Market Purchase pursuant to an equal access scheme, 120% of the Average Closing Price (as defined hereinafter).

(the "Maximum Price") in either case, including related expenses of the purchase or acquisition.

For the above purposes:

"Average Closing Price" means the average of the closing market prices of the Shares over the last five (5) Market Days, on which transactions in the Shares were recorded, preceding the day of the Market Purchase by the Company or, as the case may be, preceding the day of the making of the offer pursuant to the Off-Market Purchase, and deemed to be adjusted for any corporate action that occurs after the relevant five (5)-Market Day period.

"day of the making of the offer" means the day on which the Company announces its intention to make an offer for the purchase or acquisition of Shares from Shareholders, stating the purchase price (which shall not be more than the Maximum Price calculated on the foregoing basis) for each Share and the relevant terms of the equal access scheme(s) for effecting the Off-Market Purchase.

4. STATUS OF PURCHASED SHARES UNDER THE SHARE BUY BACK MANDATE

At the time of each purchase of Shares by the Company, the Directors will decide whether the Shares purchased or acquired will be cancelled or kept as Treasury Shares, or partly cancelled and partly kept as Treasury Shares, depending on the needs of the Company at that time.

4.1 Cancellation

A Share purchased or acquired by the Company is, unless held as a Treasury Share in accordance with the Companies Act, treated as cancelled immediately on purchase or acquisition. On such cancellation, all rights and privileges attached to the Share will expire on cancellation.

The total number of issued Shares will be diminished by the number of Shares which are purchased or acquired and cancelled by the Company. All Shares purchased or acquired and cancelled by the Company will be automatically delisted by the SGX-ST, and (where applicable) all certificates in respect thereof will be cancelled and destroyed by the Company as soon as reasonably practicable following the settlement of any such purchase or acquisition or cancellation.

4.2 Treasury Shares

Under the Companies Act, a company may hold shares so purchased or acquired as treasury shares provided that:

(a) Maximum Holdings

The number of Shares held as Treasury Shares cannot at any time exceed 10% of the total number of issued Shares. Any Shares in excess of this limit shall be disposed of or cancelled in accordance with Section 76K of the Companies Act within six (6) months or such further periods as ACRA may allow.

(b) Voting and Other Rights

The Company cannot exercise any right in respect of Treasury Shares. In particular, the Company cannot exercise any right to attend or vote at meetings and for the purposes of the Companies Act, the Company shall be treated as having no right to vote and the Treasury Shares shall be treated as having no voting rights.

In addition, no dividend may be paid, and no other distribution of the Company's assets may be made, to the Company in respect of Treasury Shares. However, the allotment of Shares as fully paid bonus shares in respect of Treasury Shares is allowed. A subdivision of any Treasury Shares into Treasury Shares of a larger amount, or consolidation of any Treasury Shares into Treasury Shares of a smaller amount, is also allowed so long as the total value of the Treasury Shares after the subdivision or consolidation is the same as before.

(c) Disposal and Cancellation

Where Shares are held as Treasury Shares, the Company may at any time:

- i. sell the Treasury Shares for cash;
- ii. transfer the Treasury Shares for the purposes of, or pursuant to any share schemes of the Company, whether for employees, directors or other persons;
- iii. transfer the Treasury Shares as consideration for the acquisition of Shares in, or assets of, another company or assets of a person;
- iv. cancel the Treasury Shares; or
- v. sell, transfer or otherwise use the Treasury Shares for such other purposes as may be prescribed by the Minister for Finance of Singapore.

4.3 Requirements of Catalist Rules

The Company, upon undertaking any sale, transfer, cancellation and/or use of Treasury Shares, will comply with Rule 704(31) of the Catalist Rules, which provides that an issuer must make an immediate announcement thereof, stating the following:

- (a) date of the sale, transfer, cancellation and/or use;
- (b) purpose of such sale, transfer, cancellation and/or use;
- (c) number of Treasury Shares sold, transferred, cancelled and/or used;
- (d) number of Treasury Shares before and after such sale, transfer, cancellation and/or use;
- (e) percentage of the number of Treasury Shares against the total number of Shares outstanding in a class that is listed before and after such sale, transfer, cancellation and/or use; and
- (f) value of the Treasury Shares if they are used for a sale or transfer, or cancelled.

5. SOURCE OF FUNDS FOR SHARE BUY-BACK

The Company may only apply funds for the Share Buy Back Mandate in accordance with the Companies Act, Constitution and the applicable laws in Singapore. The Company may not buy Shares for a consideration other than cash or, in the case of a Market Purchase, for settlement otherwise than in accordance with the Catalist Rules. As stated in the Companies Act, the Share Buy Back may be made out of the Company's profits or capital so long as the Company is solvent.

