

**UNAUDITED FULL YEAR FINANCIAL STATEMENTS AND DIVIDEND ANNOUNCEMENT
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017**

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1. CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
1(i) Consolidated Statement of Comprehensive Income For The Financial Year Ended 31 December 2017 ("FY 2017")

	Group		Change %
	2017 S\$'000	2016 S\$'000	
Revenue	485,051	621,036	-22%
Materials and subcontract costs	(333,615)	(473,549)	-30%
Employee benefits	(50,033)	(43,713)	14%
Depreciation and amortisation	(5,613)	(4,673)	20%
Finance costs	(26,930)	(35,837)	-25%
Other operating expenses	(75,018)	(76,856)	-2%
Interest income	10,257	12,956	-21%
Rental income	2,785	2,276	22%
Other income	5,529	4,190	32%
Share of results of associates and a joint venture	2,403	1,058	127%
Profit before tax	14,816	6,888	115%
Taxation	(8,974)	(2,078)	332%
Profit for the year	5,842	4,810	21%
Other comprehensive income			
Net fair value changes of available-for-sale financial assets	1,055	(5,823)	n.m
Foreign currency translation	428	1,387	-69%
Share of other comprehensive income of a joint venture	15,348	(3,106)	n.m
Other comprehensive income for the year, net of tax	16,831	(7,542)	n.m
Total comprehensive income for the year	22,673	(2,732)	n.m
Profit attributable to:			
Owners of the Company	2,305	1,092	111%
Non-controlling interests	3,537	3,718	-5%
	5,842	4,810	21%
Total comprehensive income attributable to:			
Owners of the Company	19,151	(6,650)	n.m
Non-controlling interests	3,522	3,918	-10%
	22,673	(2,732)	n.m
Earnings per ordinary share (cents)			
-Basic	0.12	0.06	100%
-Diluted	0.12	0.06	100%

Other information :-

	Group		Change %
	2017 S\$'000	2016 S\$'000	
Amortisation of intangible assets and prepaid rent	957	563	70%
Allowance for/(write back of) doubtful receivables	7	(241)	n.m
Depreciation of property, plant and equipment	4,656	4,110	13%
Net foreign exchange gain	(2,464)	(1,819)	35%
Net fair value loss on investment properties	486	-	n.m
Loss on disposal of property, plant and equipment	7	-	n.m
Manufacturing and melting loss	564	724	-22%
Impairment loss on investment securities	1,733	1,500	16%
Interest receivables written off	75	42	79%
Property, plant and equipment written off	877	916	-4%

n.m - means "not meaningful"

1. CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (CONTINUED)

NOTES:

- 1a. Depreciation of fixed assets in retail outlets is computed on a straight-line basis over 3 to 5 years.
- 1b. The Group recognises all inventory, including trade-in stock and sales return stock at their cost values. For finished stocks aged 2 years and above, partial provisions for stock obsolescence were made to take into consideration labour costs for designing and rework.
- 1c. The decrease in materials and subcontract costs in FY2017 was due to the lower revenue for the real estate and jewellery businesses.
- 1d. The increase in employee benefits for FY2017 was mainly due to increase in staff costs and performance bonus for the financial service and the real estate businesses.
- 1e. The decrease in finance cost for FY2017 was mainly attributable to higher interest capitalised under development properties for overseas real estate business partially offset by higher interest from loans and borrowings and multicurrency medium term notes issued by its subsidiary Maxi-Cash Financial Services Corporation Ltd ("MCFS").
- 1f. Lower other operating expenses in FY2017 were mainly due to decrease in sales and marketing expenses for the jewellery and the real estate businesses, partially offset by higher sales & marketing expenses for the financial service business, listing expenses and allowance for write-down of development properties and properties held for sale for the overseas real estate business.
- 1g. The increase in other income in FY2017 was due to gain on disposal of investment securities and higher foreign exchange gain.
- 1h. The increase in share of results of associates and a joint venture in FY2017 was mainly due to higher profit from share of profit from a joint venture, partially offset by losses incurred from an associate of real estate business.
- 1i. Higher effective tax rate in FY2017 was mainly due to reversal of previous years' tax allowance for provision for doubtful debts in the jewellery business, payment of withholding tax for the overseas real estate business and the Group did not recognise deferred tax assets for unabsorbed tax losses of certain subsidiaries for its real estate business.

