

**UNAUDITED THIRD QUARTER AND NINE MONTHS FINANCIAL STATEMENTS
FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2016**

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1. CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
1(i) Consolidated Statement of Comprehensive Income For The Financial Period Ended 30 September 2016 ("9M 2016")

	Group		Change %
	9M 2016 S\$'000	9M 2015 S\$'000	
Revenue	450,787	338,248	33%
Materials and subcontract costs	(334,977)	(224,654)	49%
Employee benefits	(31,593)	(31,289)	1%
Depreciation and amortisation	(3,438)	(3,482)	-1%
Finance costs	(23,562)	(14,934)	58%
Other operating expenses	(57,916)	(70,457)	-18%
Interest income	395	135	193%
Rental income	1,769	5,712	-69%
Other income	10,506	3,887	170%
Share of results of associates and a joint venture	2,429	776	213%
Profit before tax	14,400	3,942	265%
Taxation	(2,142)	(1,171)	83%
Profit for the period	12,258	2,771	342%
Other comprehensive income			
Net fair value change of available-for-sale financial assets	(2,387)	(2,214)	8%
Foreign exchange translation	1,516	(5,263)	n.m
Share of other comprehensive income of a joint venture	(6,911)	(742)	n.m
Other comprehensive income for the period, net of tax	(7,782)	(8,219)	-5%
Total comprehensive income for the period	4,476	(5,448)	n.m
Profit attributable to:			
Owners of the Company	9,380	4,410	113%
Non-controlling interests	2,878	(1,639)	n.m
	12,258	2,771	342%
Total comprehensive income attributable to:			
Owners of the Company	1,382	(3,040)	n.m
Non-controlling interests	3,094	(2,408)	n.m
	4,476	(5,448)	n.m
Earnings per ordinary share (cents)			
-Basic	0.49	0.23	109%
-Diluted	0.49	0.23	109%

Other information :-

	Group		Change %
	9M 2016 S\$'000	9M 2015 S\$'000	
Amortisation of intangible assets and prepaid rent	424	554	-24%
Depreciation of property, plant and equipment	3,014	2,928	3%
Net foreign exchange (gain)/loss	(4,647)	14,629	n.m
Manufacturing and melting loss	545	701	-22%
Impairment loss on investment securities	1,500	-	n.m
Impairment loss on interest receivables	19	-	n.m
Property, plant and equipment written off	651	296	120%

n.m - means "not meaningful"

1. CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (CONTINUED)

1(ii) Consolidated Statement of Comprehensive Income For The Financial Period from 1 July 2016 to 30 September 2016 ("3Q 2016")

	Group		Change %
	3Q 2016 S\$'000	3Q 2015 S\$'000	
Revenue	170,922	134,749	27%
Materials and subcontract costs	(126,409)	(94,625)	34%
Employee benefits	(11,033)	(9,713)	14%
Depreciation and amortisation	(1,150)	(1,135)	1%
Finance costs	(6,475)	(3,790)	71%
Other operating expenses	(19,075)	(25,432)	-25%
Interest income	131	47	178%
Rental income	662	1,655	-60%
Other income	8,714	134	n.m
Share of results of associates and a joint venture	(332)	463	n.m
Profit before tax	15,955	2,353	578%
Taxation	(1,532)	(64)	n.m
Profit for the period	14,423	2,289	530%
Other comprehensive income			
Net fair value change of available-for-sale financial assets	(1,795)	(1,154)	56%
Foreign exchange translation	5,541	(2,441)	n.m
Share of other comprehensive income of a joint venture	280	684	-59%
Other comprehensive income for the period, net of tax	4,026	(2,911)	n.m
Total comprehensive income for the period	18,449	(622)	n.m
Profit attributable to:			
Owners of the Company	12,715	1,883	575%
Non-controlling interests	1,708	406	321%
	14,423	2,289	530%
Total comprehensive income attributable to:			
Owners of the Company	16,036	(783)	n.m
Non-controlling interests	2,413	161	n.m
	18,449	(622)	n.m