Pursuant to Section 76F(4) of the Companies Act, the Company is solvent if (a) there is no ground on which the company could be found to be unable to pay its debts; (b) if (i) it is intended to commence winding up of the company within the period of 12 months immediately after the date of the payment, the company will be able to pay its debts in full within the period of 12 months after the date of commencement of the winding up; or (ii) it is not intended so to commence winding up, the company will be able to pay its debts as they fall due during the period of 12 months immediately after the date of the payment; and (c) the value of the company's assets is not less than the value of its liabilities (including contingent liabilities) and will not, after the proposed purchase, acquisition, variation or release (as the case may be), become less than the value of its liabilities (including contingent liabilities).

In determining whether the Company is solvent, the Directors must have regard to the most recently audited financial statements, other relevant circumstances, and may rely on valuations or estimates of assets or liabilities. In determining the value of contingent liabilities, the Directors may take into account the likelihood of the contingency occurring, as well as any counter-claims by the Company.

When Shares are purchased or acquired, and cancelled:

- (a) if the Shares are purchased or acquired entirely out of the capital of the Company, the Company shall reduce the amount of its share capital by the total amount of the purchase price paid by the Company for the Shares (including brokerage, stamp duties, commission, applicable goods and services tax, clearance fees and other related expenses) (the "Purchase Price") and the amount available for the distribution of dividends by the Company will not be reduced;
- (b) if the Shares are purchased or acquired entirely out of profits of the Company, the Company shall reduce the amount of its profits and the amount available for distribution of dividends by the Purchase Price; or
- (c) where the Shares are purchased or acquired out of both the capital and the profits of the Company, the Company shall reduce the amount of its share capital and profits proportionately by the Purchase Price.

The Company may use internal resources and/or external borrowings to finance purchases and acquisitions of its Shares pursuant to the Share Buy Back Mandate.

The Directors do not propose to exercise the Share Buy Back Mandate in a manner and to such extent that the liquidity and capital adequacy position of the Group would be materially and adversely affected.

6. TAKE-OVER IMPLICATIONS UNDER THE TAKEOVER CODE

6.1 Appendix 2 of the Takeover Code

Appendix 2 of the Takeover Code contains the Share Buy-back Guidance Note applicable as at the Latest Practicable Date. The take-over implications arising from any purchase or acquisition by the Company of its Shares are set out below.

6.2 Obligation to make a take-over offer

Rule 14 of the Takeover Code ("Rule 14") requires, inter alia, that except with the consent of the SIC, where:

- (a) any person acquires, whether by a series of transactions over a period of time or not, shares which (taken together with shares held or acquired by persons acting in concert with him) carry 30% or more of the voting rights of a company; or
- (b) any person who, together with persons acting in concert with him, holds not less than 30% but not more than 50% of the voting rights and such person, or any person acting in concert with him, acquires in any period of six (6) months additional shares carrying more than 1% of the voting rights,

such person shall extend immediately an offer on the basis set out below to the holders of any class of shares in the capital which carries votes and in which such person or persons acting in concert with him hold shares. In addition to such person, each of the principal members of the group of persons acting in concert with him may, according to the circumstances of the case, have the obligation to extend an offer.

In calculating the percentages of voting rights of such person and their concert parties, Treasury Shares and subsidiary holdings shall be excluded.

6.3 Persons acting in concert

Persons acting in concert comprise individuals or companies who, pursuant to an agreement or understanding (whether formal or informal) co-operate, through the acquisition by any of them of shares in a company to obtain or consolidate effective control of that company.

Unless the contrary is established, the following persons, inter alia, will be presumed to be acting in concert, namely, (a) a company with any of its directors (together with their close relatives, related trusts as well as companies controlled by any of the directors, their close relatives and related trusts) and (b) a company, its parent, subsidiaries and fellow subsidiaries, and their associated companies and companies of which such companies are associated companies, all with each other. For this purpose, ownership or control of 20% but not more than 50% of the voting rights of a company will be regarded as the test of associated company status.

Consequently, a Director and persons acting in concert (as such term is defined in the Takeover Code) with him could, depending on the level of increase in his/her or their interest in the Company, become obliged to make a mandatory offer in accordance with Rule 14 as a result of the Company's Share Buy Back.

Unless exempted, Directors of the Company and persons acting in concert with them will incur an obligation to make a take-over offer under Rule 14 if, as a result of the Company purchasing or acquiring its Shares, the voting rights of such Directors and their concert parties would increase to 30% or more, or if the voting rights of such Directors and their concert parties fall between 30% and 50% of the Company's voting rights, the voting rights of such Directors and their concert parties would increase by 1% in any period of six (6) months.

Further details of the interests of the Directors and Substantial Shareholders of the Company in the Shares of the Company as at the Latest Practicable Date are set out in Section 13 of this Appendix.