2. STATEMENTS OF FINANCIAL POSITION

	Group		Company	
	31-Dec-17 S\$'000	31-Dec-16 S\$'000	31-Dec-17 S\$'000	31-Dec-16 S\$'000
Non-current assets				
Property, plant and equipment	75,511	42,304	398	880
Intangible assets	7,456	6,964	299	35
Investment properties	60,566	45,700	-	-
Investment in subsidiaries	-	-	210,738	180,013
Investment in associates	22,086	18,033	-	-
Investment in joint ventures	30,316	12,092	5,000	5,025
Investment securities	4,508	1,365	-	-
Trade and other receivables	49,018	5,328	-	6
Prepayments	8,538	-	-	-
Deferred tax assets	8,430	9,587	-	-
	266,429	141,373	216,435	185,959
Current assets				
Inventories	133,781	141,517	-	-
Development properties	941,195	798,011	-	-
Properties held for sale	22,313	16,944	-	-
Trade and other receivables	309,310	298,877	62	322
Prepaid rent	-	42	-	-
Prepayments	8,959	9,496	600	1,211
Due from subsidiaries (non-trade)	-	-	287,389	370,488
Due from a joint venture (non-trade)	84,517	82,897	84,570	82,897
Due from associates (non-trade)	1,305	6,350	-	-
Investment securities	177,817	155,985	-	-
Cash and bank balances	54,888	70,284	448	751
	1,734,085	1,580,403	373,069	455,669
Total assets	2,000,514	1,721,776	589,504	641,628
Current liabilities				
Trade and other payables	66,644	59,213	2,282	3,934
Due to subsidiaries (non-trade)	-	-	109,019	97,338
Due to an associate (non-trade)	2,360	5,260	-	-
Provision for taxation	3,790	17,539	154	77
Term notes and bonds	98,000	55,750	100,000	55,750
Interest-bearing loans and borrowings	679,159	447,748	-	-
	849,953	585,510	211,455	157,099
Net current assets	884,132	994,893	161,614	298,570
Non-current liabilities				
Interest-bearing loans and borrowings	165,899	175,612	-	-
Term notes and bonds	541,500	574,000	123,500	230,000
Other payables	2,708	1,696	-	-
Deferred tax liabilities	13,706	8,088	80	109
	723,813	759,396	123,580	230,109
Total liabilities	1,573,766	1,344,906	335,035	387,208
Net assets	426,748	376,870	254,469	254,420
Equity attributable to shareholders of the Company				
Share capital	226,930	226,152	226,930	226,152
Treasury shares	(2,589)	(2,589)	(2,589)	(2,589)
Other reserves	16,438	(5,329)	1,413	1,413
Revenue reserves	96,231	93,755	28,715	29,444
	337,010	311,989	254,469	254,420
Non-controlling interests	89,738	64,881	-	-
Total equity	426,748	376,870	254,469	254,420
Net asset value per ordinary share (in cents)	17.40	16.14	13.14	13.16

2. STATEMENTS OF FINANCIAL POSITION (CONTINUED)

2a. - Review of Financial Position

Group shareholders' funds increased from S\$376.9 million as at 31 December 2016 to S\$426.7 million as at 31 December 2017. The increase was mainly contributed by the increase in non-controlling interests, other reserves and share capital. The increase in share capital was due to ordinary shares issued under the scrip dividend scheme. The increase in other reserves was mainly due to premium on dilution of interest in the overseas real estate business, share of other comprehensive income from a joint venture, changes in fair value of available-for-sale financial assets and foreign currency translation.

The Group's total assets of S\$2,000.5 million as at 31 December 2017 was S\$278.7 million higher than that as at 31 December 2016. The increase was mainly due to the increase in development properties, trade and other receivables, property, plant and equipment, investment securities, investment in joint ventures, investment properties, prepayments, properties held for sale and investment in associates, partially offset by decrease in cash and bank balances, inventories and amount due from associates. The increase in development properties was largely contributed by the on-going construction costs for the overseas real estate projects, partially offset by reclassification of completed overseas projects to properties held for sale and investment properties. The increase in trade and other receivables was mainly attributable to increase in pledge book and provision of secured loans for the financial service business, partially offset against release of security deposit for overseas real estate projects after securing construction financing and payment received for The Hillford and Urban Vista projects after Defect Liability Period ("DLP"). The increase in property, plant and equipment was mainly due to the purchase of two leasehold properties for financial service business and an industrial building.

The Group's total liabilities of S\$1,573.8 million as at 31 December 2017 was S\$228.9 million higher than that as at 31 December 2016. The increase was largely due to increase of interest-bearing loans and borrowings, trade and other payables, deferred tax liabilities and the issuance of term notes by its subsidiary MCFS. The increase was partially offset by redemption of all its outstanding S\$55.75 million term notes due in January 2017 and decrease in provision for taxation and amount due to an associate.