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 9M 2016 and 3Q 2016 was in tandem with higher revenue recognition.
- 1d. - The increase in employee benefits expenses for 3Q 2016 was mainly due to increase in staff cost and higher provision of performance bonus for financial service business.
- 1e. - The increase in finance cost in 9M 2016 and 3Q 2016 was due to higher interest paid for multicurrency medium term notes (MTN) and retail bonds. The outstanding amount of the MTN and retail bonds as at 30 September 2016 was S\$656 million as compared to S\$560 million as at 30 September 2015.
- 1f. - Lower other operating expenses in 9M 2016 and 3Q 2016 were mainly due to lower foreign exchange loss and rental costs, partially offset by impairment loss of investment securities.
- 1g. - Interest income was mainly derived from fixed deposit for project accounts.
- 1h. - Higher other income in 9M 2016 was due to fair value gain for an investment property and foreign exchange gain.
- 1i. - The increase in share of results of associates and a joint venture in 9M 2016 was mainly due to higher profit from share of profit from a joint venture and the decrease in 3Q 2016 was due to losses incurred by an associate.

2. STATEMENTS OF FINANCIAL POSITION

	Group		Company	
	30-Sep-16 S\$'000	31-Dec-15 S\$'000	30-Sep-16 S\$'000	31-Dec-15 S\$'000
Non-current assets				
Property, plant and equipment	26,445	23,252	832	864
Intangible assets	7,091	7,474	35	35
Investment properties	53,000	45,700	-	-
Investment in subsidiaries	-	-	165,622	161,712
Investment in associates	19,152	18,961	-	-
Investment in joint ventures	8,830	40,815	5,025	5,025
Investment securities	13	13	-	-
Other investment	-	-	-	29,614
Other receivables	5,571	5,423	34	6
Prepaid rent	4	42	-	-
Deferred tax assets	9,855	8,369	158	428
	129,961	150,049	171,706	197,684
Current assets				
Inventories	146,087	128,836	-	-
Development properties	754,468	875,597	-	-
Properties held for sale	17,171	8,929	-	-
Trade and other receivables	363,490	229,443	378	350
Prepaid rent	50	53	-	-
Prepayments	9,825	9,225	1,408	2,098
Due from subsidiaries (non-trade)	-	-	394,470	434,082
Due from a joint venture (non-trade)	87,501	55,605	87,501	55,313
Due from associates (non-trade)	17,660	17,660	-	-
Investment securities	191,220	152,868	-	-
Cash and bank balances	72,279	132,995	7,884	3,316
	1,659,751	1,611,211	491,641	495,159
Total assets	1,789,712	1,761,260	663,347	692,843
Current liabilities				
Trade and other payables	48,239	45,999	6,456	11,014
Due to subsidiaries (non-trade)	-	-	92,874	2,807
Due to an associate (non-trade)	4,980	4,980	-	-
Provision for taxation	19,877	5,162	57	50
Term notes and bonds	74,500	100,000	76,000	100,000
Interest-bearing loans and borrowings	429,406	480,057	-	-
	577,002	636,198	175,387	113,871
Net current assets	1,082,749	975,013	316,254	381,288
Non-current liabilities				
Interest bearing loans and borrowings	253,449	265,125	-	-
Term notes and bonds	574,000	460,000	230,000	310,000
Other payables	1,046	4,176	-	-
Deferred tax liabilities	6,860	19,466	-	-
	835,355	748,767	230,000	310,000
Total liabilities	1,412,357	1,384,965	405,387	423,871
Net assets	377,355	376,295	257,960	268,972
Equity attributable to shareholders of the Company				
Share capital	226,152	215,872	226,152	215,872
Treasury shares	(2,796)	(2,796)	(2,796)	(2,796)
Other reserves	(5,449)	2,560	1,429	1,429
Revenue reserves	102,043	111,564	34,175	54,467
	319,950	327,200	258,960	268,972
Non-controlling interests	57,405	49,095	-	-
Total equity	377,355	376,295	258,960	268,972
Net asset value per ordinary share (in cents)	16.55	17.30	13.40	14.22

