ASPIAL
Corporation Ltd
Company Registration No: 197001030G
(Incorporated in Singapore)

UNAUDITED THIRD QUARTER FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2017

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1. CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

1(i) Consolidated Statement of Comprehensive Income For The Financial Period Ended 30 September 2017 ("9M 2017")

	Group		Change
	9M 2017 S$'000	9M 2016 S$'000	%
Revenue	**354,926**	**440,849**	**-19%**
Materials and subcontract costs	(247,825)	(334,977)	**-26%**
Employee benefits	(36,514)	(31,593)	**16%**
Depreciation and amortisation	(3,817)	(3,438)	**11%**
Finance costs	(18,187)	(23,562)	**-23%**
Other operating expenses	(55,967)	(57,916)	**-3%**
Interest income	7,414	10,333	**-28%**
Rental income	2,001	1,769	**13%**
Other income	6,937	10,506	**-34%**
Share of results of associates and a joint venture	2,262	2,429	**-7%**
Profit before tax	**11,230**	**14,400**	**-22%**
Taxation	(8,348)	(2,142)	**290%**
Profit for the period	**2,882**	**12,258**	**-76%**
Other comprehensive income			
Net fair value changes of available-for-sale financial assets	4,922	(2,387)	**n.m**
Foreign currency translation	3,258	1,516	**115%**
Share of other comprehensive income of a joint venture	385	(6,911)	**n.m**
Other comprehensive income for the period, net of tax	**8,565**	**(7,782)**	**n.m**
Total comprehensive income for the period	**11,447**	**4,476**	**156%**
Profit attributable to:			
Owners of the Company	(135)	9,380	**n.m**
Non-controlling interests	3,017	2,878	**5%**
	2,882	**12,258**	**-76%**
Total comprehensive income attributable to:			
Owners of the Company	7,505	1,382	**443%**
Non-controlling interests	3,942	3,094	**27%**
	11,447	**4,476**	**156%**
Earnings per ordinary share (cents)			
-Basic	**(0.01)**	**0.49**	**n.m**
-Diluted	**(0.01)**	**0.49**	**n.m**

Other information :-

	Group		Change
	9M 2017 S$'000	9M 2016 S$'000	%
Amortisation of intangible assets and prepaid rent	421	424	-1%
Depreciation of property, plant and equipment	3,397	3,014	13%
Net foreign exchange gain	(4,942)	(4,647)	6%
Manufacturing and melting loss	400	545	-27%
Impairment loss on investment securities	1,663	1,500	11%
Impairment loss on interest receivables	75	19	295%
Property, plant and equipment written off	577	651	-11%

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 2017 to 30 September 2017 ("3Q 2017")

	Group		Change
	3Q 2017 S$'000	3Q 2016 S$'000	%
Revenue	**109,401**	**164,985**	**-34%**
Materials and subcontract costs	(74,790)	(126,409)	**-41%**
Employee benefits	(12,429)	(11,033)	**13%**
Depreciation and amortisation	(1,331)	(1,150)	**16%**
Finance costs	(6,550)	(6,475)	**1%**
Other operating expenses	(17,367)	(19,075)	**-9%**
Interest income	2,825	6,068	**-53%**
Rental income	673	662	**2%**
Other income	2,250	8,714	**-74%**
Share of results of associates and a joint venture	887	(332)	**n.m**
Profit before tax	**3,569**	**15,955**	**-78%**
Taxation	(2,286)	(1,532)	**49%**
Profit for the period	**1,283**	**14,423**	**-91%**
Other comprehensive income			
Net fair value change of available-for-sale financial assets	(1,034)	(1,795)	**-42%**
Foreign exchange translation	623	5,541	**-89%**
Share of other comprehensive income of a joint venture	845	280	**202%**
Other comprehensive income for the period, net of tax	**434**	**4,026**	**-89%**
Total comprehensive income for the period	**1,717**	**18,449**	**-91%**
Profit attributable to:			
Owners of the Company	70	12,715	**-99%**
Non-controlling interests	1,213	1,708	**-29%**
	1,283	**14,423**	**-91%**
Total comprehensive income attributable to:			
Owners of the Company	(14)	16,036	**n.m**
Non-controlling interests	1,731	2,413	**-28%**
	1,717	**18,449**	**-91%**