3. CONSOLIDATED STATEMENT OF CASH FLOWS

	2017 S\$'000	2016 S\$'000
Operating activities		
Profit before tax	14,816	6,888
Adjustments for:		
Property, plant and equipment written off	877	916
Depreciation of property, plant and equipment	4,656	4,110
Loss on disposal of property, plant and equipment	7	-
Impairment loss on amount due from associates and a joint venture	604	-
Interest receivables written off	75	42
Impairment loss on investment securities	1,733	1,500
Allowance for write-down of development properties and properties held for sale	1,325	-
Gain on disposal of investment securities	(1,500)	(191)
Loss on disposal of a joint venture	-	211
Employee Share Award Scheme expenses	-	191
Impairment loss on investment in joint venture	25	-
Net fair value loss on investment properties	486	-
Write down of inventories	149	407
Allowance for/(write back of) doubtful receivables	7	(241)
Interest expense	24,376	33,427
Interest income	(10,257)	(12,956)
Amortisation of prepaid rent	42	53
Amortisation of intangible assets	915	510
Amortisation of prepaid commitment fees	2,554	2,410
Amortisation of premium on multicurrency medium term notes	(12)	-
Listing expenses of a subsidiary	1,707	980
Dividend income from investment securities	(79)	(2)
Share of results of associates and a joint venture	(2,403)	(1,058)
Unrealised foreign exchange differences	(1,837)	(1,710)
Operating profit before changes in working capital	38,266	35,487
Decrease/(increase) in:		
Inventories	7,991	(13,088)
Development properties	(112,494)	99,526
Investment properties	(15,353)	-
Properties held for sale	(5,375)	(8,271)
Trade and other receivables	(50,839)	(66,658)
Prepayments	11	2,081
Increase/(decrease) in:		
Trade and other payables	8,249	9,396
Net cash flows (used in)/generated from operations	(129,544)	58,473
Interest paid	(51,180)	(53,052)
Income taxes paid	(18,619)	(845)
Net cash flows (used in)/generated from operating activities	(199,343)	4,576
Investing activities		
Purchase of property, plant and equipment	(39,980)	(24,192)
Proceeds from sale of property, plant and equipment	7	113
Investment in associates	(7,750)	-
Prepayments	(8,538)	-
Interest received	7,507	10,716
Purchase of investment securities	(275,174)	(290,250)
Dividend income from an associate	3,200	-
Dividend income from investment securities	79	2
Proceeds from disposal of investment securities	246,439	248,187
Acquisition of non-controlling interests in subsidiaries	(5,705)	(17)
Disposal of investment	-	27,101
Net cash outflow on acquisition of a subsidiary	(368)	-
Due to associates (non-trade), net	1,565	11,880
Due from a joint venture (non-trade), net	(1,643)	(27,292)
Net cash flows used in investing activities	(80,361)	(43,752)

3. CONSOLIDATED STATEMENT OF CASH FLOWS (CONTINUED)

	2017 S\$'000	2016 S\$'000
Financing activities		
Dividends paid to shareholders of the Company	(4,056)	(8,621)
Dividends paid to non-controlling interests of subsidiaries	(1,244)	(1,272)
Capital return to non-controlling shareholder upon liquidation of subsidiary	(1,889)	-
Proceeds from issuance of ordinary shares by subsidiaries to non-controlling interest	12,710	13,026
Proceeds from issuance of term notes and bonds	70,140	200,000
Repayment of term notes	(55,750)	(100,000)
Purchase of treasury shares of a subsidiary	(165)	-
Proceeds from term loans	302,694	85,393
Repayment of term loans	(114,455)	(251,070)
Proceeds from short-term bank borrowings, net	32,421	44,648
Proceeds from initial public offering of a subsidiary	27,556	-
Proceeds from finance lease obligations	69	146
Repayment of finance lease obligations	(66)	(21)
Term notes and bonds commitment fee paid	(869)	(4,571)
Listing expenses paid by a subsidiary	(2,851)	(1,153)
Net cash flows generated from/(used in) financing activities	264,245	(23,495)
Net decrease in cash and cash equivalents	(15,459)	(62,671)
Cash and cash equivalents at beginning of year	70,284	132,995
Effects of exchange rate changes on cash and cash equivalents	63	(40)
Cash and cash equivalents at end of year	54,888	70,284

Cash and cash equivalents

Cash and cash equivalents included in the consolidated statement of cash flows comprise the following amounts:-

	2017 S\$'000	2016 S\$'000
Amounts held under the "Project Account (Amendment) Rules - 1997" withdrawals of which are restricted to payments for expenditure incurred on projects	12,485	16,762
Cash at bank	42,403	53,522
Cash and cash equivalents	54,888	70,284

3a. - Cashflow Analysis

FY 2017

Net cash used in operating activities for FY2017 was S\$199.3 million compared to net cash generated from operating activities of S\$4.6 million for FY2016. This was mainly attributable to increase in development properties, trade and other receivables and investment properties, partially offset by decrease in inventories and increase in trade and other payables. The increase in development properties was largely contributed by the on-going construction costs for the overseas real estate projects. The increase in trade and other receivables was mainly attributable to increase in pledge book and provision of secured loans for the financial service business, partially offset by release of security deposit for overseas real estate projects after securing construction financing and payment received for The Hillford and Urban Vista projects after DLP.

Net cash used in investing activities of S\$80.4 million in FY2017 was largely attributable to purchase of investment securities (net) and increase in property, plant and equipment.

Net cash generated from financing activities was S\$264.2 million in FY2017 as compared to net cash used in financing activities S\$23.5 million for FY2016. This was due largely to increase in term loan and short-term bank borrowings (net), proceeds from issuance of term notes and rights issues by its subsidiary, MCFS and initial public offering of the overseas real estate business, partially offset by redemption of all its outstanding S\$55.75 million term notes due in January 2017 and payment of dividend.