2. STATEMENTS OF FINANCIAL POSITION (CONTINUED)

2a. - Review of Financial Position

Group shareholders' funds increased from S\$376.3 million as at 31 December 2015 to S\$377.4 million as at 30 September 2016. The increase was mainly due to the increase in share capital and non-controlling interest partially offset by decrease in other reserves and dividend payment. The increase in share capital was due to ordinary shares issued under the scrip dividend scheme while the decrease in other reserves was mainly due to changes in fair value of available-for-sale financial assets.

The Group's total assets of S\$1,789.7 million as at 30 September 2016 was S\$28.5 million higher than that as at 31 December 2015 mainly due to the increase in investment properties, investment securities, trade and other receivables, amount due from a joint venture, inventories and property, plant and equipment. The increase was partially offset by the decline in development properties, investment in joint ventures and cash and bank balances.

The increase in investment properties was due to reclassification of a property from property, plant and equipment to investment properties. The increase in trade and other receivables and decrease in development properties were mainly due to reclassification of development properties to trade receivables as the Group had obtained Temporary Occupation Permits ("TOP") for its Urban Vista and Kensington Square projects. The increase in property, plant and equipment was mainly due to the purchase of a property. The decrease in investment in joint ventures was due to disposal of investment in a joint venture.

The Group's total liabilities of S\$1,412.4 million as at 30 September 2016 was S\$27.4 million higher than that as at 31 December 2015 mainly due to the issuance of retail bonds in April 2016, the increase in provision for taxation. The increase was partially offset by the redemption of all its outstanding S\$100 million term notes, repayment of interest bearing loans and borrowings and decrease in deferred tax liabilities.

