



Corporation Ltd

Company Registration No: 197001030G  
(Incorporated in Singapore)

**UNAUDITED FULL YEAR FINANCIAL STATEMENTS AND DIVIDEND ANNOUNCEMENT  
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2018**

---

**TABLE OF CONTENTS**

---

1.	CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
2.	STATEMENTS OF FINANCIAL POSITION
3.	CONSOLIDATED STATEMENT OF CASH FLOWS
4.	STATEMENTS OF CHANGES IN EQUITY
5.	CHANGES IN SHARE CAPITAL
6.	CHANGES IN TREASURY SHARES
7.	CHANGES IN SUBSIDIARY HOLDINGS
8.	GROUP BORROWINGS AND DEBT SECURITIES
9.	AUDITOR'S REPORT
10.	ACCOUNTING POLICIES
11.	CHANGES IN THE ACCOUNTING POLICIES
12.	EARNINGS PER SHARE
13.	NET ASSET VALUE PER SHARE
14.	VARIANCE FROM FORECAST STATEMENT
15.	REVIEW OF CORPORATE PERFORMANCE
16.	BUSINESS OUTLOOK
17.	SEGMENT INFORMATION
18.	BREAKDOWN OF REVENUE AND RESULTS
19.	INTERESTED PERSON TRANSACTIONS
20.	DISCLOSURE OF PERSON OCCUPYING A MANAGERIAL POSITION WHO IS A RELATIVE OF A DIRECTOR OR CHIEF EXECUTIVE OFFICER OR SUBSTANTIAL SHAREHOLDER
21.	DIVIDEND
22.	PROCURED UNDERTAKINGS BY THE BOARD AND EXECUTIVE OFFICERS PURSUANT TO RULE 720(1) OF THE LISTING MANUAL

**1. CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**

**1(i) Consolidated Statement of Comprehensive Income For The Financial Year Ended 31 December 2018 ("FY 2018")**

	Group		Change %
	2018 S\$'000	2017 S\$'000 (Restated)	
<b>Revenue</b>	<b>898,451</b>	<b>489,531</b>	<b>84%</b>
Materials and subcontract costs	(644,048)	(333,615)	93%
Employee benefits	(58,398)	(50,033)	17%
Depreciation and amortisation	(6,547)	(5,613)	17%
Finance costs	(31,334)	(26,930)	16%
Other operating expenses	(129,345)	(80,369)	61%
Interest income	13,711	10,257	34%
Rental income	2,703	2,785	-3%
Other income	11,152	6,400	74%
Share of results of associates and a joint venture	210	2,403	-91%
<b>Profit before tax</b>	<b>56,555</b>	<b>14,816</b>	<b>282%</b>
Taxation	(19,449)	(8,974)	117%
<b>Profit for the year</b>	<b>37,106</b>	<b>5,842</b>	<b>535%</b>
<b>Other comprehensive income</b>			
Net fair value changes on debt and equity instruments at fair value through other comprehensive income	(8,472)	1,055	n.m
Foreign currency translation	(16,934)	428	n.m
Share of other comprehensive income of an associate and a joint venture	(1,453)	138	n.m
<b>Other comprehensive income for the year, net of tax</b>	<b>(26,859)</b>	<b>1,621</b>	<b>n.m</b>
<b>Total comprehensive income for the year</b>	<b>10,247</b>	<b>7,463</b>	<b>37%</b>
<b>Profit attributable to:</b>			
Owners of the Company	28,346	2,305	n.m
Non-controlling interests	8,760	3,537	148%
	<b>37,106</b>	<b>5,842</b>	<b>535%</b>
<b>Total comprehensive income attributable to:</b>			
Owners of the Company	6,397	3,941	62%
Non-controlling interests	3,850	3,522	9%
	<b>10,247</b>	<b>7,463</b>	<b>37%</b>
<b>Earnings per ordinary share (cents)</b>			
-Basic	1.46	0.12	n.m
-Diluted	1.46	0.12	n.m

**Other information :-**

	Group		Change %
	2018 S\$'000	2017 S\$'000	
Amortisation of intangible assets and prepaid rent	(1,089)	(957)	14%
Reversal of impairment/(impairment loss) for investment securities	2,494	(1,733)	n.m
Depreciation of property, plant and equipment	(5,458)	(4,656)	17%
Net foreign exchange (loss)/gain	(19,877)	2,464	n.m
Impairment loss on intangible assets	(1,773)	-	n.m
Manufacturing and melting loss	(617)	(564)	9%
Property, plant and equipment written off	(818)	(877)	-7%

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 increase in materials and subcontract costs in FY2018 was mainly due to settlement of Avant and Australia 108 projects for overseas real estate business.
- 1d. The increase in employee benefits for FY2018 was mainly due to increase in number of employees for financial service business and higher staff costs for overseas jewellery business.
- 1e. The increase in finance costs for FY2018 was attributable to higher loan in financial service business and interest accrued for multicurrency medium term notes issued by its subsidiary, Maxi-Cash Financial Services Corporation Ltd ("MCFS").
- 1f. Higher other operating expenses in FY2018 were mainly due to net foreign currency exchange loss for financial service and overseas real estate businesses, higher holding costs incurred for properties held for sale and recognition of sales commission upon the settlement of units sold for overseas real estate business.
- 1g. Higher interest income in FY2018 was mainly due to interest earned from deposits held in escrow account upon the settlement of units sold and interest-bearing deposits at banks for overseas real estate business.
- 1h. The increase in other income was mainly due to reversal of impairment on debt instruments and net fair value gain on derivatives for financial service and overseas real estate businesses.
- 1i. The decrease in share of results of associates and a joint venture in FY2018 was largely due to share of losses from a joint venture, partially offset by higher profits from associates of jewellery business.
- 1j. Lower effective tax rate in FY2018 was mainly due to higher tax provision in FY2017 as a result of reversal of tax allowance for provision of doubtful debt for jewellery business and higher tax rate for its real estate business.