6.4 Effect of Rule 14 and Appendix 2 of the Takeover Code

In general terms, the effect of Rule 14 and Appendix 2 of the Takeover Code is that, unless exempted, Directors and persons acting in concert with them will incur an obligation to make a take-over offer under Rule 14 if, as a result of the Company purchasing or acquiring Shares:

- (a) the voting rights of such Directors and persons acting in concert with them would increase to 30% or more; or
- (b) in the event that such Directors and persons acting in concert with them hold between 30% and 50% of the Company's voting rights, if the voting rights of such Directors and persons acting in concert with them would increase by more than 1% in any period of six (6) months.

Under Appendix 2 of the Takeover Code, a Shareholder not acting in concert with the Directors will not be required to make a take-over offer under Rule 14 if, as a result of the Company purchasing or acquiring its Shares:

- (i) the voting rights of such Shareholder would increase to 30% or more; or
- (ii) if such Shareholder holds between 30% and 50% of the Company's voting rights, the voting rights of such Shareholder would increase by more than 1% in any period of six (6) months.

Such Shareholder need not abstain from voting in respect of the ordinary resolution authorising the renewal of the Share Buy Back Mandate.

Shareholders who are in doubt as to their obligations, if any, to make a mandatory take-over offer under the Takeover Code as a result of any purchase or acquisition of Shares by the Company should consult their professional advisers and/or SIC and/or other relevant authorities at the earliest opportunity.

6.5 Application of the Takeover Code

Based on the shareholdings of the Directors and the Substantial Shareholders of the Company as at the Latest Practicable Date as set out in Section 13 below, in the event that the Company undertakes Share Buy Back of up to ten per cent (10%) of the issued share capital of the Company as permitted by the Share Buy Back Mandate, none of the Directors or Substantial Shareholders are required to make a mandatory takeover offer for the Company under Rule 14 of the Takeover Code.

7. FINANCIAL IMPACT

7.1 Assumptions

It is not possible for the Company to realistically calculate or quantify the impact of purchases that may be made pursuant to the Share Buy Back Mandate on the financial effects as it would depend on factors such as the aggregate number of Shares purchased or acquired, the purchase prices paid at the relevant time, and the amount (if any) borrowed by the Company to fund the purchases or acquisitions, whether the purchase or acquisition is made out of profits or capital, and whether the Shares purchased are held in treasury or cancelled. The financial effects presented in this Section of this Appendix are based on the assumptions set out below:

(a) Information as at the Latest Practicable Date

The Company has 963,595,300 Shares. The Company holds 22,600 Treasury Shares and there are no subsidiary holdings.

(b) Illustrative Financial Effects

Purely for illustrative purposes, on the basis of 963,595,300 Shares in issue as at the Latest Practicable Date (excluding Treasury Shares and subsidiary holdings) and assuming no further Shares are issued and no Shares are held by the Company as Treasury Shares and there are no subsidiary holdings on or prior to the AGM, the purchase or acquisition by the Company of 10% of its issued Shares will result in the purchase or acquisition of 96,359,530 Shares.

In the case of Market Purchases by the Company and assuming that the Company purchases or acquires 96,359,530 Shares at the Maximum Price of S\$0.1539 for each Share (being the price equivalent to 105% of the Average Closing Price of the Shares for the five (5) consecutive trading Market Days on which the Shares were traded on SGX-ST immediately preceding the Latest Practicable Date), the maximum amount of funds required for the purchase or acquisition of 96,359,530 Shares is approximately RM44.63 million based on an exchange rate of RM3.0094 : S\$1.00.

In the case of Off-Market Purchases by the Company and assuming that the Company purchases or acquires 96,359,530 Shares at the Maximum Price of S\$0.1759 for each Share (being the price equivalent to 120% of the Average Closing Price of the Shares for the five (5) consecutive trading Market Days on which the Shares were traded on SGX-ST immediately preceding the Latest Practicable Date), the maximum amount of funds required for the purchase or acquisition of 96,359,530 Shares is approximately RM51.01 million based on an exchange rate of RM3.0094 : S\$1.00;

- (c) the Share Buy Back in a Market Purchase will be funded by the Company from its internal funds and the Share Buy Back in a Off-Market Purchase will be funded by the Company from a combination of both its internal funds and external borrowings;
- (d) the purchase or acquisition of Shares pursuant to the Share Buy Back Mandate had taken place on 31 December 2018 for the purpose of computing the financial effects on the EPS of the Group;
- (e) the purchase or acquisition of Shares pursuant to the Share Buy Back Mandate had taken place on 31 December 2018 for the purpose of computing the financial effects on Shareholders' equity, NTA per Share and gearing of the Company and the Group; and
- (f) transaction costs incurred for the purchase or acquisition of Shares pursuant to the Share Buy Back Mandate are insignificant and are ignored for the purpose of computing the financial effects.

