

**Unaudited Second Quarter Financial Statements  
For The Financial Period Ended 30 June 2014**

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**1. Consolidated Statement of Comprehensive Income**

**1(i) Consolidated Statement of Comprehensive Income For The Financial Period Ended 30 June 2014 ("1H 2014")**

	Group		Change %
	1H 2014 S\$'000	1H 2013 S\$'000	
<b>Revenue</b>	249,019	254,965	-2%
Materials and subcontract costs	(162,509)	(149,206)	9%
Employee benefits	(24,474)	(27,015)	-9%
Depreciation and amortisation	(2,660)	(2,632)	1%
Finance costs	(10,599)	(4,297)	147%
Other operating expenses	(42,180)	(34,646)	22%
<b>Operating profit</b>	<b>6,597</b>	<b>37,169</b>	<b>-82%</b>
Interest income from bank balances and affiliated company	1,337	41	>300%
Rental income	3,626	3,985	-9%
Other income	31,272	1,064	>300%
Share of results of associates	2,050	16,994	-88%
<b>Profit before tax</b>	<b>44,882</b>	<b>59,253</b>	<b>-24%</b>
Taxation	(4,963)	(9,447)	-47%
<b>Profit for the period</b>	<b>39,919</b>	<b>49,806</b>	<b>-20%</b>
<b>Profit attributable to:</b>			
Shareholders of the Company	30,009	40,228	-25%
Non-controlling interests	9,910	9,578	3%
	<b>39,919</b>	<b>49,806</b>	<b>-20%</b>
<b>Other comprehensive income</b>			
Net fair value change of available-for-sale financial assets	256	-	n.m
Foreign exchange translation	3	-	n.m
<b>Total comprehensive income for the period</b>	<b>40,178</b>	<b>49,806</b>	<b>-19%</b>
<b>Total comprehensive income attributable to:</b>			
Shareholders of the Company	30,268	40,228	-25%
Non-controlling interests	9,910	9,578	3%
	<b>40,178</b>	<b>49,806</b>	<b>-19%</b>
<b>Earnings per ordinary shares (cents)</b>			
-Basic	1.72	2.47	-30%
-Diluted	1.72	2.47	-30%

**Other information :-**

	Group		Change %
	1H 2014 S\$'000	1H 2013 S\$'000	
Amortisation of intangible assets and prepaid rent	445	433	3%
Recovery of allowance for doubtful receivables	(46)	-	n.m
Depreciation of property, plant and equipment	2,215	2,199	1%
Net foreign exchange gain	(3,257)	(42)	>300%
Fair value gain on investment properties	(25,083)	-	n.m
Net gain on disposal of property, plant and equipment	(3)	-	n.m
Manufacturing and melting loss	626	302	107%
Property, plant and equipment written off	105	20	>300%

n.m - Not meaningful

**1. Consolidated Statement of Comprehensive Income (Con't)**

**1(ii) Consolidated Statement of Comprehensive Income For The Financial Period from 1 April 2014 to 30 June 2014 ("2Q 2014)**

	Group		Change %
	2Q 2014 S'000	2Q 2013 S'000	
<b>Revenue</b>	120,993	160,583	-25%
Materials and subcontract costs	(82,279)	(91,633)	-10%
Employee benefits	(11,762)	(15,451)	-24%
Depreciation and amortisation	(1,322)	(1,285)	3%
Finance cost	(4,978)	(1,834)	171%
Other operating expenses	(22,280)	(17,073)	30%
<b>Operating profit</b>	<b>(1,628)</b>	<b>33,307</b>	<b>-105%</b>
Interest income from bank balances and affiliated company	949	22	>300%
Rental income	1,860	1,860	-
Other income	2,825	733	285%
Share of results of associates	137	8,842	-98%
<b>Profit before tax from continuing operation</b>	<b>4,143</b>	<b>44,764</b>	<b>-91%</b>
Taxation	(1,760)	(7,226)	-76%
<b>Profit for the period</b>	<b>2,383</b>	<b>37,538</b>	<b>-94%</b>
<b>Profit attributable to:</b>			
Shareholders of the Company	2,229	29,535	-92%
Non-controlling interests	154	8,003	-98%
	<b>2,383</b>	<b>37,538</b>	<b>-94%</b>
<b>Other comprehensive income</b>			
Net fair value change of available-for-sale financial assets	256	-	n.m
Foreign exchange translation	3	-	n.m
<b>Total comprehensive income for the period</b>	<b>2,642</b>	<b>37,538</b>	<b>-93%</b>
<b>Total comprehensive income attributable to:</b>			
Shareholders of the Company	2,488	29,535	-92%
Non-controlling interests	154	8,003	-98%
	<b>2,642</b>	<b>37,538</b>	<b>-93%</b>

**NOTES:**

1a. - Depreciation of 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 increase in materials and subcontract costs in 1H 2014 correspond to higher revenues for property business.