**2. STATEMENTS OF FINANCIAL POSITION**

	Group		Company	
	31-Dec-18 S\$'000	31-Dec-17 S\$'000 (Restated)	31-Dec-18 S\$'000	31-Dec-17 S\$'000
<b>Non-current assets</b>				
Property, plant and equipment	91,155	75,511	191	398
Intangible assets	10,244	7,456	1,054	299
Investment properties	72,569	60,566	-	-
Investment in subsidiaries	-	-	227,204	210,738
Investment in associates	19,324	22,086	-	-
Investment in joint ventures	13,346	15,106	5,000	5,000
Investment securities	6,008	4,508	-	-
Trade and other receivables	16,686	49,018	-	-
Prepaid rent	1	-	-	-
Prepayments	-	8,538	-	-
Deferred tax assets	3,530	8,430	87	-
	<b>232,863</b>	<b>251,219</b>	<b>233,536</b>	<b>216,435</b>
<b>Current assets</b>				
Inventories	147,413	133,781	-	-
Development properties	589,946	941,195	-	-
Properties held for sale	79,357	22,313	-	-
Trade and other receivables	371,147	309,310	2,202	62
Prepaid rent	4	-	-	-
Prepayments	6,794	8,959	231	600
Due from subsidiaries (non-trade)	-	-	211,712	287,389
Due from a joint venture (non-trade)	86,099	84,517	86,093	84,570
Due from associates (non-trade)	276	1,305	-	-
Investment securities	96,974	177,817	500	-
Derivatives	2,537	-	-	-
Cash and bank balances	59,020	54,888	164	448
	<b>1,439,567</b>	<b>1,734,085</b>	<b>300,902</b>	<b>373,069</b>
<b>Total assets</b>	<b>1,672,430</b>	<b>1,985,304</b>	<b>534,438</b>	<b>589,504</b>
<b>Current liabilities</b>				
Trade and other payables	73,565	66,644	8,158	2,282
Due to subsidiaries (non-trade)	-	-	185,665	109,019
Due to a joint venture (non-trade)	25	-	-	-
Due to an associate (non-trade)	2,028	2,360	-	-
Provision for taxation	14,250	3,790	-	154
Term notes and bonds	82,750	98,000	83,000	100,000
Interest-bearing loans and borrowings	461,655	679,159	-	-
	<b>634,273</b>	<b>849,953</b>	<b>276,823</b>	<b>211,455</b>
<b>Net current assets</b>	<b>805,294</b>	<b>884,132</b>	<b>24,079</b>	<b>161,614</b>
<b>Non-current liabilities</b>				
Interest-bearing loans and borrowings	104,346	165,899	-	-
Term notes and bonds	505,122	541,500	-	123,500
Other payables	3,121	2,708	-	-
Deferred tax liabilities	15,804	13,706	-	80
	<b>628,393</b>	<b>723,813</b>	<b>-</b>	<b>123,580</b>
<b>Total liabilities</b>	<b>1,262,666</b>	<b>1,573,766</b>	<b>276,823</b>	<b>335,035</b>
<b>Net assets</b>	<b>409,764</b>	<b>411,538</b>	<b>257,615</b>	<b>254,469</b>
<b>Equity attributable to shareholders of the Company</b>				
Share capital	226,930	226,930	226,930	226,930
Treasury shares	(2,589)	(2,589)	(2,589)	(2,589)
Other reserves	(27,776)	(11,876)	1,413	1,413
Revenue reserves	111,926	109,335	31,861	28,715
	<b>308,491</b>	<b>321,800</b>	<b>257,615</b>	<b>254,469</b>
Non-controlling interests	101,273	89,738	-	-
<b>Total equity</b>	<b>409,764</b>	<b>411,538</b>	<b>257,615</b>	<b>254,469</b>
<b>Net asset value per ordinary share (in cents)</b>	<b>15.93</b>	<b>16.62</b>	<b>13.30</b>	<b>13.14</b>

---

**2. STATEMENTS OF FINANCIAL POSITION (CONTINUED)**

---

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

Group shareholders' funds decreased from S\$411.5 million as at 31 December 2017 to S\$409.8 million as at 31 December 2018. This was mainly contributed by the decrease in other reserves, partially offset by an increase in revenue reserves and non-controlling interests. The decrease in other reserves was largely due to foreign currency translation and changes in fair value of debt and equity instruments.