7.2 Pro Forma Financial Effects

For illustrative purposes only and on the basis of the assumptions set out above and assuming that the Share Buy Back will be funded by the Company from its internal funds and/or external borrowings, the financial effects of:

- (a) the acquisition of 10% of the issued Shares, excluding Treasury Shares and subsidiary holdings, comprising 96,359,530 Shares as at the Latest Practicable Date by the Company in a Market Purchase or Off-Market Purchase pursuant to the Share Buy Back Mandate by way of purchases or acquisitions made entirely out of capital and held as treasury shares ("Scenario A"); and

(b) the acquisition of 10% of the issued Shares, excluding Treasury Shares and subsidiary holdings, comprising 96,359,530 Shares as at the Latest Practicable Date, by the Company in a Market Purchase or Off-Market Purchase pursuant to the Share Buy Back Mandate by way of purchases or acquisitions made entirely out of capital and cancelled ("Scenario B"),

on the audited financial statements of the Group and the Company for the financial year ended 31 December 2018 ("FY2018") are set out below.

Based on the audited financial statements of the Group and the Company for FY2018, the Company and the Group does not have sufficient distributable profits to effect the Share Buy Back. As such, the financial effects of the purchase or acquisition of Shares by the Company pursuant to the Share Buy Back Mandate by way of Market Purchases and Off-Market Purchases made entirely out of profits is not disclosed in this Appendix.

SCENARIO A
(AS AT 31 DECEMBER 2018)

(RM'000)	Group			Company		
	Before Share Buy Back	After Market Purchase	After Off-Market Purchase	Before Share Buy Back	After Market Purchase	After Off-Market Purchase
Share Capital	237,241	237,241	237,241	237,241	237,241	237,241
Reserves	37,442	37,442	37,442	–	–	–
Retained Earnings	116,383	116,383	116,383	(11,345)	(11,345)	(11,345)
Treasury Shares	–	(44,629)	(51,008)	–	(44,629)	(51,008)
Total Shareholders' Equity	391,066	346,437	340,058	225,896	181,267	174,888
NTA	368,191	323,562	317,183	225,896	181,267	174,888
Current Assets	753,431	708,802	727,927	59,476	14,847	33,972
Current Liabilities	400,216	400,216	425,720	983	983	26,487
Working Capital	353,215	308,586	302,207	58,493	13,864	7,485
Total Borrowings	158,778	158,778	184,282	–	–	25,504
Cash and cash equivalents	163,035	118,406	137,531	50,278	5,649	24,774
Number of issued shares ('000) ⁽¹⁾	963,595	867,235	867,235	963,595	867,235	867,235
Number of Treasury Shares ('000)	–	96,360	96,360	–	96,360	96,360
Weighted average of shares ('000)	926,147	925,883	925,883	926,147	925,883	925,883
Profit for the period attributable to shareholders	40,921	40,921	40,921	(2,510)	(2,510)	(2,510)
Financial Ratios						
NTA per share (RM cents)	38.21	37.31	36.57	23.44	20.90	20.17
Gearing (times)	0.41	0.46	0.54	–	–	0.15
Current Ratio (times)	1.88	1.77	1.71	60.50	15.10	1.28
Basic EPS (RM cents)	4.42	4.42	4.42	(0.27)	(0.27)	(0.27)

SCENARIO B
(AS AT 31 DECEMBER 2018)

(RM'000)	Group			Company		
	Before Share Buy Back	After Market Purchase	After Off-Market Purchase	Before Share Buy Back	After Market Purchase	After Off-Market Purchase
Share Capital	237,241	192,612	186,233	237,241	192,612	186,233
Reserves	37,442	37,442	37,442	–	–	–
Retained Earnings	116,383	116,383	116,383	(11,345)	(11,345)	(11,345)
Total Shareholders' Equity	391,066	346,437	340,058	225,896	181,267	174,888
NTA	368,191	323,562	317,183	225,896	181,267	174,888
Current Assets	753,431	708,802	727,927	59,476	14,847	33,972
Current Liabilities	400,216	400,216	425,720	983	983	26,487
Working Capital	353,215	308,586	302,207	58,493	13,864	7,485
Total Borrowings	158,778	158,778	184,282	–	–	25,504
Cash and cash equivalents	163,035	118,406	137,531	50,278	5,649	24,774
Number of issued shares ('000) ⁽¹⁾	963,595	867,235	867,235	963,595	867,235	867,235
Number of Treasury Shares ('000)	–	–	–	–	–	–
Weighted average of shares ('000)	926,147	925,883	925,883	926,147	925,883	925,883
Profit for the period attributable to shareholders	40,921	40,921	40,921	(2,510)	(2,510)	(2,510)
Financial Ratios						
NTA per share (RM cents)	38.21	37.31	36.57	23.44	20.90	20.17
Gearing (times)	0.41	0.46	0.54	–	–	0.15
Current Ratio (times)	1.88	1.77	1.71	60.50	15.10	1.28
Basic EPS (RM cents)	4.42	4.42	4.42	(0.27)	(0.27)	(0.27)

Notes:

- (1) Based on the issued share capital of 963,595,300 Shares (excluding Treasury Shares and subsidiary holdings) as at the Latest Practicable Date.
- (2) NTA per Share equals to equity attributable to owners of the Company divided by the number of Shares outstanding (excluding Treasury Shares and subsidiary holdings) as at the Latest Practicable Date.
- (3) Gearing equals to total borrowings divided by total equity.
- (4) EPS equals to profit attributable to owners of the Company divided by the weighted average number of Shares outstanding (excluding Treasury Shares and subsidiary holdings) during FY2018.