1d. - Employee benefits expense decreased mainly due to lower provision of Directors' performance bonus for property business, partially offset by increase in number of employees for the financial service business.

1e. - The increase in finance cost was mainly due to the issuance of multicurrency medium term notes.

1f. - Higher other operating expenses in 2014 was mainly due to the increase in sales and marketing expense for the property business.

1g. - Higher other income was mainly due to fair value gain on investment properties and foreign exchange gain.

1h. - Share of results of associates was mainly due to lower profit from associates for the property business.

**2. Statement of Financial Position As At 30 June 2014**

	Group		Company	
	30-Jun-14 S\$'000	31-Dec-13 S\$'000	30-Jun-14 S\$'000	31-Dec-13 S\$'000
<b>NON-CURRENT ASSETS</b>				
Property, plant and equipment	24,204	24,287	381	338
Intangible assets	8,240	8,495	35	35
Investment properties	40,773	-	-	-
Investment in subsidiaries	-	-	78,601	77,601
Investment in associates	56,885	54,835	-	-
Investment in joint ventures	25	25	25	25
Investment securities	3,760	33	3,727	-
Other receivables	4,672	5,129	5	-
Prepaid rent	71	143	-	-
Deferred tax assets	1,541	1,692	186	168
	<b>140,171</b>	<b>94,639</b>	<b>82,960</b>	<b>78,167</b>
<b>CURRENT ASSETS</b>				
Inventories	127,210	117,219	-	-
Development properties	794,018	751,921	-	-
Trade and other receivables	239,656	194,468	600	60
Prepaid rent	296	379	-	-
Prepayments	3,609	13,269	2,723	1,701
Due from subsidiaries (non-trade)	-	-	521,936	368,697
Due from an affiliated company (non-trade)	3,612	3,486	-	-
Due from associates (non-trade)	33,800	32,741	-	-
Investment securities	89,999	-	-	-
Cash and bank balances	74,850	67,461	1,217	2,027
	<b>1,367,050</b>	<b>1,180,944</b>	<b>526,476</b>	<b>372,485</b>
<b>TOTAL ASSETS</b>	<b>1,507,221</b>	<b>1,275,583</b>	<b>609,436</b>	<b>450,652</b>
<b>CURRENT LIABILITIES</b>				
Trade and other payables	66,028	80,168	8,285	6,998
Due to subsidiaries (non-trade)	-	-	243	78
Due to an affiliated company (non-trade)	1,310	1,310	-	-
Provision for taxation	27,331	3,358	27	38
Term notes	65,000	65,000	65,000	65,000
Interest-bearing loans and borrowings	181,033	173,312	-	-
	<b>340,702</b>	<b>323,148</b>	<b>73,555</b>	<b>72,114</b>
<b>Net current assets</b>	<b>1,026,348</b>	<b>857,796</b>	<b>452,921</b>	<b>300,371</b>
<b>NON-CURRENT LIABILITIES</b>				
Interest bearing loans and borrowings	443,370	415,315	-	-
Term notes	350,000	185,125	350,000	185,125
Other payables	143	-	-	-
Deferred tax liabilities	4,442	21,714	-	-
	<b>797,955</b>	<b>622,154</b>	<b>350,000</b>	<b>185,125</b>
<b>TOTAL LIABILITIES</b>	<b>1,138,657</b>	<b>945,302</b>	<b>423,555</b>	<b>257,239</b>
<b>Net assets</b>	<b>368,564</b>	<b>330,281</b>	<b>185,881</b>	<b>193,413</b>
<b>EQUITY ATTRIBUTABLE TO SHAREHOLDERS OF THE COMPANY</b>				
Share capital	185,721	152,611	185,721	152,611
Treasury shares	(460)	(460)	(460)	(460)
Other reserves	5,020	4,761	842	842
Revenue reserves	130,823	135,597	(222)	40,420
	<b>321,104</b>	<b>292,509</b>	<b>185,881</b>	<b>193,413</b>
Non-controlling interests	47,460	37,772	-	-
<b>Total equity</b>	<b>368,564</b>	<b>330,281</b>	<b>185,881</b>	<b>193,413</b>
<b>Net asset value per ordinary share (in cents)</b>	<b>17.67</b>	<b>16.82</b>	<b>10.23</b>	<b>11.12</b>