The Group's total assets of S\$1,672.4 million as at 31 December 2018 was S\$312.9 million lower than that as at 31 December 2017. This was mainly attributable to the decrease in development properties, investment securities, prepayments and deferred tax assets, partially offset by the increase in properties held for sale, trade and other receivables, property, plant and equipment, inventories and investment properties. The decrease in development properties was mainly attributable to three factors: Firstly, the reclassification of development properties to trade receivables and properties held for sale upon the Group receiving Temporary Occupation Permit ("TOP") for its CityGate project in November 2018. Secondly, the partial recognition of costs relating to the settlement of units sold for Avant and Australia 108 projects to cost of sales. Thirdly, the reclassification of a project in Australia and completed Malaysia properties to properties held for sale and investment properties. This decrease was partially offset by on-going construction costs, interest costs and development expenditures for Australia 108 and other overseas projects. The increase in property, plant and equipment was mainly due to the acquisition of a leasehold property for financial service business and an industrial building.

The Group's total liabilities of S\$1,262.7 million as at 31 December 2018 was S\$311.1 million lower than that as at 31 December 2017. This was largely due to the decrease in interest-bearing loans and borrowings, and term notes and bonds, partially offset by increase in provision for taxation and trade and other payables. The decrease in interest-bearing loans and borrowings was mainly due to the repayment of Avant notes; full and partial repayment of construction loans for CityGate project and Australia 108 respectively. The decrease in term notes and bonds was mainly due to redemption of its S\$51 million term notes due in November 2018.

**3. CONSOLIDATED STATEMENT OF CASH FLOWS**

	2018 S\$'000	2017 S\$'000
<b>Operating activities</b>		
Profit before tax	56,555	14,816
Adjustments for:		
Property, plant and equipment written off	818	877
Impairment loss on investment in a joint venture	-	25
Impairment loss on investment in an associate	31	-
Impairment loss on intangible assets	1,773	-
Allowance for write-down of development properties and properties held for sale	-	1,326
(Gain)/loss on disposal of property, plant and equipment	(10)	7
Fair value loss on investment securities	2,615	-
Net fair value loss on investment properties	1,303	486
Net fair value gain on derivatives	(2,537)	-
Interest receivables written-off	-	75
(Reversal of impairment)/impairment loss on investment securities	(2,494)	1,733
Depreciation of property, plant and equipment	5,458	4,656
Employee Share Award Scheme expenses	191	-
(Write back)/write down of inventories	(29)	149
Allowance for doubtful receivables	645	7
Allowance for amounts due from associates and a joint venture	-	604
Interest expense	28,663	24,388
Interest income	(13,711)	(10,257)
Amortisation of prepaid rent	3	42
Amortisation of intangible assets	1,086	915
Amortisation of prepaid commitment fees	2,671	2,554
Amortisation of premium on term notes	(55)	(12)
Loss/(gain) on disposal of investment securities	1,665	(1,534)
Loss on purchase and cancellation of term notes and bonds	-	34
Dividend income from investment securities	-	(79)
Gain on bargain purchase on acquisition of subsidiary	(1,144)	-
Net gain on remeasuring previously held equity interest in associates to fair value on business combination	(957)	-
Share of results of associates and a joint venture	530	(2,403)
Unrealised foreign exchange differences	13,614	(1,837)
Listing expenses of a subsidiary	-	1,707
<b>Operating profit before changes in working capital</b>	<b>96,684</b>	<b>38,279</b>
Decrease/(increase) in:		
Inventories	3,586	7,991
Development properties	281,352	(112,495)
Investment properties	(13,280)	(15,353)
Properties held for sale	-	(5,375)
Trade and other receivables	(24,595)	(50,026)
Prepayments	1,614	11
(Decrease)/increase in:		
Trade and other payables	(964)	8,249
<b>Net cash flows generated from/(used in) operations</b>	<b>344,397</b>	<b>(128,719)</b>
Interest paid	(63,928)	(51,192)
Income taxes paid	(3,158)	(18,619)
<b>Net cash flows generated from/(used in) operating activities</b>	<b>277,311</b>	<b>(198,530)</b>
<b>Investing activities</b>		
Net cash outflow on acquisition of a subsidiary	(3,027)	(773)
Purchase of property, plant and equipment	(19,157)	(39,980)
Proceeds from sale of property, plant and equipment	322	7
Investment in an associate	-	(7,750)
Purchase of intangible assets	(1,452)	-
Prepayments	-	(8,538)
Interest received	7,534	7,507
Purchase of investment securities	(94,800)	(268,695)
Dividend income from investment securities	-	79
Dividend income from an associate	-	3,200
Proceeds from disposal of investment securities	162,836	244,493
Acquisition of non-controlling interests in subsidiary	-	(5,705)
Due to associates (non-trade), net	1,203	1,565
Due from a joint venture (non-trade), net	(1,583)	(1,643)
<b>Net cash flows generated from/(used in) investing activities</b>	<b>51,876</b>	<b>(76,233)</b>