As a result, cash and cash equivalent balances decreased to S\$54.9 million as at 31 December 2017 from S\$70.3 million as at 31 December 2016.

4. STATEMENTS OF CHANGES IN EQUITY

	Attributable to owners of the Company				Non-controlling interests	Total
	Share capital	Treasury shares	Revenue reserves	Other reserves		
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
Group						
Balance as at 1 January 2017	226,152	(2,589)	93,755	(5,329)	64,881	376,870
Profit for the year	-	-	2,305	-	3,537	5,842
<u>Other comprehensive income for the year</u>						
Net gain on fair value changes of available-for-sale financial assets	-	-	-	948	107	1,055
Foreign currency translation	-	-	-	550	(122)	428
Share of other comprehensive income of a joint venture	-	-	-	15,348	-	15,348
Other comprehensive income, net of tax	-	-	-	16,846	(15)	16,831
<u>Contributions by and distributions to owners</u>						
Dividends on ordinary shares - Cash and scrip dividends	-	-	(4,834)	-	(1,244)	(6,078)
Ordinary shares issued under scrip dividend	778	-	-	-	-	778
Capital return to non-controlling shareholder upon liquidation of a subsidiary	-	-	-	-	(1,889)	(1,889)
Total contributions by and distributions to owners	778	-	(4,834)	-	(3,133)	(7,189)
<u>Changes in ownership interests in subsidiaries</u>						
Acquisition of non-controlling interests in a listed subsidiary without a change in control	-	-	-	(5,163)	(542)	(5,705)
Premium on dilution of interest in subsidiaries	-	-	-	9,262	18,294	27,556
Change in ownership interest in subsidiaries without a change in control	-	-	5,005	882	(6,054)	(167)
Capital contribution from non-controlling interests	-	-	-	(60)	12,770	12,710
Total changes in ownership interests in subsidiaries	-	-	5,005	4,921	24,468	34,394
Balance as at 31 December 2017	226,930	(2,589)	96,231	16,438	89,738	426,748
Balance as at 1 January 2016	215,872	(2,796)	111,564	2,560	49,095	376,295
Profit for the year	-	-	1,092	-	3,718	4,810
<u>Other comprehensive income for the year</u>						
Net loss on fair value changes of available-for-sale financial assets	-	-	-	(5,823)	-	(5,823)
Foreign currency translation	-	-	-	1,187	200	1,387
Share of other comprehensive income of a joint venture	-	-	-	(3,106)	-	(3,106)
Other comprehensive income, net of tax	-	-	-	(7,742)	200	(7,542)
<u>Contributions by and distributions to owners</u>						
Dividends on ordinary shares - Cash and scrip dividends	-	-	(18,916)	-	(1,272)	(20,188)
Ordinary shares issued under scrip dividend	10,280	-	-	-	-	10,280
Premium on dilution of interests in subsidiary	-	-	-	(120)	-	(120)
Capital contribution from non-controlling interests	-	-	-	-	13,146	13,146
Treasury shares re-issued pursuant to employee share award	-	207	-	(16)	-	191
Total contributions by and distributions to owners	10,280	207	(18,916)	(136)	11,874	3,309
<u>Changes in ownership interests in subsidiaries</u>						
Acquisition of non-controlling interests in a subsidiary	-	-	-	(11)	(6)	(17)
Ordinary shares issued under scrip dividend scheme by a subsidiary	-	-	15	-	-	15
Total changes in ownership interests in subsidiaries	-	-	15	(11)	(6)	(2)
Balance as at 31 December 2016	226,152	(2,589)	93,755	(5,329)	64,881	376,870

4. STATEMENTS OF CHANGES IN EQUITY (CONTINUED)

	Attributable to shareholders of the Company				Non-controlling interests	Total
	Share capital S\$'000	Treasury shares S\$'000	Revenue reserves S\$'000	Other reserves S\$'000		
Company						
Balance as at 1 January 2017	226,152	(2,589)	29,444	1,413	-	254,420
Profit for the year, representing total comprehensive income for the year	-	-	4,105	-	-	4,105
<i>Contributions by and distributions to owners</i>						
Dividends on ordinary shares - Cash and scrip dividends	-	-	(4,834)	-	-	(4,834)
Ordinary shares issued under scrip dividend	778	-	-	-	-	778
Total contributions by and distributions to owners	778	-	(4,834)	-	-	(4,056)
Balance as at 31 December 2017	226,930	(2,589)	28,715	1,413	-	254,469
Balance as at 1 January 2016	215,872	(2,796)	54,467	1,429	-	268,972
Loss for the year, representing total comprehensive income for the year	-	-	(6,107)	-	-	(6,107)
<i>Contributions by and distributions to owners</i>						
Dividends on ordinary shares - Cash and scrip dividends	-	-	(18,916)	-	-	(18,916)
Ordinary shares issued under scrip dividend	10,280	-	-	-	-	10,280
Treasury shares reissued pursuant to employee share award	-	207	-	(16)	-	191
Total contributions by and distributions to owners	10,280	207	(18,916)	(16)	-	(8,445)
Balance as at 31 December 2016	226,152	(2,589)	29,444	1,413	-	254,420