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**2. Statement of Financial Position As At 30 June 2014 (Con't)**

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**2a. - Review of Financial Position**

Group shareholders' funds increased from S\$330.3 million as at 31 December 2013 to S\$368.6 million as at 30 June 2014. The increase was attributable to profit for the period, partially offset by payment of final dividend for FY2013. The increase in share capital was due to ordinary shares issued under the scrip dividend scheme.

The Group's total assets of S\$1,507.2 million as at 30 June 2014 was S\$231.6 million higher than that as at 31 December 2013 mainly due to the increase in investment securities, trade and other receivables, development properties, investment properties, inventories, cash and bank balances and investment in associates, partially offset by the decline in prepayments. The increase in trade and other receivables were due to trade receivables from East Village and Cardiff Residence which had obtained Temporary Occupation Permit ("TOP") in 2014. The investment securities as at 30 June 2014 was mainly from the Group's investments in bonds. The investment properties as at 30 June 2014 was due to reclassification of 8 units of retail units at East Village from development properties to investment properties. The increase in investment in associates was due to share of results of associates. The decline in prepayments was due to the reclassification of deposits paid for purchases of land to development properties.

The Group's total liabilities of S\$1,138.7 million as at 30 June 2014 was S\$193.4 million higher than that as at 31 December 2013. The increase was due to the issuance of S\$165.0 million of multicurrency medium term notes, increase in interest-bearing loans and borrowings and provision for taxation. The increase was partially offset by decline in deferred tax liabilities and trade and other payables.

**3. Consolidated Statement of Cash Flows For The Financia Period Ended 30 June 2014**

	2Q 2014 S\$'000	2Q 2013 S\$'000	1H 2014 S\$'000	1H 2013 S\$'000
<b>OPERATING ACTIVITIES</b>				
Profit before taxation	4,143	44,764	44,882	59,253
Adjustments for:				
Property, plant and equipment written off	93	-	105	20
Depreciation of property, plant and equipment	1,100	1,075	2,215	2,199
Recovery of allowance for doubtful receivables	-	-	(46)	-
Interest expense	4,978	1,834	10,599	4,297
Interest income	(949)	(22)	(1,337)	(41)
Amortisation of prepaid rent	95	95	190	190
Amortisation of intangible assets	128	115	255	243
Fair value gain on investment properties	-	-	(25,083)	-
Gain on disposal of property, plant and equipment	-	-	(3)	-
Share of results of associates	(137)	(8,842)	(2,050)	(16,994)
<b>Operating profit before changes in working capital</b>	<b>9,451</b>	<b>39,019</b>	<b>29,727</b>	<b>49,167</b>
(Increase)/decrease in:				
Inventories	(845)	(5,383)	(9,991)	(3,662)
Development properties	(53,433)	(6,692)	(57,787)	(62,698)
Properties held for sale	-	-	-	6,382
Trade and other receivables	68,201	(12,751)	(44,685)	(13,230)
Prepayments	(120)	942	9,535	(28)
Increase/(decrease) in:				
Trade and other payables	(17,493)	10,461	(13,997)	(23,929)
<b>Net cash generated from/(used in) operations</b>	<b>5,761</b>	<b>25,596</b>	<b>(87,198)</b>	<b>(47,998)</b>
Interest paid	(4,978)	(1,834)	(10,599)	(4,297)
Income taxes paid/(refund)	(971)	(6,518)	1,892	(7,133)
<b>Net cash (used in)/generated from operating activities</b>	<b>(188)</b>	<b>17,244</b>	<b>(95,905)</b>	<b>(59,428)</b>
<b>INVESTING ACTIVITIES</b>				
Purchase of property, plant and equipment	(1,300)	(940)	(2,234)	(2,160)
Investment in associates	-	147	-	147
Increase in prepaid rent	-	-	(35)	-
Interest received	949	22	1,337	41
Purchase of investment securities	(36,180)	-	(93,470)	-
Due from associates (non-trade), net	(1,120)	(8,700)	(1,059)	(12,918)
<b>Net cash used in investing activities</b>	<b>(37,651)</b>	<b>(9,471)</b>	<b>(95,461)</b>	<b>(14,890)</b>
<b>FINANCING ACTIVITIES</b>				
Dividends paid to shareholders of the Company	(34,783)	-	(34,783)	-
Dividends paid to non-controlling interests of subsidiaries	(222)	(3,507)	(222)	(3,507)
Proceeds from issuance of shares by the Company:				
- <i>Scrip dividend</i>	33,110	-	33,110	10,601
- <i>Rights issue</i>	-	-	-	23,812
Expenses in relation to rights issue	-	(70)	-	(87)
Proceeds from term notes	65,000	-	165,000	-
Proceeds from term loans	54,651	17,000	104,906	71,995
Repayment of term loans	(61,175)	(30,758)	(88,798)	(42,821)
(Repayment)/proceeds from short term bank borrowings, net	(29,308)	17,430	19,679	37,273
Repayment of finance lease obligations	(4)	(14)	(11)	(27)
Due from affiliated company (non-trade)	11	-	-	-
Due to affiliated companies (non-trade), net	-	-	(126)	-
<b>Net cash generated from financing activities</b>	<b>27,280</b>	<b>81</b>	<b>198,755</b>	<b>97,239</b>
Net (decrease)/increase in cash and cash equivalents	(10,559)	7,854	7,389	22,921
Cash and cash equivalents at beginning of period	85,409	61,822	67,461	46,755
<b>Cash and cash equivalents at end of period</b>	<b>74,850</b>	<b>69,676</b>	<b>74,850</b>	<b>69,676</b>