**3. CONSOLIDATED STATEMENT OF CASH FLOWS (CONTINUED)**

	2018 S\$'000	2017 S\$'000
<b>Financing activities</b>		
Dividends paid to shareholders of the Company	(9,682)	(4,056)
Dividends paid to non-controlling interests of subsidiaries	(4,462)	(1,244)
Capital return to non-controlling shareholder upon liquidation of subsidiary	-	(1,889)
Proceeds from issuance of ordinary shares by subsidiaries to non-controlling interests	6,335	12,303
Proceeds from issuance of term notes and bonds	44,750	70,140
Repayment of term notes	(96,311)	(60,284)
Purchase of treasury shares of a subsidiary	(42)	(165)
Proceeds from term loans	162,360	302,694
Repayment of term loans	(379,569)	(114,455)
(Repayment of)/proceeds from short-term bank borrowings, net	(47,434)	32,421
Proceeds from initial public offering of a subsidiary	-	27,556
Term notes and bonds commitment fee paid	-	(869)
Listing expenses paid by a subsidiary	-	(2,851)
Proceeds from finance lease obligations	-	69
Repayment of finance lease obligations	(136)	(66)
<b>Net cash flows (used in)/generated from financing activities</b>	<b>(324,191)</b>	<b>259,304</b>
Net increase/(decrease) in cash and cash equivalents	4,996	(15,459)
Cash and cash equivalents at beginning of year	54,888	70,284
Effects of exchange rate changes on cash and cash equivalents	(864)	63
<b>Cash and cash equivalents at end of year</b>	<b>59,020</b>	<b>54,888</b>

**Cash and cash equivalents**

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

	2018 S\$'000	2017 S\$'000
Amounts held under the "Project Account (Amendment) Rules - 1997" withdrawals of which are restricted to payments for expenditure incurred on projects	6,647	12,485
Cash at bank	52,373	42,403
<b>Cash and cash equivalents</b>	<b>59,020</b>	<b>54,888</b>

**3a. - Cashflow Analysis**

**FY 2018**

Net cash generated from operating activities for FY2018 was S\$277.3 million compared to net cash used in operating activities of S\$198.5 million in FY2017. This was mainly attributable to decrease in development properties and inventories, partially offset by increase in trade and other receivables and investment properties. The decrease in development properties was mainly attributable to the reclassification of development properties to trade receivables and properties held for sale upon the Group obtaining TOP for its CityGate project; and partial recognition of costs relating to the settlement of units sold for Avant and Australia 108 projects to cost of sales, partially offset by on-going construction costs, interest costs and development expenditures for Australia 108 and other overseas projects.

Net cash generated from investing activities of S\$51.9 million in FY2018 was largely attributable to net proceeds from disposal of investment securities and interest received, partially offset by purchase of property, plant and equipment which mainly relates to the acquisition of a leasehold property for financial service business and an industrial building.

Net cash used in financing activities was S\$324.2 million in FY2018 as compared to net cash generated from financing activities of S\$259.3 million for FY2017. The net cash used in financing activities was mainly due to the repayment of interest-bearing loans and borrowings, term notes and bonds and payment of dividends, partially offset by issuance of term note by its subsidiary, Aspial Treasury Pte Ltd in April and October 2018.

As a result, cash and cash equivalent balances increased to S\$59.0 million as at 31 December 2018 from S\$54.9 million as at 31 December 2017.