NOTES:

1a. Depreciation of fixed assets in retail outlets is computed on a straight-line basis over 3 to 5 years.
1b. The Group recognises all inventory, including trade-in stock and sales return stock at their cost values. For finished stocks aged 2 years and above, partial provisions for stock obsolescence were made to take into consideration labour costs for designing and rework.
1c. The decrease in materials and subcontract costs in 9M 2017 and 3Q 2017 was in line with the lower revenue for the real estate and jewellery businesses.
1d. The increase in employee benefits for 9M 2017 and 3Q 2017 was mainly due to increase in staff costs and performance bonus for the financial service and the real estate businesses.
1e. The decrease in finance cost for 9M 2017 was mainly attributable to higher interest capitalised under development properties for overseas real estate business which was partly offset by higher interest due to increase in loan and multicurrency medium term notes issued by its subsidiary Maxi-Cash Financial Services Corporation Ltd (“MCFS”).
1f. Lower other operating expenses in 9M 2017 and 3Q 2017 were due mainly to decrease in sales and marketing expenses for the jewellery and the real estate businesses, partially offset by higher sales & marketing expenses for the financial service business and listing expenses for the overseas real estate business.
1g. The decline in other income in 3Q 2017 was due to lower foreign exchange gain.
1h. The decrease in share of results of associates and a joint venture in 9M 2017 was due to losses incurred by an associate of real estate business and the increase in 3Q 2017 was mainly due to higher profit from share of profit from a joint venture.
1i. Higher effective tax rate in 9M 2017 and 3Q 2017 was mainly due to reversal of previous years’ provision for doubtful debts for the jewellery business, payment of withholding tax for the overseas real estate business and the Group did not recognize deferred tax assets for unabsorbed tax losses of certain subsidiaries for its real estate business.

2. STATEMENTS OF FINANCIAL POSITION

	Group		Company	
	30-Sep-17 S$'000	31-Dec-16 S$'000	30-Sep-17 S$'000	31-Dec-16 S$'000
Non-current assets				
Property, plant and equipment	69,868	42,304	811	880
Intangible assets	6,680	6,964	35	35
Investment properties	47,690	45,700	-	-
Investment in subsidiaries	-	-	207,872	180,013
Investment in associates	14,724	18,033	-	-
Investment in joint ventures	14,849	12,092	5,025	5,025
Investment securities	1,365	1,365	-	-
Trade and other receivables	14,478	5,328	-	6
Deferred tax assets	9,602	9,587	-	-
	179,256	**141,373**	**213,743**	**185,959**
Current assets				
Inventories	134,364	141,517	-	-
Development properties	857,656	798,011	-	-
Properties held for sale	31,723	16,944	-	-
Trade and other receivables	323,510	298,877	625	322
Prepaid rent	4	42	-	-
Prepayments	9,686	9,496	769	1,211
Due from subsidiaries (non-trade)	-	-	288,702	370,488
Due from a joint venture (non-trade)	84,348	82,897	84,307	82,897
Due from associates (non-trade)	290	6,350	21	-
Investment securities	191,341	155,985	-	-
Cash and bank balances	127,732	70,284	639	751
	1,760,654	**1,580,403**	**375,063**	**455,669**
Total assets	**1,939,910**	**1,721,776**	**588,806**	**641,628**
Current liabilities				
Trade and other payables	73,440	59,213	5,378	3,934
Due to subsidiaries (non-trade)	-	-	100,400	97,338
Due to an associate (non-trade)	2,380	5,260	-	-
Provision for taxation	6,147	17,539	205	77
Term notes and bonds	-	55,750	-	55,750
Interest-bearing loans and borrowings	507,392	447,748	-	-
	589,359	**585,510**	**105,983**	**157,099**
Net current assets	**1,171,295**	**994,893**	**269,080**	**298,570**
Non-current liabilities				
Interest bearing loans and borrowings	297,383	175,612	-	-
Term notes and bonds	622,000	574,000	230,000	230,000
Other payables	2,228	1,696	-	-
Deferred tax liabilities	11,904	8,088	39	109
	933,515	**759,396**	**230,039**	**230,109**
Total liabilities	**1,522,874**	**1,344,906**	**336,022**	**387,208**
Net assets	**417,036**	**376,870**	**252,784**	**254,420**
Equity attributable to shareholders of the Company				
Share capital	226,930	226,152	226,930	226,152
Treasury shares	(2,589)	(2,589)	(2,589)	(2,589)
Other reserves	10,932	(5,329)	1,413	1,413
Revenue reserves	91,627	93,755	27,030	29,444
	326,900	**311,989**	**252,784**	**254,420**
Non-controlling interests	90,136	64,881	-	-
Total equity	**417,036**	**376,870**	**252,784**	**254,420**
Net asset value per ordinary share (in cents)	**16.88**	**16.14**	**13.05**	**13.16**