**3. Consolidated Statement of Cash Flows (Con't)**

Cash and cash equivalents

Cash and cash equivalents included in the consolidated cash flow statements comprise the following amounts:

	1H 2014	1H 2013
	S\$'000	S\$'000
Amounts held under the "Project Account (Amendment) Rules - 1997" withdrawals of which are restricted to payments for expenditure incurred on projects	39,399	40,657
Cash at bank	35,451	29,019
<b>Cash and cash equivalents</b>	<b>74,850</b>	<b>69,676</b>

**3a. - Cashflow Analysis**

2Q 2014

Net cash used in operating activities for 2Q 2014 was \$0.2 million compared to net cash generating from operating activities of \$17.2 million for the corresponding quarter in the previous year. The increase in development properties was mainly due to the acquisition of land for development. The decrease in trade and other payables was mainly due to payment of director profit sharing.

Net cash used in investing activities of \$37.7 million in 2Q 2014 was mainly due to investments in bonds.

Net cash generated from financing activities was \$27.3 million compared to \$0.1 million in 2Q 2013. This was mainly due to the increase in term notes, issuance of scrip dividend and the increase in term loans for the property business.

1H 2014

Net cash used in operating activities for 1H 2014 was \$95.9 million compared to \$59.4 million for the corresponding first half in the previous year. This increase in development properties was mainly due to the acquisitions of land for development. The increase in trade and other receivables was mainly due to trade receivables from East Village and Cardiff Residence which had obtained TOP in 2014.

Net cash used in investing activities of \$95.5 million in 1H 2014 was mainly due to investment in bonds.

Net cash generated from financing activities was \$198.8 million compared to \$97.2 million in 1H 2013. This was mainly due to the increase in term notes, issuance of scrip dividend and the increase in term loans for the property business.

As a result, free cash flow increased to \$74.9 million as at 30 June 2014 from \$69.7 million as at 30 June 2013.