5. CHANGES IN SHARE CAPITAL

	Company	
	No. of shares '000	S\$ '000
Issued and fully paid share capital (excluding treasury shares)		
Balance at 1 January and 31 March 2017	1,933,498	223,563
Ordinary shares issued under Scrip Dividend Scheme ^(Note 1)	2,993	778
Balance at 30 June, 30 September 2017 and 31 December 2017	1,936,491	224,341

Note 1 - On 23 June 2017, the Company issued 2,992,591 new shares at an issue price of S\$0.26 per share to eligible Shareholders who have elected to participate in the Company's scrip dividend scheme.

6. CHANGES IN TREASURY SHARES

There were no (31 December 2016: 753,177) treasury shares transferred to employees under the Aspiat Share Award Scheme during the financial year.

	Company	
	No. of shares '000	S\$ '000
Balance at 1 January, 31 March, 30 June, 30 September 2017 and 31 December 2017	9,405	2,589

7. CHANGES IN SUBSIDIARY HOLDINGS

Not applicable. The company does not have any subsidiary holdings.

8. GROUP BORROWINGS AND DEBT SECURITIES

Amount repayable in one year or less, or on demand

As at 31-Dec-17		As at 31-Dec-16	
Secured S\$'000	Unsecured S\$'000	Secured S\$'000	Unsecured S\$'000
679,159	98,000	447,748	55,750

Amount repayable after one year

As at 31-Dec-17		As at 31-Dec-16	
Secured S\$'000	Unsecured S\$'000	Secured S\$'000	Unsecured S\$'000
165,899	541,500	175,612	574,000

Details of collateral

The Group's borrowings and debt securities are secured as follows:-

- legal mortgages over subsidiaries' development properties;
- legal assignment of subsidiaries' interest under the Sale and Purchase agreements and tenancy agreements in respect of development properties or units;
- legal assignment of subsidiaries' interest in the Project Account and Rental Account;
- corporate guarantee by the Company; and
- fixed and floating charge on all current assets of certain subsidiaries.

9. AUDITOR'S REPORT

The figures have not been audited nor reviewed by the auditors.

10. ACCOUNTING POLICIES

The Group has applied the same accounting policies and methods of computation in the full year results announcement for the current financial year ended 31 December 2017 as those of the audited financial statements for the financial year ended 31 December 2016, as well as all applicable new and revised Financial Reporting Standards ("FRSs") which became effective for financial years beginning on or after 1 January 2017. The adoption of these new and revised FRSs has no material effect on the current financial year ended 31 December 2017.

11. EARNINGS PER SHARE

	Group	
	FY 2017 cents	FY 2016 cents
i) Basic earnings per share	0.12	0.06
ii) Diluted earnings per share	0.12	0.06
-Weighted average number of shares (excluding treasury shares) ('000)	1,935,040	1,913,227

12. NET ASSET VALUE PER SHARE

	Group		Company	
	31-Dec-17	31-Dec-16	31-Dec-17	31-Dec-16
Net asset value per ordinary share (in cents)	17.40	16.14	13.14	13.16
Number of ordinary shares in issue (excluding treasury shares) ('000)	1,936,491	1,933,499	1,936,491	1,933,499

13. VARIANCE FROM FORECAST STATEMENT

No forecast for the year ended 31 December 2017 was previously provided.

14. REVIEW OF CORPORATE PERFORMANCE

The Group registered revenue of S\$485.1 million and a pre-tax profit of S\$14.8 million in FY2017.

Although the revenue was S\$136.0 million or 21.9% lower than FY2016, the Group pre-tax profit surged 114.5% from S\$6.9 million in FY2016 to S\$14.8 million in FY2017.

Revenue from the Real Estate Business decreased by S\$152.3 million from S\$338.0 million in FY2016 to S\$185.7 million in FY2017. The revenue for FY2017 was mainly contributed by the progress recognition of sales from CityGate and final recognition of sales from Waterfront@Faber.

Although the Group has made good progress in the sales and construction of its overseas projects, unlike in Singapore, it cannot progressively recognise the revenue as the Group applies the completed contract method of accounting for its overseas projects.

Revenue from the Financial Service Business increased by S\$25.2 million or 15.4% to S\$188.4 million in FY2017. The increase was due to higher interest income and sales from the retailing and trading of jewellery and branded merchandise.

The ongoing consolidation of retail network and weak consumer sentiments continued to affect the Jewellery Business. For FY2017, revenue from the Jewellery Business declined S\$10.9 million to S\$118.4 million.

Group pre-tax profit for FY2017 was S\$14.8 million compared with S\$6.9 million for FY2016.