The actual impact will depend on the number and price of the Shares bought back. As stated, the Directors do not propose to exercise the Share Buy Back Mandate to such an extent that it would have a material adverse effect on the working capital requirements and/or gearing of the Group. The purchase or acquisition of the Shares will only be effected after considering relevant factors such as the working capital requirement, availability of financial resources, the expansion and investment plans of the Group, and the prevailing market conditions. The Share Buy Back Mandate will be exercised with a view to enhance the EPS and/or NAV per Share of the Group.

Shareholders should note that the financial effects illustrated above, based on the respective aforesaid assumptions, are for illustrative purposes only. In particular, it is important to note that the above analysis is based on the audited financial statements of the Company and the Group for FY2018, and is not necessarily representative of the future financial performance of the Company and the Group.

It should be noted that although the Share Buy Back Mandate would authorise the Company to purchase or otherwise acquire up to 10% of the issued Shares, the Company may not necessarily purchase or acquire or be able to purchase or otherwise acquire the entire 10% of the issued Shares. In addition, the Company may cancel, or hold as Treasury Shares, all or part of the Shares purchased or otherwise acquired. The Company will take into account both financial and non-financial factors (for example, stock market conditions and the performance of the Shares) in assessing the relative impact of a Share Buy Back before execution.

8. TAXATION

Shareholders who are in doubt as to their respective tax positions or any such tax implications or who may be subject to tax in a jurisdiction other than Singapore should consult their own professional advisors.

9. INTERESTED PERSONS

The Company is prohibited from knowingly buying Shares on the Catalist from an interested person, that is, a Director, the chief executive officer of the Company or Controlling Shareholder of the Company or any of their Associates, and an interested person is prohibited from knowingly selling his/her Shares to the Company.

10. REPORTING REQUIREMENTS UNDER COMPANIES ACT

Within 30 days of the passing of a Shareholders' resolution to approve the purchases or acquisitions of Shares by the Company, the Company shall lodge a copy of such resolution with ACRA. Within 30 days of a purchase or acquisition of Shares on Catalist or otherwise, the Company shall lodge with ACRA the notice of the purchase or acquisition in the prescribed form, such notification including, inter alia, details of the purchase or acquisition, the total number of Shares purchased or acquired by the Company, the total number of Shares cancelled, the number of Shares held as treasury shares, the Company's issued ordinary share capital before the purchase or acquisition and after the purchase or acquisition of Shares, the amount of consideration paid by the Company for the purchase or acquisition, and whether the Shares were purchased or acquired out of the profits or the capital of the Company.

Within thirty (30) days of the cancellation or disposal of Treasury Shares in accordance with the provisions of the Companies Act, the Directors shall lodge with the Registrar the notice of cancellation or disposal of Treasury Shares in the prescribed form.

11. CATALIST RULES

Public float

The Company does not have any individual shareholding limit or foreign shareholding limit.

As at the Latest Practicable Date, approximately 24.71% of the issued share capital of the Company is held in the hands of the public. Assuming that the Company purchased or acquired the maximum of 10% of its issued share capital as at the Latest Practicable Date from members of the public by way of a Market Purchase, the percentage of Shares held by the public would be reduced to approximately 16.35%.

Accordingly, the Company is of the view that there is a sufficient number of issued Shares held in the hands of the public which would permit the Company to undertake purchases or acquisitions of its issued Shares up to the full 10% limit pursuant to the Share Buy Back Mandate without affecting the listing status of the Shares on the SGX-ST, and that the number of Shares remaining in the hands of the public will not fall to such a level as to cause market illiquidity or to adversely affect the orderly trading of Shares.

The Directors will use their best efforts to ensure that the Company does not effect Share Buy Back if the Share Buy Back would result in the number of Shares remaining in the hands of the public falling to such a level as to cause market illiquidity or adversely affect the listing status of the Company or adversely affect the orderly trading of the Shares.

Maximum Price

Under the Catalist Rules, a listed company may only purchase or acquire shares by way of a market acquisition at a price which is not more than 5% above the average closing market price. The term average closing market price is defined as the average of the closing market prices of Shares over the last five (5) market days, on which transactions in the Shares were recorded, before the day on which purchases or acquisitions are made. The Maximum Price for a Share in relation to Market Purchases by the Company, referred to in Section 3.4 of this Appendix, conforms to this restriction.