3. CONSOLIDATED STATEMENT OF CASH FLOWS

	3Q 2016 S\$'000	3Q 2015 S\$'000	9M 2016 S\$'000	9M 2015 S\$'000
Operating activities				
Profit before taxation	15,955	2,353	14,400	3,942
Adjustments for:				
Property, plant and equipment written off	174	189	651	296
Depreciation of property, plant and equipment	1,009	967	3,014	2,928
Gain on disposal of property, plant and equipment	(1)	-	(5)	-
Employee Share Award Scheme expenses	-	612	-	612
Impairment loss on interest receivables	-	-	19	-
Impairment loss on investment securities	-	-	1,500	-
(Gain)/loss on disposal of investment securities	(760)	90	(710)	214
Loss on disposal of a joint venture	-	-	211	-
Fair value gain on investment properties	(3,127)	-	(3,127)	-
Write down of inventories	125	29	262	68
Interest expense	6,475	3,789	23,562	14,934
Interest income	(131)	(47)	(395)	(135)
Amortisation of prepaid rent	13	40	41	171
Amortisation of intangible assets	128	128	383	383
Amortisation of prepaid commitment fees	650	350	1,780	1,112
Listing expenses of a subsidiary	140	-	746	-
Share of results of associates and a joint venture	332	(463)	(2,429)	(776)
Unrealised foreign exchange differences	(4,440)	8,270	(4,273)	14,994
Operating profit before changes in working capital	16,542	16,307	35,630	38,743
Decrease/(increase) in:				
Inventories	(7,203)	1,293	(17,513)	6,509
Development properties	39,182	(4,661)	141,466	14,036
Properties held for sale	(3,348)	(2,968)	(8,281)	(3,205)
Trade and other receivables	(67,246)	(1,138)	(134,010)	(7,595)
Prepayments	822	(192)	2,353	(400)
Increase/(decrease) in:				
Trade and other payables	(12,170)	(17,499)	5,453	(11,790)
Net cash flows (used in)/generated from operations	(33,421)	(8,858)	25,098	36,298
Interest paid	(14,450)	(4,768)	(38,368)	(17,759)
Income taxes paid	(341)	(12,521)	(847)	(20,491)
Net cash flows used in operating activities	(48,212)	(26,147)	(14,117)	(1,952)
Investing activities				
Purchase of property, plant and equipment	(2,061)	(873)	(11,131)	(2,119)
Proceeds from sale of property, plant and equipment	1	2	104	9
Investment in joint ventures	-	-	-	(5,000)
Purchase of investment securities	(13,010)	(61,965)	(266,733)	(89,840)
Proceeds from disposal of investment securities	172,899	40,645	213,150	67,334
Interest received	131	47	395	135
Acquisition of non-controlling interests of subsidiary	-	-	(17)	-
Due from associates (non-trade), net	-	4,300	-	(2,600)
Due from a joint venture (non-trade), net	(146)	(320)	(4,795)	(49,501)
Net cash flows generated from/(used in) investing activities	157,814	(18,164)	(69,027)	(81,582)
Financing activities				
Dividends paid to shareholders of the Company	-	-	(8,636)	(1,131)
Dividends paid to non-controlling interests of subsidiaries	(925)	(1)	(1,257)	(7,214)
Proceeds from issuance of shares by subsidiary to a non-controlling interest	-	-	-	18
Purchase of treasury shares	-	(867)	-	(867)
Proceeds from bonds	-	150,000	200,000	150,000
Repayment of term notes	(100,000)	(85,000)	(100,000)	(85,000)
Proceeds from term loans	11,352	29,461	48,593	76,913
Repayment of term loans	(41,339)	(30,561)	(168,255)	(84,699)
Proceeds from short term bank borrowings, net	(9,006)	(21,939)	57,227	52,564
Proceeds from finance lease obligations	-	-	146	-
Repayment of finance lease obligations	(4)	-	(8)	-
Term notes and bonds commitment fee paid	-	(3,307)	(4,571)	(3,307)
Listing expenses paid by a subsidiary	(166)	-	(879)	-
Net cash flows (used in)/generated from financing activities	(140,088)	37,786	22,360	97,277
Net (decrease)/increase in cash and cash equivalents	(30,486)	(6,525)	(60,784)	13,743
Cash and cash equivalents at beginning of period	102,522	103,559	132,995	83,619
Effects of exchange rate changes on balances held in foreign currencies	243	(997)	68	(1,325)
Cash and cash equivalents at end of period	72,279	96,037	72,279	96,037

3. CONSOLIDATED STATEMENT OF CASH FLOWS (CONTINUED)

Cash and cash equivalents

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

	9M 2016 S\$'000	9M 2015 S\$'000
Amounts held under the "Project Account (Amendment) Rules - 1997" withdrawals of which are restricted to payments for expenditure incurred on projects	31,000	56,992
Cash at bank	41,279	39,045
Cash and cash equivalents	72,279	96,037

3a. - Cashflow Analysis

3Q 2016

Net cash used in operating activities for 3Q 2016 was S\$48.2 million compared to S\$26.2 million for 3Q 2015. This was mainly due to increase in trade and other receivables, inventories and properties held for sale and decrease in trade and other payables, partially offset by decrease in development properties and prepayments. The decrease in development properties and increase in trade and other receivables was mainly due to reclassification of development properties to trade receivables as the Group had obtained TOP for its Kensington Square project in 3Q 2016.

Net cash generated from investing activities of S\$157.8 million in 3Q 2016 was mainly due to the net proceeds from disposal of investment securities.

Net cash used in financing activities was S\$140.1 million compared to net cash generating from financing activities S\$37.8 million in 3Q 2015. This was mainly due to the redemption of its outstanding S\$100 million term notes.