2. STATEMENTS OF FINANCIAL POSITION (CONTINUED)

2a. - Review of Financial Position

Group shareholders' funds increased from S$376.9 million as at 31 December 2016 to S$417.0 million as at 30 September 2017. The increase was mainly contributed by the increase in non-controlling interest, other reserves and share capital. The increase in share capital was due to ordinary shares issued under the scrip dividend scheme. The increase in other reserves was mainly due to premium on dilution of interest in the overseas real estate business, changes in fair value of available-for-sale financial assets and foreign currency translation.

The Group's total assets of S$1,939.9 million as at 30 September 2017 was S$218.1 million higher than that as at 31 December 2016. The increase was mainly due to the increase in development properties, cash and bank balances, investment securities, trade and other receivables, property, plant and equipment, properties held for sale, investment in joint ventures and investment properties, partially offset by decrease in inventories, amount due from associates and investment in associates. The increase in development properties was largely contributed by the on-going construction of the overseas real estate projects, partially offset by reclassification of development properties to trade receivables as the Group had obtained Temporary Occupation Permit ("TOP") for its Waterfront@Faber project in 2Q 2017. The increase in trade and other receivables was mainly attributable to TOP for Waterfront@Faber project and increase in pledge book and provision of secured loans for the financial service business. The increase in property, plant and equipment was mainly due to the purchase of an industrial building.

The Group's total liabilities of S$1,522.9 million as at 30 September 2017 was S$178.0 million higher than that as at 31 December 2016. The increase was largely due to increase of interest bearing loans and borrowings, trade and other payables, deferred tax liability and the issuance of term notes by its subsidiary MCFS. The increase was partially offset by redemption of all its outstanding S$55.75 million term notes due in January 2017 and decrease in provision for taxation and amount due to an associate.