**4. STATEMENTS OF CHANGES IN EQUITY**

	Attributable to owners 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>						
<b>Balance as at 1 January 2018</b>						
- As previously reported	226,930	(2,589)	96,231	16,438	89,738	426,748
- Effects of adopting SFRS(I) 1	-	-	13,104	(28,314)	-	(15,210)
<b>- As restated</b>	<b>226,930</b>	<b>(2,589)</b>	<b>109,335</b>	<b>(11,876)</b>	<b>89,738</b>	<b>411,538</b>
- Effects of adopting SFRS(I) 9	-	-	(9,367)	7,835	-	(1,532)
<b>- As restated</b>	<b>226,930</b>	<b>(2,589)</b>	<b>99,968</b>	<b>(4,041)</b>	<b>89,738</b>	<b>410,006</b>
Profit for the year	-	-	28,346	-	8,760	37,106
<i>Other comprehensive income for the year</i>						
Net fair value changes on debt and equity instruments at FVOCI	-	-	-	(7,389)	(1,083)	(8,472)
Foreign currency translation	-	-	-	(13,107)	(3,827)	(16,934)
Share of other comprehensive income of an associate and a joint venture	-	-	-	(1,453)	-	(1,453)
Other comprehensive income, net of tax	-	-	-	(21,949)	(4,910)	(26,859)
<i>Contributions by and distributions to owners</i>						
Dividends on ordinary shares - Cash	-	-	(14,523)	-	(5,558)	(20,081)
Premium on dilution of interest in subsidiaries	-	-	-	198	(198)	-
Capital contribution from non-controlling interests	-	-	-	(73)	10,524	10,451
Total contributions by and distributions to owners	-	-	(14,523)	125	4,768	(9,630)
<i>Changes in ownership interests in subsidiaries</i>						
Acquisition of non-controlling interests in a subsidiary without a change in control	-	-	-	(3,727)	2,720	(1,007)
Change in ownership interest in subsidiaries without a change in control	-	-	(22)	(27)	197	148
Total changes in ownership interests in subsidiaries	-	-	(22)	(3,754)	2,917	(859)
<i>Others</i>						
Transfer of fair value reserves of equity instruments at FVOCI upon disposal	-	-	(1,843)	1,843	-	-
Total Others	-	-	(1,843)	1,843	-	-
<b>Balance as at 31 December 2018</b>	<b>226,930</b>	<b>(2,589)</b>	<b>111,926</b>	<b>(27,776)</b>	<b>101,273</b>	<b>409,764</b>
<b>Balance as at 1 January 2017</b>						
- As previously reported	226,152	(2,589)	93,755	(5,329)	64,881	376,870
- Effects of adopting SFRS(I) 1	-	-	13,104	(13,104)	-	-
<b>- As restated</b>	<b>226,152</b>	<b>(2,589)</b>	<b>106,859</b>	<b>(18,433)</b>	<b>64,881</b>	<b>376,870</b>
Profit for the year	-	-	2,305	-	3,537	5,842
<i>Other comprehensive income for the year</i>						
Net fair value changes on debt and equity instruments at FVOCI	-	-	-	948	107	1,055
Foreign currency translation	-	-	-	550	(122)	428
Share of other comprehensive income of a joint venture	-	-	-	138	-	138
Other comprehensive income, net of tax	-	-	-	1,636	(15)	1,621
<i>Contributions by and distributions to owners</i>						
Dividends on ordinary shares - Cash and scrip dividends	-	-	(4,834)	-	(1,244)	(6,078)
Ordinary shares issued under scrip dividend	778	-	-	-	-	778
Premium on dilution of interests in subsidiary	-	-	-	9,262	18,294	27,556
Capital contribution from non-controlling interests	-	-	-	(60)	12,770	12,710
Capital return to non-controlling shareholder upon liquidation of subsidiaries	-	-	-	-	(1,889)	(1,889)
Total contributions by and distributions to owners	778	-	(4,834)	9,202	27,931	33,077
<i>Changes in ownership interests in subsidiaries</i>						
Acquisition of non-controlling interests in subsidiaries	-	-	-	(5,163)	(542)	(5,705)
Changes in ownership interests in subsidiaries without a change in control	-	-	5,005	882	(6,054)	(167)
Total changes in ownership interests in subsidiaries	-	-	5,005	(4,281)	(6,596)	(5,872)
<b>Balance as at 31 December 2017</b>	<b>226,930</b>	<b>(2,589)</b>	<b>109,335</b>	<b>(11,876)</b>	<b>89,738</b>	<b>411,538</b>

**4. STATEMENTS OF CHANGES IN EQUITY (CONTINUED)**

	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>Company</b>						
Balance as at 1 January 2018	226,930	(2,589)	28,715	1,413	-	254,469
Profit for the year, representing total comprehensive income for the year	-	-	17,669	-	-	17,669
<i>Contributions by and distributions to owners</i>						
Dividends on ordinary shares - Cash dividends	-	-	(14,523)	-	-	(14,523)
Total contributions by and distributions to owners	-	-	(14,523)	-	-	(14,523)
<b>Balance as at 31 December 2018</b>	<b>226,930</b>	<b>(2,589)</b>	<b>31,861</b>	<b>1,413</b>	<b>-</b>	<b>257,615</b>
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)
<b>Balance as at 31 December 2017</b>	<b>226,930</b>	<b>(2,589)</b>	<b>28,715</b>	<b>1,413</b>	<b>-</b>	<b>254,469</b>

**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, 31 March, 30 June, 30 September and 31 December 2018	1,936,491	224,341

**6. CHANGES IN TREASURY SHARES**

There were no (31 December 2017: nil) 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 and 31 December 2018	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-18		As at 31-Dec-17	
Secured S\$'000	Unsecured S\$'000	Secured S\$'000	Unsecured S\$'000
461,655	82,750	679,159	98,000

Amount repayable after one year

As at 31-Dec-18		As at 31-Dec-17	
Secured S\$'000	Unsecured S\$'000	Secured S\$'000	Unsecured S\$'000
104,346	505,122	165,899	541,500

### 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; and
- v) 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

Except as disclosed in paragraph 11 below, 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 2018 as those of the audited financial statements for the financial year ended 31 December 2017, as well as all applicable new and revised Financial Reporting Standards ("FRSs") which became effective for financial years beginning on or after 1 January 2018.

The adoption of other Singapore Financial Reporting Standards (International) ("SFRS(I)") and Interpretations of SFRS(I) relevant to the Group's operations which are effective for annual periods beginning on or after 1 January 2018 does not have a material impact on the financial statements, except as disclosed in paragraph 11 below.

## 11. CHANGES IN THE ACCOUNTING POLICIES

The Group has adopted SFRS(I) on 1 January 2018. Accordingly, the Group has elected the following relevant optional exemption provided in SFRS(I) 1- First-time Adoption of SFRS(I) and has adopted SFRS(I) 9 - Financial Instruments.