For FY2017, the Real Estate Business recorded a pre-tax profit of S\$9.5 million as compared to S\$7.4 million for FY2016. The higher pre-tax profit was mainly due to higher profit from CityGate and foreign exchange gain, partially offset by listing expenses in connection with the initial public offering of the Group's overseas real estate business, which comes under World Class Global Limited.

Pre-tax profit of the Financial Service Business increased by S\$1.8 million or 13.6% to S\$15.0 million in FY2017. The increase was mainly due to higher interest income from the secured lending business. The increase in interest income from the pawnbroking business and gross profit from the retail and trading of jewellery and branded merchandise was partially offset by the increase in marketing and other operating costs.

The Jewellery Business registered a pre-tax loss of S\$8.3 million in FY2017 as compared to S\$5.3 million in FY2016. The higher loss was mainly due to the lower revenue. Operating expenses such as rental and other store-related expenses had decreased due to the on-going rationalisation of retail network but the cost decrease was unable to offset the lower gross profit and the lower revenue.

The Group had taken into account the following net costs amounting to S\$4.7 million in FY2017:

1. Sales and marketing expenditure of S\$1.6 million mainly for the marketing of the remaining units of Australia 108 and Avant projects in Melbourne and Phase 1 of Nova City in Cairns;
2. One-off IPO expenses of S\$1.7 million for the overseas real estate business;
3. One-off impairment of S\$1.8 million for its investment securities;
4. Allowance for write down of S\$1.3 million for development properties in Penang as well as properties held for sale in Australia; and
5. Net foreign exchange gain of S\$1.7mil for its overseas real estate business.

Excluding the above costs, Group pre-tax profit would have been S\$19.5 million in FY2017.

The Group's other comprehensive income was S\$16.8 million in FY2017. The substantial increase in other comprehensive income was due to the Group's share of the surplus from revaluation of AF Global Limited's land and buildings, which are carried at fair value.

15. BUSINESS OUTLOOK

Real Estate Business

The Group continues to record sales for its CityGate project in Singapore and Australia 108 and Avant projects in Melbourne, Australia. The table below provides an overview of the ongoing projects of the Group in Singapore and Australia:

Project	Type	Total Units	Launch Date	Units Launched	% Sold based on unit launched
In Singapore					
CityGate*	Residential	311	3Q 2014	311	100%
CityGate*	Commercial	188	3Q 2014	188	71%
In Australia					
Australia 108 (Melbourne)	Residential & Commercial	1,103	4Q 2014	1,103	98%
Avant (Melbourne)	Residential & Commercial	456	2Q 2015	456	97%
Nova City Tower 1 (Cairns)	Residential & Commercial	187	4Q 2016	101	35%

* CityGate is 50% owned by a subsidiary of the Group and jointly developed with Fragrance Group Limited.

The Group expects CityGate to contribute to the Group's revenue and profit in FY2018 as the Group continues to record sales for the remaining commercial units and construction progresses on schedule to obtain TOP in 2018.

In Australia, the Group has made good progress for Australia 108 and Avant projects. As at the date of this announcement, the construction of Australia 108 and Avant is ahead of the planned structure completion schedule:

15. BUSINESS OUTLOOK (CONTINUED)

Real Estate Business (continued)

1. The construction of Australia 108 has reached level 43 out of 101 levels; and
2. Topping out ceremony of Avant at level 56 was held on 7 February 2018.

According to the latest construction schedule, the Group expect to complete the following in 2018:

1. 3 out of 6 stages for Australia 108; and
2. All 2 stages of Avant.

The Group expects to receive more than S\$700 million of sales proceeds when these completed development units are handed over to the purchasers.

In the next twelve months, the Group will continue with the sale of Nova City project and intends to launch Albert Street project in Brisbane, subject to market conditions in Brisbane then.

In Penang, the Group has completed the refurbishment, upgrading and building works of 13 properties.

At current market prices, the Group expects to make substantial profits from its ongoing development projects in Singapore and Australia. The Real Estate Business is expected to contribute significantly to the Group's revenue and profitability from FY 2018 to FY 2020 due to the following reasons:-

First, based on the units sold in its property project in Singapore as at the date of this announcement, the Group has locked in about S\$120 million of unbilled contracts which will be progressively recognised in accordance with the stage of construction.

Second, the Group has locked in about S\$1.1 billion of unbilled contracts from the Australia 108 and Avant projects.

Third, the Group is expected to book profit from the above projects as they complete progressively from 2018 to 2020.

Overall, the Group has locked in more than S\$1.2 billion of unbilled contracts in Singapore and Australia.

Based on the expected completions of the projects in Singapore and Australia, the Group expects to have about S\$1 billion of cash proceeds from the sales in FY2018, part of which will be used to repay outstanding loans and to cover the remaining development costs for the projects. With these completions, the Group expects its equity, cash and debt position to improve substantially in 2018.

Financial Service Business

The Group has continued to grow its local core business of pawnbroking and retailing of new and pre-owned merchandise despite keen competition and escalating operating costs. To keep the growth momentum, the Group will have to continue to invest in brand building, improve its merchandise range and review the retail network.