**4. Statement of Changes in Equity For The Financial Period Ended 30 June 2014**

	Attributable to shareholders of the Company				Non-controlling interests S\$'000	Total S\$'000
	Share capital S\$'000	Treasury shares S\$'000	Revenue reserves S\$'000	Other reserves S\$'000		
<b>Group</b>						
Balance as at 1 January 2014	152,611	(460)	135,597	4,761	37,772	330,281
Profit for the period	-	-	30,009	-	9,910	39,919
Other comprehensive income for the period	-	-	-	259	-	259
Dividends on ordinary shares	-	-	(34,783)	-	(222)	(35,005)
Ordinary shares issued under scrip dividend	33,110	-	-	-	-	33,110
<b>Balance as at 30 June 2014</b>	<b>185,721</b>	<b>(460)</b>	<b>130,823</b>	<b>5,020</b>	<b>47,460</b>	<b>368,564</b>
Balance as at 1 January 2013	76,801	(538)	122,664	4,419	28,357	231,703
Total comprehensive income for the period	-	-	40,228	-	9,578	49,806
Dividends on ordinary shares	-	-	(29,321)	-	(3,507)	(32,828)
Ordinary shares issued under rights issue	23,795	-	-	-	-	23,795
Ordinary shares issued under scrip dividend	32,206	-	-	-	-	32,206
Share issuance expenses	(70)	-	-	-	-	(70)
<b>Balance as at 30 June 2013</b>	<b>132,732</b>	<b>(538)</b>	<b>133,571</b>	<b>4,419</b>	<b>34,428</b>	<b>304,612</b>
<b>Company</b>						
Balance as at 1 January 2014	152,611	(460)	40,420	842	-	193,413
Total comprehensive income for the period	-	-	(5,859)	-	-	(5,859)
Dividends on ordinary shares	-	-	(34,783)	-	-	(34,783)
Ordinary shares issued under scrip dividend	33,110	-	-	-	-	33,110
<b>Balance as at 30 June 2014</b>	<b>185,721</b>	<b>(460)</b>	<b>(222)</b>	<b>842</b>	<b>-</b>	<b>185,881</b>
Balance as at 1 January 2013	76,801	(538)	27,602	500	-	104,365
Total comprehensive income for the period	-	-	27,418	-	-	27,418
Ordinary shares issued under rights issue	23,795	-	-	-	-	23,795
Ordinary shares issued under scrip dividend	32,206	-	-	-	-	32,206
Share issuance expenses	(70)	-	-	-	-	(70)
Dividends on ordinary shares	-	-	(29,321)	-	-	(29,321)
<b>Balance as at 30 June 2013</b>	<b>132,732</b>	<b>(538)</b>	<b>25,699</b>	<b>500</b>	<b>-</b>	<b>158,393</b>

**5. Changes in Share Capital**

No. of shares	Company	
	2014 '000	2013 '000
<b>Issued and fully paid share capital</b>		
Balance at 1 January	1,745,099	1,546,065
Ordinary shares issued under Scrip Dividend Scheme	77,905	136,383
Ordinary shares issued under Rights Issue	-	62,651
<b>Balance at 30 June /31 December</b>	<b>1,823,004</b>	<b>1,745,099</b>

Note 1 - On 26 June 2014, the Company issued 77,905,132 new shares at an issue price of \$0.425 to eligible Shareholders who have elected to participate in Company's scrip dividend scheme.



## 6. Changes in Treasury Shares

There were no (30 June 2013: nil) treasury shares transferred to employees under the Aspial Share Award Scheme during the financial period.

No. of shares	Company	
	2014 '000	2013 '000
Balance at 1 January	5,950	6,963
Distributed as staff benefits	-	(1,013)
<b>Balance at 30 June /31 December</b>	<b>5,950</b>	<b>5,950</b>

## 7. Group Borrowings and Debt Securities

Amount repayable in one year or less, or on demand

As at 30-Jun-14		As at 31-Dec-13	
Secured S\$'000	Unsecured S\$'000	Secured S\$'000	Unsecured S\$'000
181,033	65,000	173,312	65,000

Amount repayable after one year

As at 30-Jun-14		As at 31-Dec-13	
Secured S\$'000	Unsecured S\$'000	Secured S\$'000	Unsecured S\$'000
443,370	350,000	415,315	185,125

### Details of collateral

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

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

## 8. Auditor's Report

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

## 9. Accounting Policies

The Group has applied the same accounting policies and methods of computation in the first quarter announcement for the current financial period as those of the audited financial statements for the year ended 31 December 2013, as well as all applicable Financial Reporting Standards ("FRS") which became effective for financial years beginning on or after 1 January 2014. The adoption of these new and revised FRSs has no material effect on the financial performance or financial position of the Group and the Company for the current financial period.

## 10. Earning Per Share

	Group			
	2Q	2Q	1H	1H
	30-Jun-14 cents	30-Jun-13 cents	30-Jun-14 cents	30-Jun-13 cents
i) Basic earnings per share				
ii) Diluted earnings per share	0.13	1.81	1.72	2.47
-Weighted average number of shares (excluding treasury shares) ('000)	0.13	1.81	1.72	2.47
	1,743,429	1,629,551	1,741,301	1,625,940

## 11. Net Asset Value Per Share

	Group		Company	
	30-Jun-14	31-Dec-13	30-Jun-14	31-Dec-13
Net asset value per ordinary share (in cents)	17.67	16.82	10.23	11.12
Number of ordinary shares in issue (excluding treasury shares) ('000)	1,817,054	1,685,049	1,817,054	1,685,049

## 12. Variance from Forecast Statement

No forecast for the period ended 30 June 2014 was previously provided.