### SFRS(I)1 First-time Adoption of SFRS(I)

SFRS(I) requires that the Group apply SFRS(I) on a retrospective basis and restatement of comparatives may be required because SFRS(I) requires both the opening balance sheet and comparative information to be prepared using the most current accounting policies. SFRS(I) provides mandatory exemptions and optional exemptions from retrospective application, which are often different from those specific transition provisions in individual FRSs applied to the FRS financial statements. The Group has elected the fair value as deemed cost exemption for property, plant and equipment of its joint venture at the date of transition 1 January 2017. As a result, cumulative revaluation reserve of S\$13.1 million was reclassified from revaluation reserve to revenue reserves as at 1 January 2017; the surplus on revaluation of property, plant and equipment of S\$15.2 million was being reversed from other comprehensive income, and a corresponding decrease in investment in joint venture was recorded in for the financial year ended 31 December 2017.

### SFRS(I)9 Financial Instruments

The Group has adopted the expected credit loss requirements in SFRS(I) 9 on the required effective date without restating prior periods' information and recognised any difference between the previous carrying amount as at the end of previous reporting period and the carrying amount as at the beginning of the current reporting period in the opening revenue reserves. As a result, cumulative fair value losses of S\$9.4 million was reclassified from fair value reserve and deferred tax assets accounts to revenue reserves as at 1 January 2018.

## 12. EARNINGS PER SHARE

	Group	
	FY2018	FY2017
i) Basic earnings per share (cents)	1.46	0.12
ii) Diluted earnings per share (cents)	1.46	0.12
-Weighted average number of shares (excluding treasury shares) ('000)	1,936,491	1,935,040

## 13. NET ASSET VALUE PER SHARE

	Group		Company	
	31-Dec-18	31-Dec-17	31-Dec-18	31-Dec-17
Net asset value per ordinary share (in cents)	15.93	16.62	13.30	13.14
Number of ordinary shares in issue (excluding treasury shares) ('000)	1,936,491	1,936,491	1,936,491	1,936,491

## 14. VARIANCE FROM FORECAST STATEMENT

No forecast for the year ended 31 December 2018 was previously provided.

## 15. REVIEW OF CORPORATE PERFORMANCE

The Group performed well in 2018 with improvements in revenue across all the core businesses. Revenue increased by 83.5% to S\$898.5 million while pre-tax profit rose by 279.9% to S\$56.6 million.

Revenue from Real Estate Business increased by 209.2% from S\$185.7 million in FY2017 to S\$574.2 million in FY2018. The increase was primarily due to the recognition of sales from the CityGate project in Singapore, which obtained TOP in FY2018 and revenue from the settlement and handover of completed residential units for the Avant and Australia 108 projects in Melbourne, Australia.

Revenue from the Financial Service Business increased by S\$10.8 million or 5.6% to S\$203.7 million in FY2018. The increase was due to higher interest income and sales from the retailing and trading of jewellery and branded merchandise.

Despite the smaller retail network in Singapore, revenue from the Jewellery Business increased by 12.8% from S\$118.4 million to S\$133.5 million in FY2018. The higher revenue was mainly attributable to the maiden recognition of sales from its Niessing operations and increase in sales from its gold bullion business.

**Group pre-tax profit for FY2018 was S\$56.6 million, which was S\$41.7 million or 279.9% higher than FY2017.**

Pre-tax profit for the Real Estate Business surged 493.7% to S\$56.4 million from S\$9.5 million in FY2017 mainly due to profit contribution from the CityGate, Avant, and Australia 108 projects and partially offset by foreign exchange loss. Excluding net foreign exchange loss of S\$14.0 million in FY2018, the pre-tax profit would have been S\$70.4 million.

The Financial Service Business registered a pre-tax profit of S\$12.1 million as compared to S\$15.0 million in FY2017. The decline in pre-tax profit was due to higher finance cost and foreign exchange loss. Excluding foreign exchange loss, the pre-tax profit would have been S\$18.0 million in FY2018.

The Jewellery Business posted a pre-tax loss of S\$3.4 million in FY2018 as compared to a loss of S\$8.3 million in FY2017. The lower pre-tax loss was mainly due to the maiden profit contribution from its Niessing operations and lower loss from its retail business in Singapore.

The share of results of associates and a joint venture decreased by S\$2.2 million to S\$0.2 million in FY2018. This was mainly due to lower profit from its 50:50 joint venture company, AF Corporation Pte Ltd, which holds 83.49% of the issued shares of AF Global Limited.

**On the Group level, excluding net foreign exchange loss of S\$19.9 million in FY2018, the pre-tax profit would have been S\$76.5 million.**

## 16. BUSINESS OUTLOOK

### Real Estate Business

The Group obtained TOP for its CityGate project in Singapore in November 2018. The Group will continue to sell the remaining commercial units in 2019.

In Australia, the Group has completed the Avant project in August 2018 and continues to make good progress with the Australia 108 development. As at the date of this announcement, the construction of Australia 108 has progressed to level 70 out of 101 levels. According to the latest construction schedule, the Group expects to complete 3 out of the remaining 4 main stages by the end of 2019.

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

Project	Type	Total Units	Launch Date	Units Launched	% Sold based on unit launched <sup>1</sup>
<b>In Australia</b>					
Australia 108 (Melbourne)	Residential	1,103	4Q 2014	1,103	89%
Nova City Tower 1 (Cairns)	Mixed use development	187	4Q 2016	101	61%

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

In Penang, the Group has completed the refurbishment, upgrading and building works of some properties and will continue with the construction of some of the remaining properties.