Disclosure Requirements

Additionally, the Catalist Rules also specifies that a listed company shall report all purchases or acquisitions of its Shares to the SGX-ST not later than 9.00 a.m.:

- (a) in the case of a Market Purchase, on the Market Day following the day of purchase or acquisition of any of its Shares; and
- (b) in the case of an Off-Market Purchase under an equal access scheme, on the second Market Day after the close of acceptances of the offer.

Such announcement shall include, inter alia, details of the total number of Shares authorised for purchase, the date of purchase, the total number of Shares purchased, the purchase price per Share or (in the case of Market Purchases) the purchase price per Share or the highest price and lowest price per Share, the total consideration paid for the Shares and the number of issued Shares after purchase, in the form prescribed under the Catalist Rules.

Dealing in Securities

While the Catalist Rules does not expressly prohibit any purchase or acquisition of Shares by a listed company during any particular time, because the listed company would be regarded as an "insider" in relation to any proposed purchase or acquisition of its issued Shares, the Company will not undertake any purchase or acquisition of Shares pursuant to the Share Buy Back Mandate at any time after any matter or development of a price-sensitive nature has occurred or has been the subject of consideration and/or a decision of the Board until such price-sensitive information has been publicly announced.

Further, in conformity with the best practices on dealing with securities under the Catalist Rules, the Company will not purchase or acquire any Shares through Market Purchases during the period commencing two (2) weeks before the announcement of the Company's financial statements for each of the first three quarters of its financial year and one (1) month before the announcement of the Company's full year financial statements, and ending on the date of the announcement of the relevant results.

12. SHARES BOUGHT BY THE COMPANY IN THE PREVIOUS 12 MONTHS

The Company has purchased 22,600 Shares in the twelve (12) months preceding the Latest Practicable Date by way of market purchases at prices per Share ranging from S\$0.140 to S\$0.147, and the total consideration paid for the purchases (including brokerage and other charges) amounted to approximately RM9,842. These 22,600 Shares are held as treasury shares by the Company.

13. INTERESTS OF THE DIRECTORS AND/OR SUBSTANTIAL SHAREHOLDERS

	Before Share Buy Back		After Share Buy Back	
	No. of Shares	% ⁽¹⁾	No. of Shares	% ⁽²⁾
Directors				
Dato' Murly Manokharan	492,300,000	51.09	492,300,000	56.77
Dato' Seri Nazir Ariff Bin Mushir Ariff	—	—	—	—
Mr. Cheah Teik Seng	4,360,000	0.45	4,360,000	0.50
Dato' Alan Teo Kwong Chia	200,000	0.021	200,000	0.023
Dato' Choong Khuat Seng	—	—	—	—
Dr. Lim Su Kiat	20,000	0.002	20,000	0.002
Mr. Ching Chiat Kwong	98,620,600	10.23	98,620,600	11.37
Mr. Low See Ching (Liu Shijin)	98,620,600	10.23	98,620,600	11.37
Substantial Shareholders (other than Directors)				
Aspen Vision Group Sdn. Bhd.	482,300,000	50.05	482,300,000	55.61
Ideal Force Sdn. Bhd.	88,010,000	9.13	88,010,000	10.15
Mr. Oh Kim Sun	129,350,000	13.42	129,350,000	14.92
Oxley Holdings Limited	98,620,600	10.23	98,620,600	11.37

Notes:-

(1) The percentage is calculated based on 963,595,300 Shares as at the Latest Practicable Date.

(2) Assuming the Company purchases or acquires the maximum number of Shares pursuant to the Share Buy Back Mandate, the percentage after the Share Buy Back is calculated based on 867,235,770 Shares.

In the event that the Company undertakes Share Buy Back of up to ten per cent (10%) of the issued Shares of the Company as permitted under the Share Buy Back Mandate, the shareholdings and voting rights of Dato' Murly Manokharan and Aspen Vision Group Sdn. Bhd. will remain above fifty per cent (50%). Accordingly, no general offer is required to be made pursuant to the Takeover Code.

The Directors are not aware of any Shareholder or group of Shareholders acting in concert who may become obligated to make a mandatory offer under the Takeover Code in the event that the Company purchases or acquires the maximum number of Shares under the Share Buy Back Mandate.

Neither the Directors nor the Substantial Shareholders of the Company (other than in his capacity as a Director or Shareholder of the Company), as well as their respective associates, has any interest, direct or indirect, in the Share Buy Back Mandate.

14. DIRECTORS' RECOMMENDATION

The Directors having considered, inter alia, the rationale and information relating to the proposed renewal of the Share Buy Back Mandate, are of the opinion that the proposed renewal of the Share Buy Back Mandate is in the best interests of the Company. Accordingly, the Directors recommend that Shareholders vote in favour of the ordinary resolution relating to the proposed renewal of the Share Buy Back Mandate at the 2019 AGM.

15. ANNUAL GENERAL MEETING

The 2019 AGM will be held at 10:00 a.m. on 25 April 2019 at Novotel Singapore on Stevens, 28 Stevens Road, Singapore 257878 for the purpose of considering and, if thought fit, passing with or without modifications, the ordinary resolution relating to the proposed renewal of the Share Buy Back Mandate as set out in the Notice of AGM.