9M 2016

Net cash used in operating activities for 9M 2016 was S\$14.1 million compared to S\$2.0 million for the corresponding nine months in the previous year. This was mainly due to increase in trade and other receivables, inventories and properties held for sale, partially offset by decrease in development properties and prepayments and increase in trade and other payables. The decrease in development properties and increase in trade and other receivables was mainly due to reclassification of development properties to trade receivables as the Group had obtained TOPs for its Urban Vista and Kensington Square projects.

Net cash used in investing activities of S\$69.0 million in 9M 2016 was mainly due to increase of investment securities and property, plant and equipment. The increase in property, plant and equipment was mainly due to the purchase of a HDB shop.

Net cash generated from financing activities was S\$22.4 million compared to S\$97.3 million in 9M 2015. This was mainly due to the proceeds from the issuance of retail bonds and short term bank borrowings (net), partially offset by redemption of its outstanding S\$100 million term notes.

As a result, free cash flow decreased to S\$72.3 million as at 30 September 2016 from S\$96.0 million as at 30 September 2015.

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 2016	215,872	(2,796)	111,564	2,560	49,095	376,295
Profit for the period	-	-	9,380	-	2,878	12,258
<i>Other comprehensive income for the period</i>						
Net loss on fair value changes of available-for-sale financial assets	-	-	-	(2,387)	-	(2,387)
Foreign currency translation	-	-	-	1,300	216	1,516
Share of other comprehensive income of a joint venture	-	-	-	(6,911)	-	(6,911)
Other comprehensive income, net of tax	-	-	-	(7,998)	216	(7,782)
<i>Contributions by and distributions to owner</i>						
Dividends on ordinary shares- cash and scrip dividends	-	-	(18,901)	-	(1,272)	(20,173)
Ordinary shares issued under scrip dividend	10,280	-	-	-	-	10,280
Total contributions by and distributions to owners	10,280	-	(18,901)	-	(1,272)	(9,893)
<i>Changes in ownership interests in subsidiaries</i>						
Acquisition of non-controlling interests in a subsidiary	-	-	-	(11)	(6)	(17)
Capital contribution from non-controlling interests	-	-	-	-	6,494	6,494
Total changes in ownership interests in subsidiaries	-	-	-	(11)	6,488	6,477
Balance as at 30 September 2016	226,152	(2,796)	102,043	(5,449)	57,405	377,355
Company						
Balance as at 1 January 2015	202,179	(2,473)	125,696	(44)	44,387	369,745
Profit for the period	-	-	4,410	-	(1,639)	2,771
<i>Other comprehensive income for the period</i>						
Net loss on fair value changes of available-for-sale financial assets	-	-	-	(2,214)	-	(2,214)
Foreign currency translation	-	-	-	(4,495)	(768)	(5,263)
Share of other comprehensive income of a joint venture	-	-	-	(742)	-	(742)
Other comprehensive income, net of tax	-	-	-	(7,451)	(768)	(8,219)
<i>Contributions by and distributions to owners</i>						
Dividends on ordinary shares- cash and scrip dividends	-	-	(22,624)	-	(7,213)	(29,837)
Ordinary shares issued under scrip dividend	13,694	-	-	-	-	13,694
Treasury shares reissued pursuant to employee share award	-	544	-	69	-	613
Purchase of treasury shares	-	(867)	-	-	-	(867)
Total contributions by and distributions to owners	13,694	(323)	(22,624)	69	(7,213)	(16,397)
<i>Changes in ownership interests in subsidiary</i>						
Acquisition of non-controlling interests in a subsidiary	-	-	-	-	6,996	6,996
Total changes in ownership interests in subsidiaries	-	-	-	-	6,996	6,996
Balance as at 30 September 2015	215,873	(2,796)	107,482	(7,426)	41,763	354,896