At present, the Group has 6 hotels (comprising 46 keys with a total of 85 rooms) in operation in Georgetown, Penang and intends to open its seventh hotel in March 2019. Overall, the business and occupancy of its hotels has been encouraging and in line with the increase in tourist arrivals to Penang.

Going forward, the Group expects to make substantial profits from its Australia 108 project in Australia. The Real Estate Business is expected to contribute significantly to the Group's revenue and profitability in FY2019 and FY2020 due to the following reasons:

<sup>1</sup> Computed based on the number of sale and purchase agreements that have been entered into and still subsisting (less any sale and purchase agreements for those completed units that have been rescinded) or fully settled as at the date of this announcement

## 16. BUSINESS OUTLOOK (CONTINUED)

### Real Estate Business (continued)

First, the Group has locked in about S\$610 million of unbilled contracts from Australia 108 project.

Second, the Group expects the profit margin of the subsequent phases of Australia 108 project to be higher than the earlier ones as the average selling prices for higher floors are better than those for the lower ones.

Third, the Group is expected to book revenue and profit from Australia 108 project progressively as the construction, completion and handover of completed units will be carried out progressively from 2019 to 2020.

### Financial Service Business

Global economic uncertainties are likely to impact the growth of the countries that the Group has operations in. This, coupled with rising interest rates, higher operating costs, volatile gold prices, fluctuating exchange rates and keen competition, will continue to pose challenges for the Group's business in the coming years.

In view of these challenges, the Group will continue to explore new markets, products and services.

### Jewellery Business

The Group expects consumer sentiments to remain fairly stable in 2019 and it will continue to improve operational effectiveness and efficiency of its Jewellery Business.

### AF Global Limited

The existing core business of AF Global Limited ("AFG"), namely the hotel and serviced residence business, is expected to provide stable income to the Group. The Group will be doing a partial refurbishment its Holiday Inn Phuket hotel in 2019.

The Group announced in December 2018 that AFG had entered into a share sales and purchase agreement to dispose its entire paid-up ordinary shares of L.C. (London) Ltd which owns Crowne Plaza London Kensington hotel in London. AFG estimates a net gain of approximately S\$14 million from the sale of shares which is scheduled to be completed by mid-April 2019.

The Group will continue to seek asset enhancement opportunities, potential acquisitions and divestments of its portfolio of hospitality assets.

In China, the dispute with the local partner is in court proceedings and AFG has obtained an interim asset-freeze order from the local court to protect the Group's interest.

In Singapore, the Group expects its agency business to remain stable as the improved outlook for office and hotel segments are expected to offset the slow residential market.

### Debt Analysis

Group total debt declined substantially in 4Q 2018. Total loans and borrowings of S\$566.0 million as at 31 December 2018 was S\$141.3 million lower than 30 September 2018 mainly due to repayment of loans for CityGate, Avant and Australia 108 projects.

Of the total loans and borrowings of S\$566.0 million, about S\$220.9 million pertains to property development-related loans for the Real Estate Business and the balance of S\$345.1 million was mainly working capital/mortgage loan for its Financial Service Business, Jewellery Business, investment in properties and investment in securities.

As at 31 December 2018, the Group has outstanding term notes and bonds of S\$587.9 million (including the S\$70 million bonds issued by Maxi-Cash Financial Services Corporation Limited and excluding bonds that we have repurchased from the market), which was S\$55.9 million lower than the previous quarter due to redemption of notes maturing in November 2018 and market purchases of bonds and term notes by the Group.

The Group expects to improve its debt and cash profile in 2019 due to the following reasons:-

First, the Group expects to receive up to S\$615 million from the settlement and handovers of units for Avant and Australia 108 (subject to actual settlements).

Second, the Group expects to receive up to S\$35.4 million from the Certificate of Statutory Completion and Subsidiary Strata Certificate of Title from CityGate project which had obtained Temporary Occupation Permit in November 2018.

Third, the Group will repay the outstanding term notes of S\$68 million due in June 2019.

As part of the Group's strategy to improve its debt position, the Group intends to use part of the cash proceeds to purchase some of its remaining term notes and bonds, which may include, but are not limited to those due in 2019 and 2020, prior to the maturity dates of these notes and bonds.

The purchase of its term notes and bonds may be done via various channels such as open market purchase and tender offer and will enable the Group to improve its debt position and reduce negative carry.

Barring unforeseen unfavourable changes in Australian and Malaysian currencies, the Group expects to be profitable in 2019.