## 13. Review of Corporate Performance

Group revenue for the half year ended 30 June 2014 was S\$249.0 million as compared to S\$255.0 million for the corresponding period in 2013. The lower revenue was due mainly to reduced revenue from the Jewellery Business, partially offset by marginally higher revenue from the Property Business.

For 2Q 2014, Group revenue decreased by 24.7% to S\$121.0 million, mainly due to lower revenues from both Property Business and Jewellery Business.

For 2Q 2014, the Group registered a pre-tax profit of S\$4.1 million as compared to S\$44.8 million in 2Q 2013. The decline in profit was due to lower revenue contribution from Property Business & Jewellery Business, higher sales and marketing expenses for new property launches and higher interest expense.

In 1H 2014, revenue contribution from the Property Business increased marginally by S\$0.7 million from S\$118.4 million to S\$119.1 million. The increase was primarily due to the progress recognition of sales from 8 Bassein, Urban Vista and the recently-launched The Hillford.

Revenue from Jewellery Business declined by \$8.4 million in 1H 2014 mainly due to lower gold jewellery sales. Sales for gem-set jewellery remained stable despite the generally weaker retail sales in Singapore and lesser number of stores in 1H 2014.

The Financial Service Business recorded a marginal decline in revenue in 1H 2014 due mainly to the lower revenue from the retail and trading of pre-owned jewellery and watches. Revenue decreased by S\$1.1 million to S\$55.5 million.

The increase in operating expense was mainly due to higher sales and marketing expenses for the Property Business as the Group launched two new projects, The Hillford and Waterfront @ Faber in 1H 2014 and incurred substantial marketing costs in the preparation for CityGate launch in July 2014. Marketing expense for the Property Business increased 262% from \$2.4 million in 1H 2013 to \$8.7m in 1H 2014.

At the pre-tax level, Group profit of S\$44.9 million was 24.3% below that of the same period in 2013.

The Property Business registered a pre-tax profit of S\$49.9 million, 14.4% lower than the corresponding period in 2013. The lower pre-tax profit was due to higher sales and marketing expense in 1H 2014 and lower share of results of associate companies in relation to Parc Rosewood project and offset by fair value gain on investment properties.

Despite the challenging environment posed by weaker retail sales and rising operating costs such as rental and staff costs, the Jewellery Business registered a pre-tax profit of S\$1.7 million in 1H 2014 as compared to S\$1.3 million in the previous corresponding period. The increase in pre-tax profit was due to steady sales and lower operating expense such as rental and staff costs as the Group continued to rationalize its retail network.

The Financial Service Business recorded pre-tax profit of S\$0.3 million in 1H 2014 as compared to S\$1.8 million in 1H 2013. The lower pre-tax profit was due to higher operating expense such as rental and staff costs as the Group opened more new stores in 1H 2014 and the losses incurred from the disposals of unredeemed and not-auctioned pledges.

## 14. Business Outlook

### Property Business

According to the real estate statistics released by URA, the prices of private residential properties declined 1.0% in 2Q 2014 as compared to 1.3% decline in 1Q 2014. A total of about 2,665 new private residential properties were sold in 2Q 2014, 50% higher than 1Q 2014.

Despite the challenging private residential market in Singapore, the Group recorded good sales for all its projects.

To date, the Group has achieved 100% sales for all its residential units in Urban Vista and Kensington Village which were launched in 2013 and The Hillford which was launched in January 2014. The Group has also recorded encouraging sales for Waterfront @Faber, which was launched in May 2014, and CityGate, which was launched in July 2014.