4. STATEMENTS OF CHANGES IN EQUITY (CONTINUED)

	Attributable to shareholders 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
Company						
Balance as at 1 January 2016	215,872	(2,796)	54,467	1,429	-	268,972
Loss for the period	-	-	(1,375)	-	-	(1,375)
<i>Contributions by and distributions to owner</i>						
Dividends on ordinary shares- cash and scrip dividends	-	-	(18,917)	-	-	(18,917)
Ordinary shares issued under scrip dividend	10,280	-	-	-	-	10,280
Total contributions by and distributions to owners	10,280	-	(18,917)	-	-	(8,637)
Balance as at 30 September 2016	226,152	(2,796)	34,175	1,429	-	258,960
Balance as at 1 January 2015	202,179	(2,473)	(18,527)	2,403	-	183,582
Profit for the period	-	-	43,255	-	-	43,255
<i>Other comprehensive income for the period</i>						
Net loss on fair value changes of available-for-sale- financial assets	-	-	-	(1,043)	-	(1,043)
Other comprehensive income, net of tax	-	-	-	(1,043)	-	(1,043)
<i>Contributions by and distributions to owner</i>						
Dividends on ordinary shares- cash and scrip dividends	-	-	(22,624)	-	-	(22,624)
Ordinary shares issued under scrip dividend	13,694	-	-	-	-	13,694
Treasury shares reissued pursuant to employee share award	-	544	-	69	-	613
Purchase of treasury shares	-	(867)	-	-	-	(867)
Total contributions by and distributions to owners	13,694	(323)	(22,624)	69	-	(9,184)
Balance as at 30 September 2015	215,873	(2,796)	2,104	1,429	-	216,610

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 2016	1,891,628	213,076
Ordinary shares issued under Scrip Dividend Scheme ^(Note 1)	41,118	10,280
Balance at 30 June and 30 September 2016	1,932,746	223,356

Note 1 - On 23 June 2016, the Company issued 41,117,827 new shares at an issue price of S\$0.25 to eligible Shareholders who have elected to participate in Company's scrip dividend scheme.

6. CHANGES IN TREASURY SHARES

There were no (30 September 2015: nil) treasury shares transferred to employees under the Aspiat Share Award Scheme during the financial period.

	Company	
	No. of shares '000	S\$ '000
Balance at 1 January, 31 March, 30 June and 30 September 2016	10,158	2,796

7. GROUP BORROWINGS AND DEBT SECURITIES

Amount repayable in one year or less, or on demand

As at 30-Sep-16		As at 31-Dec-15	
Secured S\$'000	Unsecured S\$'000	Secured S\$'000	Unsecured S\$'000
429,406	74,500	480,057	100,000

Amount repayable after one year

As at 30-Sep-16		As at 31-Dec-15	
Secured S\$'000	Unsecured S\$'000	Secured S\$'000	Unsecured S\$'000
253,449	574,000	265,125	460,000

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.

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 third quarter for the current financial period ended 30 September 2016 as those of the audited financial statements for the financial year ended 31 December 2015, as well as all applicable new and revised Financial Reporting Standards ("FRSs") which became effective for financial years beginning on or after 1 January 2016. The adoption of these new and revised FRSs has no material effect on the third quarter announcement for the current financial period ended 30 September 2016.

10. EARNINGS PER SHARE

	Group			
	3Q 30-Sep-16 cents	3Q 30-Sep-15 cents	9M 30-Sep-16 cents	9M 30-Sep-15 cents
i) Basic earnings per share	0.65	0.10	0.49	0.23
ii) Diluted earnings per share	0.65	0.10	0.49	0.23
-Weighted average number of shares (excluding treasury shares) ('000)	1,932,746	1,891,169	1,906,484	1,866,829

11. NET ASSET VALUE PER SHARE

	Group		Company	
	30-Sep-16	31-Dec-15	30-Sep-16	31-Dec-15
Net asset value per ordinary share (in cents)	16.55	17.30	13.40	14.22
Number of ordinary shares in issue (excluding treasury shares) ('000)	1,932,746	1,891,628	1,932,746	1,891,628

12. VARIANCE FROM FORECAST STATEMENT

No forecast for the period ended 30 September 2016 was previously provided.