**17. SEGMENT INFORMATION**

2018	Real Estate	Financial Service	Jewellery	Others	Elimination	Group
Business Segment	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
<b>Revenue</b>	574,213	198,076	123,795	-	2,367	898,451
Intersegment revenue	-	5,575	9,657	958	(16,190)	-
	<u>574,213</u>	<u>203,651</u>	<u>133,452</u>	<u>958</u>	<u>(13,823)</u>	<u>898,451</u>
<b>Results :</b>						
Segment result	54,995	20,246	(1,480)	20,586	(19,943)	74,404
Unallocated expenses	-	-	-	-	-	(226)
Interest income	4,902	2,842	20	45,044	(39,097)	13,711
<b>Profit from operations</b>	<u>59,897</u>	<u>23,088</u>	<u>(1,460)</u>	<u>65,630</u>		<u>87,889</u>
Finance costs	(3,469)	(11,022)	(1,891)	(49,111)	34,159	(31,334)
<b>Profit from operations before taxation</b>	<u>56,428</u>	<u>12,066</u>	<u>(3,351)</u>	<u>16,519</u>		<u>56,555</u>
Taxation	(17,643)	(1,581)	180	(405)		(19,449)
<b>Profit for the year</b>	<u>38,785</u>	<u>10,485</u>	<u>(3,171)</u>	<u>16,114</u>		<u>37,106</u>
<b>Assets and liabilities</b>						
Segment assets	856,876	459,991	142,239	1,142,789	(932,995)	1,668,900
Unallocated assets						3,530
<b>Total assets</b>						<u>1,672,430</u>
Segment liabilities	629,684	317,285	96,537	892,435	(703,329)	1,232,612
Unallocated liabilities						30,054
<b>Total liabilities</b>						<u>1,262,666</u>
<b>Other segment information</b>						
Dividend income from investment securities	-	-	3	22,305	(21,986)	322
Depreciation and amortisation	154	2,116	3,338	867	72	6,547
Share of result from associates	(283)	-	920	-	-	637
Share of result from joint venture	-	(141)	(141)	(427)	282	(427)
Capital expenditure	384	9,215	3,699	5,859	-	19,157
Other significant non-cash (income)/expenses	(145)	(945)	907	206	-	23
Investment in joint ventures	-	-	-	13,346	-	13,346
Investment in associates	9,635	-	9,689	-	-	19,324

2017	Real Estate	Financial Service	Jewellery	Others	Elimination	Group
Business Segment	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
<b>Revenue</b>	185,749	187,309	116,473	-	-	489,531
Intersegment revenue	-	5,563	1,948	1,086	(8,597)	-
	<u>185,749</u>	<u>192,872</u>	<u>118,421</u>	<u>1,086</u>	<u>(8,597)</u>	<u>489,531</u>
<b>Results :</b>						
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
<b>Profit from operations</b>	<u>15,207</u>	<u>22,434</u>	<u>(6,416)</u>	<u>52,135</u>		<u>41,746</u>
Finance costs	(5,705)	(7,477)	(1,852)	(46,917)	35,021	(26,930)
<b>Profit from operations before taxation</b>	<u>9,502</u>	<u>14,957</u>	<u>(8,268)</u>	<u>5,218</u>		<u>14,816</u>
Taxation	(5,287)	(1,595)	(1,449)	(643)	-	(8,974)
<b>Profit for the year</b>	<u>4,215</u>	<u>13,362</u>	<u>(9,717)</u>	<u>4,575</u>		<u>5,842</u>

**17. SEGMENT INFORMATION (CONTINUED)**

2017	Real Estate	Financial Service	Jewellery	Others	Elimination	Group
Business Segment	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
<b>Assets and liabilities</b>						
Segment assets	1,103,441	446,204	150,580	1,162,809	(886,160)	1,976,874
Unallocated assets						8,430
<b>Total assets</b>						<b>1,985,304</b>
Segment liabilities	899,601	315,007	106,404	911,347	(676,089)	1,556,270
Unallocated liabilities						17,496
<b>Total liabilities</b>						<b>1,573,766</b>
<b>Other segment information</b>						
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	2,397	23,311	-	39,980
Other significant non-cash expenses	2,392	426	619	1,845	-	5,282
Investment in joint ventures	-	-	-	15,106	-	15,106
Investment in associates	9,949	-	12,137	-	-	22,086

**18. BREAKDOWN OF REVENUE AND RESULTS**

	GROUP		
	2018	2017	Increase / (Decrease)
	S\$'000	S\$'000	%
Sales reported for first half	424,690	245,525	73.0%
Profit after tax before deducting non-controlling interests for first half	17,054	1,599	n.m
Sales reported for second half	473,761	244,006	94.2%
Profit after tax before deducting non-controlling interests for second half	20,052	4,243	n.m

**19. 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.

**20. 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
Ng Sheng Tiong	52	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/subsidiaries:  <u>Subsidiaries</u> World Class Land Pte Ltd	He was appointed as the CEO of World Class Global Ltd in March 2016

**20. 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	52	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 Investments 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 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 PHC Hotels Sdn Bhd Penang Parade Hotels Sdn Bhd	

## 21. DIVIDEND

### (i) Proposed Dividend

Name of dividend	2018	2017
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	17 August 2018
Payment date	To be announced later	31 August 2018

### (ii) Total Annual Dividend

Total dividend proposed and to be paid for the financial year ended 31 December 2018 will be 0.25 cents per share (2017: 0.25 cents).

Name of dividend	2018 \$	2017 \$
<b>Ordinary Dividend</b>		
Interim dividend	9,682,457	-
Final dividend #	4,841,228	4,841,228
<b>Total annual dividend</b>	<b>14,523,685</b>	<b>4,841,228</b>

# The proposed final one-tier tax exempt dividend in respect of FY2018 is subject to shareholders' approval at the forthcoming Annual General Meeting of the Company.

## 22. PROCURED UNDERTAKINGS FROM BY THE BOARD 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

25 February 2019