16. ACTION TO BE TAKEN BY SHAREHOLDERS

Shareholders who are unable to attend the 2019 AGM and wish to appoint a proxy to attend and vote at the 2019 AGM on their behalf must complete, sign and return the Proxy Form attached to the notice of AGM in accordance with the instructions printed thereon as soon as possible and in any event so as to arrive at the office of the Company's Share Registrar, Tricor Barbinder Share Registration Services at 80 Robinson Road, #11-02, Singapore 068898, not less than seventy-two (72) hours before the time fixed for the 2019 AGM. The completion and return of a Proxy Form by a Shareholder does not preclude him/her from attending and voting in person at the 2019 AGM should he/she subsequently decide to do so, although the appointment of the proxy shall be deemed to be revoked by such attendance.

A Depositor shall not be regarded as a Shareholder of the Company and not be entitled to attend the 2019 AGM and to speak and vote thereat unless his name appears on the Depository Register and/or the Register of Members at least seventy-two (72) hours before the 2019 AGM.

If a shareholder is required to abstain from voting on a proposal at a general meeting by a listing rule or pursuant to any court order, any votes cast by the shareholder on that resolution will be disregarded by the Company.

17. DIRECTORS' RESPONSIBILITY STATEMENT

The Directors (including those who may have delegated detailed supervision of this Appendix) collectively and individually accept full responsibility for the accuracy of the information given in this Appendix and confirm after making all reasonable enquiries that, to the best of their knowledge and belief, this Appendix constitutes full and true disclosure of all material facts about the proposed renewal of the Share Buy Back Mandate, the Company and its subsidiaries, and the Directors are not aware of any facts or the omission of which would make any statement in this Appendix misleading. Where information in the Appendix has been extracted from published or otherwise publicly available sources or obtained from a named source, the sole responsibility of the Directors has been to ensure that such information has been accurately and correctly extracted from those sources and/or reproduced in the Appendix in its proper form and context.

18. INSPECTION OF DOCUMENTS

The following documents are available for inspection at the registered office of the Company at 80 Robinson Road, #02-00, Singapore 068898, during normal business hours from the date of this Appendix up to the date of the 2019 AGM:

- (a) the Constitution of the Company;
- (b) the audited consolidated financial statements of the Company for FY2018; and
- (c) the annual report of the Company for FY2018.

Yours faithfully
For and on behalf of the Board of Directors
ASPEN (GROUP) HOLDINGS LIMITED

Dato' Murly Manokharan
President and Group Chief Executive Officer

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Notes

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ASPEN (GROUP) HOLDINGS LIMITED

(Company Registration No.: 201634750K)

(Incorporated in the Republic of Singapore)

IMPORTANT

- For investors who have used their CPF monies ("CPF Investors") and/or their SRS monies ("SRS Investors") to buy shares in the capital of Aspen (Group) Holdings Limited, this Annual Report 2018 is forwarded to them at the request of their CPF and/or SRS Approved Nominees (as the case may be) and is sent solely FOR INFORMATION ONLY.
- This Proxy Form is not valid for use by CPF Investors and SRS Investors and shall be ineffective for all intents and purposes if used or purported to be used by them.
- CPF Investors and SRS Investors may attend and cast their votes at the AGM in person. CPF Investors and SRS Investors who are unable to attend the AGM but would like to vote, may inform their CPF and/or SRS Approved Nominees (as the case may be) to appoint the Chairman of the AGM to act as their proxy, in which case, the respective CPF Investors and/or SRS Investors shall be precluded from attending the AGM.

Personal Data Privacy

By submitting an instrument appointing a proxy(ies) and/or representative(s), the member accepts and agrees to the personal data privacy terms set out in the Notice of Annual General Meeting dated 10 April 2019.

PROXY FORM

I / We, _____ (Name) of NRIC/Passport/Company Registration No. _____ of _____ (Address)

being a member/members of Aspen (Group) Holdings Limited (the "Company"), hereby appoint:

Name	NRIC/Passport No.	Proportion of Shareholding(s)	
		No. of Shares	%
Address			

and/or (delete where appropriate)

Name	NRIC/Passport No.	Proportion of Shareholding(s)	
		No. of Shares	%
Address			

as my/our proxy/proxies, or failing him/them, the Chairman of the Annual General Meeting ("AGM") of the Company, to vote for me/us on my/our behalf and, if necessary, to demand a poll, at the AGM of the Company to be held at Novotel Singapore on Stevens, 28 Stevens Road, Singapore 257878 on Thursday, 25 April 2019 at 10.00 a.m. and at any adjournment thereof. I/We direct my/our proxy/proxies to vote for or against the Ordinary Resolutions to be proposed at the AGM as indicated with an "X" in the spaces provided hereunder. If no specified directions as to voting are given, the proxy/proxies will vote or abstain from voting at his/their discretion.