13. REVIEW OF CORPORATE PERFORMANCE

The Group recorded strong revenue growth for third quarter ("3Q 2016") and nine months ended 30 September 2016 ("9M 2016"). For 9M 2016, Group revenue increased by 33.3% from S\$338.2 million to S\$450.8 million. The higher revenue was mainly driven by higher contributions from Real Estate Business and Finance Service Business.

For 3Q 2016, Group revenue increased by S\$36.2 million or 26.9% from S\$134.7 million to S\$170.9 million, mainly due to higher revenue from Real Estate Business and Financial Service Business.

The Real Estate Business revenue increased by 57.2% from S\$150.1 million in 9M 2015 to S\$235.9 million in 9M 2016 as a result of the progress recognition of sales from CityGate, The Hillford and Waterfront@Faber, and the final recognition of sales from Urban Vista.

Revenue from the Financial Service Business rose 29.6% to S\$117.3 million in 9M 2016. The increase was due to higher interest income and sales from the retailing and trading of pre-owned jewellery and watches.

The Jewellery Business recorded a marginal drop in revenue in 9M 2016 due to weak consumer sentiments. Revenue decreased by S\$1.2 million from S\$96.4 million to S\$95.2 million.

At the pre-tax level, Group profit of S\$14.4 million for 9M 2016 was S\$10.5 million higher than the corresponding period in 2015. The higher profit was mainly due to higher profits from the Real Estate Business and Financial Service Business, partially offset by losses from Jewellery Business and a one-time loss for its investment securities.

For 9M 2016, the Real Estate Business recorded a pre-tax profit of S\$7.4 million as compared to S\$5.3 million for 9M 2015. This is mainly due to higher progress recognition of profits from its current projects and foreign exchange gain, partially offset by lower rental income.

The Financial Service Business continued to register higher pre-tax profit in 9M 2016. Pre-tax profit surged 230.0% from S\$3.0 million in 9M 2015 to S\$9.9 million in 9M 2016. The increase in pre-tax profit was due to higher profits from both pawnbroking and retail & trading operations.

The Jewellery Business reported a pre-tax loss of S\$3.8 million as compared to pre-tax profit of S\$0.8 million in 9M 2015. The loss was mainly due to lower gross profit as gold sales had contributed a larger proportion to the overall revenue. Operating expenses such as rental and other store related expenses had decreased mainly due to the on-going rationalization of retail network. However, these were offset by higher branding/marketing and interest costs.

Even though market and consumer sentiments were weaker, the Group had invested in major brand campaigns for its Goldheart and CitiGems brands in 9M 2016. Excluding the branding/marketing expense of S\$3.1 million and a one-time write-off of about S\$0.2 million for a store closure at International Building, the Jewellery Business would have incurred a small loss of S\$0.5 million in 9M 2016.

The Group had taken into account the following costs amounting to S\$3.9 million for 9M 2016:

1. Sales and marketing expenditure of S\$2.4 million for the marketing of the remaining units of Australia 108 and Avant projects in Melbourne and preparation of marketing materials for the launch of Nova City in Cairns and marketing spend for Waterfront@Faber and CityGate in Singapore;
2. One-off impairment of S\$1.5 million for its investment securities.

Excluding the above costs, Group pre-tax profit would have been S\$18.3 million in 9M 2016.

14. BUSINESS OUTLOOK

Real Estate Business

The Singapore real estate market remains subdued in 2016. According to the real estate statistics released by URA, the prices of private residential properties declined 1.5% in 3Q 2016 as compared to 0.4% in 2Q 2016.

Despite the soft property market in Singapore, the Group continues to record sales for its projects.