Jewellery Business

The Group expects consumer sentiments to improve in 2018 and it will continue its efforts to improve operational effectiveness and efficiency of its Jewellery Business.

Other Investment

The existing core business of AF Global Limited, namely the hotel and serviced residence business is expected to contribute positively to the Group. The Group will continue to focus on improving its business operations and enhancing the return from these assets.

In China, its Xuzhou Gulou Square commercial plot which comprises two towers and a podium have structurally topped-out and the office tower units are ready for a soft launch.

In Phuket, airport passenger arrivals posted 11.3% growth in 2017. The soaring tourism numbers together with the planned light rail network would have a positive impact on its proposed premium 5-star resort hotel at Rawai. The Group had engaged a renowned architect and consultants for the project and will be submitting the development plans to the authorities.

Knight Frank Singapore is expected to benefit from the improved economic outlook in Singapore and the increased confidence in the local property market.

The Group

Barring unforeseen circumstances and major depreciation of Malaysian and Australian currencies, the Group expects to be profitable in 2018.

16. SEGMENT INFORMATION

2017	Real Estate	Financial Service	Jewellery	Others	Elimination	Group
Business Segment	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
Revenue	185,749	182,829	116,473	-		485,051
Intersegment revenue	-	5,563	1,948	1,086	(8,597)	-
	185,749	188,392	118,421	1,086	(8,597)	485,051
Results :						
Segment result	14,575	20,471	(6,418)	5,965	(2,878)	31,715
Unallocated expenses	-	-	-	-	-	(226)
Interest income	632	1,963	2	46,170	(38,510)	10,257
Profit from operations	15,207	22,434	(6,416)	52,135		41,746
Finance costs	(5,705)	(7,477)	(1,852)	(46,917)	35,021	(26,930)
Profit from operations before taxation	9,502	14,957	(8,268)	5,218		14,816
Taxation	(5,287)	(1,595)	(1,449)	(643)	-	(8,974)
Profit for the year	4,215	13,362	(9,717)	4,575		5,842
Assets and liabilities						
Segment assets	1,103,441	446,204	150,580	1,162,809	(870,950)	1,992,084
Unallocated assets						8,430
Total assets						2,000,514
Segment liabilities	899,601	315,007	106,404	911,347	(676,089)	1,556,270
Unallocated liabilities						17,496
Total liabilities						1,573,766
Other segment information						
Dividend income from investment securities	-	-	3	7,905	(7,829)	79
Depreciation and amortisation	105	1,604	3,083	773	48	5,613
Share of result from associates	(898)	-	400	-	-	(498)
Share of result from joint venture	-	(215)	(215)	2,901	430	2,901
Capital expenditure	151	14,121	2,479	23,311	-	40,062
Other significant non-cash expenses	2,391	426	619	1,845	-	5,281
Investment in joint ventures	-	-	-	30,316	-	30,316
Investment in associates	9,949	-	12,137	-	-	22,086

2016	Real Estate	Financial Service	Jewellery	Others	Elimination	Group
Business Segment	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
Revenue	337,951	154,516	128,569	-	-	621,036
Intersegment revenue	-	8,672	796	438	(9,906)	-
	337,951	163,188	129,365	438	(9,906)	621,036
Results :						
Segment result	15,310	17,684	(2,852)	(3,942)	3,816	30,016
Unallocated expenses	-	-	-	-	-	(247)
Interest income	590	-	-	48,564	(36,198)	12,956
Profit from operations	15,900	17,684	(2,852)	44,622		42,725
Finance costs	(8,493)	(4,535)	(2,430)	(50,052)	29,673	(35,837)
Profit from operations before taxation	7,407	13,149	(5,282)	(5,430)		6,888
Taxation	(343)	(1,699)	443	(479)	-	(2,078)
Profit for the year	7,064	11,450	(4,839)	(5,909)		4,810

16. SEGMENT INFORMATION (CONTINUED)

2016	Real Estate	Financial Service	Jewellery	Others	Elimination	Group
Business Segment	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
Assets and liabilities						
Segment assets	987,952	306,898	131,007	1,201,200	(914,868)	1,712,189
Unallocated assets						9,587
Total assets						1,721,776
Segment liabilities	806,957	208,763	86,412	948,978	(731,831)	1,319,279
Unallocated liabilities						25,627
Total liabilities						1,344,906
Other segment information						
Dividend income from investment securities	-	-	2	3,895	(3,895)	2
Depreciation and amortisation	115	1,382	2,550	578	48	4,673
Share of result from associates	(879)	-	242	-	-	(637)
Share of result from joint venture	-	-	-	1,695	-	1,695
Capital expenditure	166	2,608	4,679	16,739	-	24,192
Other significant non-cash expenses	-	428	654	1,542	-	2,624
Investment in joint ventures	-	-	-	12,092	-	12,092
Investment in associates	14,046	-	3,987	-	-	18,033

17. BREAKDOWN OF REVENUE AND RESULTS

	GROUP		
	2017	2016	Increase / (Decrease) %
	S\$'000	S\$'000	
Sales reported for first half	245,525	273,928	-10.4%
Profit/(Loss) after tax before deducting non-controlling interests for first half	1,599	(2,165)	n.m
Sales reported for second half	239,526	347,108	-31.0%
Profit after tax before deducting non-controlling interests for second half	4,243	6,975	-39.2%

18. INTERESTED PERSON TRANSACTIONS

The Group does not have a general mandate from shareholders for interested person transactions pursuant to Rule 920(1)(a)(ii) of the Listing Manual.