The table below provides an overview of the ongoing projects of the Group:

Project	Type	Total Units	Launch Date	Units Launched	% Sold based on units launched
8 Bassein	Residential	74	2Q 2012	74	100%
Urban Vista*	Residential	582	1Q 2013	582	100%
Kensington Square*	Retail	57	3Q 2013	57	58%
Kensington Square*	Residential	141	3Q 2013	141	100%
The Hillford	Commercial	20	1Q 2014	20	85%
The Hillford	Residential	281	2Q 2014	281	100%
Waterfront@Faber	Residential	210	2Q 2014	155	59%
CityGate*	Residential	311	3Q 2014	156	62%
CityGate*	Commercial	188	3Q 2014	155	46%

\* Urban Vista, Kensington Square and CityGate are jointly developed with Fragrance Group Limited. Kensington Square is 40% owned while Urban Vista and CityGate are 50% owned by a subsidiary of the Group.

The Group has commenced construction works for all the projects launched to date except CityGate and will be booking revenue and profit for the units sold progressively in accordance with the stage of completion from FY2014 to FY2016.

## 14. Business Outlook (continue)

### Property Business (continue)

In the next twelve months, the Group will focus on the planning and launching of the following projects:

Project/Tenure	Proposed Development	Location/ Country	Land Area (Sq ft)	Potential GFA (Sq ft)	Group's Interest
Southbank (Freehold)	Residential & Commercial	Melbourne, Australia	28,245	1,400,000	100%
King Street (Freehold)	Residential & Commercial	Melbourne, Australia	23,737	300,000	100%
A'Beckett Street (Freehold)	Residential & Commercial	Melbourne, Australia	13,934	350,000	100%
CBD Site (Freehold)	Residential & Commercial	Brisbane , Australia	21,000	950,000	100%
240 Margaret St (Freehold)	Residential & Commercial	Brisbane , Australia	18,460	800,000	65%
Spence St (Freehold)	Residential & Commercial	Cairns, Australia	259,413	1,200,000	100%

At current market prices, the Group expects to make *substantial* profits from its development projects, both locally and in Australia, due to the good margins for most of these projects.

The Property Business is expected to continue to contribute significantly to the Group's revenue and profitability due to the following reasons:-

First, based on the units sold in its property projects as at the date of this announcement, the Group has locked in total revenue of about S\$660 million which will be progressively recognised in accordance with the stage of construction.

Second, at current market prices, the potential sales revenue from local and overseas projects is estimated to be in excess of S\$3 billion.

### Jewellery Business

According to the data provided by the Department of Statistics Singapore, retail sales for watches and jewellery were generally weaker in 1H 2014 as compared to 1H 2013.

The Group will continue its efforts to improve operational and rental efficiency and to achieve higher sales by constantly reviewing and consolidating its retail network.

### Financial Service Business

Despite the challenging business environment as a result of fluctuations in gold price, the Group is cautiously optimistic about the prospects of the pawnbroking industry in Singapore.

The Group will continue to capitalize on its largest retail network and pledge book to capture more market share. The Group's branding effort coupled with its modern, professional and innovative business initiatives are expected to continue to drive its growth in 2014.

### The Group

Barring unforeseen circumstances, the Group expects to remain profitable in 2014.

## 15. Interested Person Transactions

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

Name of interested person	Aggregate value of all Interested Person Transactions during the year under Review (excluding Transactions less than \$100,000 and Transactions Conducted under Shareholders' Mandate Pursuant to Rule 920 of SGX-ST Listing Manual)	
	30-Jun-14 \$'000	30-Jun-13 \$'000
8G Investment Pte Ltd	186	186

**16. Dividend**

(i) Any dividend declared for the current financial period reported on?

Yes

Name of dividend	Interim
Dividend Type	Cash/Scrip
Dividend Amount per share	1.0 cent per ordinary share
No of	1,817,053,695
Total Dividend Amount	S\$ 18,170,536.95
Tax Rate	Tax-exempt (one-tier tax) dividend
Book closure date	28/08/2014

(ii) Any dividend declared for the preceding financial period?

Yes

Name of dividend	Interim
Dividend Type	Cash/Scrip
Dividend Amount per share	1.5 cents per ordinary share
No of	1,685,049,010
Total Dividend Amount	S\$25,275,735.15
Tax Rate	Tax-exempt (one-tier tax) dividend
Book closure date	23/09/2013

**17. Negative Confirmation By The Board**

On behalf of the Board of Directors of the Company, we hereby confirm to the best of our knowledge that nothing has come to the attention of the Board of Directors of the Company which may render the financial statements for the six months ended 30 June 2014 to be false or misleading in any material respect.

On behalf of the Board of Directors,

Koh Wee Seng  
CEO

Ko Lee Meng  
Director

11-Aug-14