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					
Waterfront@Faber	Residential	210	2Q 2014	210	100%
CityGate*	Residential	311	3Q 2014	311	99%
CityGate*	Commercial	188	3Q 2014	188	62%
In Australia					
Australia 108 (Melbourne)	Residential & Commercial	1,105	4Q 2014	1,105	>95%
Avant (Melbourne)	Residential & Commercial	456	2Q 2015	456	>95%
Nova City (Cairns)	Residential & Commercial	1,200	4Q 2016	101	20%

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

14. BUSINESS OUTLOOK (CONTINUED)

Real Estate Business (continued)

The Group has commenced construction for all its projects in Singapore namely CityGate and Waterfront@Faber. It expects to book revenue and profit for the units sold progressively in accordance with the stage of completion from FY2016 to FY2018. The Group expects increased revenue and profit contribution from CityGate from 2H 2016 onwards.

In Australia, the Group has commenced construction works for its Australia 108 and Avant projects in Melbourne and expects to book revenue and profit for the units sold upon the completion of the projects in phases from 2018 to 2020.

On 28 October 2016, the Group officially launched Tower 1 of its Nova City project in Cairns, Queensland. Nova City is a mega, mixed development in Cairns Central comprising six residential towers, one office tower and retail shops on the street level. The Group has received encouraging response since the launch of this project. In the next twelve months, the Group will focus on the planning and launching of Albert Street project in Brisbane.

In Penang, the Group had purchased land and properties costing about MYR 300 million for commercial and residential investment and development.

At current market prices, the Group expects to make **substantial** profits from its development projects in Singapore and Australia. The Real Estate 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 in Singapore as at the date of this announcement, the Group has locked in total revenue of about S\$390 million which will be progressively recognised in accordance with the stage of construction.

Second, the Group has locked in about A\$1.1 billion of sales revenue from the Australia 108 and Avant projects. The revenue and profit will be recognised upon the completion of the various phases of these projects from 2018 to 2020.

Third, at current market prices, the potential sales revenue from the Group's remaining local and overseas development projects is estimated to be in excess of S\$1.8 billion.

Overall, the Group has locked in about S\$1.5 billion of sales in Singapore and Australia.

The Group had obtained TOP for its Kensington Square project in August 2016 and The Hillford in September 2016 and expects to obtain TOP for the fully-sold Waterfront@Faber in 1H 2017.

The Group's total debt has reduced substantially in Q3 2016 as a result of the repayment of S\$100m of bonds due in July 2016 and the sale of bonds held for investment purpose. With the TOP of The Hillford and further sale of bonds held for investment, the Group expects its debt level to be further reduced in Q4 2016.

Jewellery Business

The Group expects consumer sentiments to remain weak in 2016 given the uncertain economic outlook in Singapore and the region, and will continue its efforts to improve operational effectiveness and efficiency of its Jewellery Business. Nevertheless, the Group expects the jewellery business to perform better in Q4 2016 as compared to Q3 2016.

Financial Service Business

The Group will continue to improve its operations amid the competitive business environment and leverage on its strong "Maxi-cash" brand and its largest retail network in Singapore to increase revenue and profits.

The Group has introduced new 916 and 999 gold jewellery under the LeGold brand in August 2016. For the Group, the sales of new jewellery coupled with its modern, professional and innovative business approaches are expected to continue to drive its growth in 2016.

Other Investment

The existing core business of AF Global Limited, namely the hotel and serviced residence business is expected to remain profitable. The Group, through its joint venture company AF Corporation Pte Ltd, is currently reviewing the strategy and plans for the Xuzhou project and the site at Rawai, Phuket.

The Group

Barring unforeseen circumstances and any major depreciation of Malaysian and Australian currencies, the Group expects to remain profitable in 2016.

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) of the Listing Manual.

16. DIVIDEND

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

No

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

No

17. 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 as set out in Appendix 7.7.

18. 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 unaudited financial statements for the nine months ended 30 September 2016 to be false or misleading in any material respect.

On behalf of the Board of Directors,

Koh Wee Seng
CEO

Koh Lee Hwee
Director

10 November 2016