19. DISCLOSURE OF PERSON OCCUPYING A MANAGERIAL POSITION WHO IS A RELATIVE OF A DIRECTOR OR CHIEF EXECUTIVE OFFICER OR SUBSTANTIAL SHAREHOLDER

Name	Age	Family relationship with any director and/or substantial shareholder	Current position and duties, and the year the position was held	Details of changes in duties and position held, if any, during the year
Lim Kwee Hua	46	Wife of Koh Wee Seng (CEO)	Business Development Manager of World Class Land Pte Ltd since 2007	No change
Ng Sheng Tiong	51	Husband of Koh Lee Hwee (Executive Director)	He is the CEO of a subsidiary, World Class Global Ltd. He is also a Director of the following subsidiaries/sub-subsidiaries: <u>Subsidiaries</u> World Class Land Pte Ltd	He was appointed as the CEO of World Class Global Ltd in March 2016

19. DISCLOSURE OF PERSON OCCUPYING A MANAGERIAL POSITION WHO IS A RELATIVE OF A DIRECTOR OR CHIEF EXECUTIVE OFFICER OR SUBSTANTIAL SHAREHOLDER (CONTINUED)

Name	Age	Family relationship with any director and/or substantial shareholder	Current position and duties, and the year the position was held	Details of changes in duties and position held, if any, during the year
Ng Sheng Tiong	51	Husband of Koh Lee Hwee (Executive Director)	<u>Sub-subsidiaries</u> Advance Property Pte Ltd World Class Property Pte Ltd Dynamic Project Management Services Pte Ltd World Class Investment Pte Ltd Headway Construction Pte Ltd World Class Property (Telok Kurau) Pte Ltd World Class Developments Pte Ltd World Class Developments (Bedok) Pte Ltd World Class Developments (Central) Pte Ltd World Class Developments (City Central) Pte Ltd World Class Developments (North) Pte Ltd World Class Global Pte Ltd World Class Land (Australia) Pty Ltd WCL- Central Park (QLD) Pty Ltd WCL- Cairns(QLD) Pty Ltd WCL-Southbank (VIC) Pty Ltd WCL-A Beckett (VIC) Pty Ltd WCL (QLD) Holdings Pty Ltd WCL (QLD) Albert St Pty Ltd WCL (QLD) Margaret St Pty Ltd WCL (CNS) CBD Pty Ltd Dynamic Ideas Pty Ltd World Class Land (Malaysia) Sdn Bhd World Class Land (Penang) Sdn Bhd World Class Land (Georgetown) Sdn Bhd World Class Land (Georgetown) Holdings Sdn Bhd WCL (Macallum) Sdn Bhd WCL (Noordin St) Sdn Bhd WCL (Magazine) Sdn Bhd WCL (Bertam R) Sdn Bhd WCL (Bertam L) Sdn Bhd Dynamic PMS Sdn Bhd	

20. DIVIDEND

(i) Proposed Dividend

Name of dividend	2017	2016
Name of dividend	Final	Final
Dividend Type	Cash/Scrip	Cash/Scrip
Dividend Rate	0.25 cent per ordinary share	0.25 cent per ordinary share
Tax Rate	One-tier tax exempt	One-tier tax exempt
Book closure date	To be announced later	12 May 2017
Payment date	To be announced later	23 June 2017

(ii) Total Annual Dividend

Total dividend proposed and paid for the financial year ended 31 December 2017 will be 0.25 cents per share (2016: 0.25 cent).

Name of dividend	2017 \$	2016 \$
Ordinary Dividend		
Interim dividend	-	-
Final dividend #	4,841,228	4,833,748
Total annual dividend	4,841,228	4,833,748

The proposed final one-tier tax exempt dividend in respect of FY2017 is subject to shareholders' approval at the forthcoming Annual General Meeting of the Company.

21. CONFIRMATION THAT THE ISSUER HAS PROCURED UNDERTAKINGS FROM ALL ITS DIRECTORS AND EXECUTIVE OFFICERS PURSUANT TO RULE 720 (1) OF THE LISTING MANUAL

The Company confirms that all the required undertakings under Rule 720 (1) of the Listing Manual have been obtained from all its directors and executive officers in the format set out in Appendix 7.7.

On behalf of the Board of Directors,

Koh Wee Seng
CEO

Koh Lee Hwee
Director

26 February 2018