Resolution No.	Ordinary Resolutions	For*	Against*
1.	Adoption of the Audited Financial Statements of the Company for the financial year ended 31 December 2018, the Directors' Statement and the Report of the Auditors thereon.		
2.	Approval of the payment of Directors' fees of RM349,424.66 for the financial year ended 31 December 2018.		
3.	Re-election of Dato' Murly Manokharan as Director.		
4.	Re-election of Dato' Alan Teo Kwong Chia as Director.		
5.	Re-election of Ir. Anilarasu Amaranazan as Director.		
6.	Re-election of Mr. Ching Chiat Kwong as Director.		
7.	Re-election of Dato' Choong Khuat Seng as Director.		
8.	Re-appointment of Messrs. KPMG LLP as Auditors of the Company and to authorise the Directors to fix their remuneration.		
9.	Authority to allot and issue shares in the capital of the Company and/or instruments pursuant to Section 161 of the Companies Act.		
10.	Authority to allot and issue shares under the AV Employee Share Option Scheme.		
11.	Authority to allot and issue shares under the AV Performance Share Plan.		
12.	Renewal of the Company's Share Buy Back Mandate.		

Note:

- * If you wish to exercise all your votes "For" or "Against", please tick within the box provided.
Alternatively, please indicate the number of votes as appropriate.

Total number of Shares in:	No. of Shares held
(a) CDP Register	
(b) Register of Members	

Dated this _____ day of _____ 2019

Signature(s) of Member(s) / Seal

IMPORTANT: Please read notes overleaf

1. Please insert the total number of shares held by you. If you have shares entered against your name in the Depository Register (as defined in Section 81SF of the Securities and Future Act, (Chapter 289) of Singapore), you should insert that number of shares. If you have shares registered in your name in the Register of Members of the Company, you should insert that number of shares. If you have shares entered against your name in the Depository Register and shares registered in your name in the Register of Members, you should insert the aggregate number of shares. If no number is inserted, the instrument appointing a proxy or proxies shall be deemed to relate to all the shares held by you.
 2. (a) A member of the Company who is entitled to attend and vote at the Annual General Meeting and who is not a relevant intermediary is entitled to appoint not more than two (2) proxies to attend and vote on his behalf. Where such member appoints more than one (1) proxy, he/she shall specify the proportion or number of his/her shareholding to be represented by each proxy. If no such proportion or number is specified the first named proxy may be treated as representing 100% of the shareholding and any second named proxy as an alternate to the first named. A proxy need not be a member of the Company. If the appointer is a corporation, the proxy must be executed under seal or the hand of its duly authorised officer or attorney.
 - (b) A member of the Company who is entitled to attend and vote at the Annual General Meeting and who is a relevant intermediary is entitled to appoint more than two (2) proxies to attend and vote in his stead. Where such member appoints more than one (1) proxy, the number of shares in relation to which each proxy has been appointed shall be specified in the form of proxy.
- "Relevant intermediary"** has the meaning ascribed to it in Section 181 of the Companies Act, Chapter 50 of Singapore.
3. The instrument appointing a proxy or proxies must be under the hand of the appointor or his/her attorney duly authorised in writing. Where the instrument appointing a proxy or proxies is executed by a corporation, it must be executed either under its seal or under the hand of an officer or attorney duly authorised. Where the instrument appointing a proxy or proxies is executed by an attorney on behalf of the appointor, the power of attorney or a duly certified copy thereof must be lodged with the instrument.
 4. A corporation which is a member may authorise by resolution of its directors or other governing body such person as it thinks fit to act as its representative at the Annual General Meeting in accordance with Section 179 of the Companies Act, Chapter 50 of Singapore.
 5. The instrument appointing a proxy or proxies must be deposited at the office of the Company's Share Registrar, Tricor Barbinder Share Registration Services at 80 Robinson Road, #11-02, Singapore 068898 not later than 72 hours before the time appointed for the Annual General Meeting.
 6. The Company shall be entitled to reject the instrument appointing a proxy or proxies if it is incomplete, improperly completed or illegible or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified in the instrument appointing a proxy or proxies. In addition, in the case of shares entered in the Depository Register, the Company may reject any instrument appointing a proxy or proxies lodged if such member(s) are not shown to have shares entered against his/her/ their name(s) in the Depository Register as at 72 hours before the time appointed for holding the Annual General Meeting, as certified by The Central Depository (Pte) Limited to the Company.
 7. A Depositor shall not be regarded as a member of the Company entitled to attend the Annual General Meeting and to speak and vote thereat unless his/her name appears on the Depository Register 72 hours before the time appointed for the Annual General Meeting.

Fold along this line

Affix
Postage
Stamp
Here

ASPEN (GROUP) HOLDINGS LIMITED
Company's Share Registrar
Tricor Barbinder Share Registration Services
80 Robinson Road
#11-02
Singapore 068898



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