3. CONSOLIDATED STATEMENT OF CASH FLOWS

	3Q 2017 S$'000	3Q 2016 S$'000	9M 2017 S$'000	9M 2016 S$'000
Operating activities				
Profit before taxation	3,569	15,955	11,230	14,400
Adjustments for:				
Property, plant and equipment written off	142	174	577	651
Depreciation of property, plant and equipment	1,190	1,009	3,397	3,014
Gain on disposal of property, plant and equipment	-	(1)	-	(5)
Impairment loss on amount due from associate	-	-	580	-
Impairment loss on interest receivables	75	-	75	19
Impairment loss on investment securities	460	-	1,663	1,500
Gain on disposal of investment securities	(193)	(760)	(428)	(710)
Loss on disposal of a joint venture	-	-	-	211
Fair value gain on investment properties	-	(3,127)	-	(3,127)
Write down of inventories	33	125	113	262
Interest expense	6,549	6,475	18,186	23,562
Interest income	(2,825)	(131)	(7,414)	(395)
Amortisation of prepaid rent	13	13	38	41
Amortisation of intangible assets	128	128	383	383
Amortisation of prepaid commitment fees	634	650	1,913	1,780
Listing expenses of a subsidiary	(39)	140	1,627	746
Share of results of associates and a joint venture	(887)	332	(2,262)	(2,429)
Unrealised foreign exchange differences	(836)	(4,440)	(3,899)	(4,273)
Operating profit before changes in working capital	**8,013**	**16,542**	**25,779**	**35,630**
Decrease/(increase) in:				
Inventories	(1,322)	(7,203)	7,444	(17,513)
Development properties	(68,168)	39,182	(21,816)	141,466
Properties held for sale	(12,308)	(3,348)	(16,747)	(8,281)
Trade and other receivables	72,249	(67,246)	(28,911)	(134,010)
Prepayments	2,194	822	(858)	2,353
Increase/(decrease) in:				
Trade and other payables	13,373	(12,170)	14,255	5,453
Net cash flows generated from/(used in) operations	**14,031**	**(33,421)**	**(20,854)**	**25,098**
Interest paid	(13,155)	(14,450)	(46,699)	(38,368)
Income taxes paid	(7,912)	(341)	(18,619)	(847)
Net cash flows used in operating activities	**(7,036)**	**(48,212)**	**(86,172)**	**(14,117)**
Investing activities				
Purchase of property, plant and equipment	(24,501)	(2,061)	(31,459)	(11,131)
Proceeds from sale of property, plant and equipment	-	1	4	104
Interest received	441	131	2,847	395
Purchase of investment securities	(103,609)	(13,010)	(200,412)	(266,733)
Dividend income from an associate	3,200	-	3,200	-
Proceeds from disposal of investment securities	75,507	172,899	167,430	213,150
Acquisition of non-controlling interests in a listed subsidiary	(331)	-	(4,837)	(17)
Net cash outflow on acquisition of a subsidiary	-	-	(367)	-
Due from associates (non-trade), net	(320)	-	2,600	-
Due from a joint venture (non-trade), net	(142)	(146)	(1,451)	(4,795)
Net cash flows (used in)/generated from investing activities	**(49,755)**	**157,814**	**(62,445)**	**(69,027)**
Financing activities				
Dividends paid to shareholders of the Company	(26)	-	(4,056)	(8,636)
Dividends paid to non-controlling interests of subsidiaries	25	(925)	(766)	(1,257)
Capital return to non-controlling shareholder upon liquidation of subsidiary	(1,889)	-	(1,889)	-
Proceeds from issuance of ordinary shares by subsidiaries to non-controlling interest	12,303	-	12,711	-
Proceeds from issuance of term notes and bonds	-	-	50,000	200,000
Repayment of term notes	-	(100,000)	(55,750)	(100,000)
Proceeds from term loans	136,225	11,352	250,008	48,593
Repayment of term loans	(69,877)	(41,339)	(111,864)	(168,255)
Proceeds/(Repayment) from short term bank borrowings, net	35,578	(9,006)	42,861	57,227
Proceeds from initial public offering of a subsidiary	2,523	-	27,556	-
Proceeds from finance lease obligations	-	-	68	146
Repayment of finance lease obligations	(17)	(4)	(48)	(8)
Term notes and bonds commitment fee paid	-	-	(631)	(4,571)
Listing expenses paid by a subsidiary	(208)	(166)	(2,222)	(879)
Net cash flows generated from/(used in) financing activities	**114,637**	**(140,088)**	**205,978**	**22,360**
Net increase/(decrease) in cash and cash equivalents	57,846	(30,486)	57,361	(60,784)
Cash and cash equivalents at beginning of period	69,856	102,522	70,284	132,995
Effects of exchange rate changes on cash and cash equivalents	30	243	87	68
Cash and cash equivalents at end of period	**127,732**	**72,279**	**127,732**	**72,279**

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 2017 S$'000	9M 2016 S$'000
Amounts held under the "Project Account (Amendment) Rules - 1997" withdrawals of which are restricted to payments for expenditure incurred on projects	10,409	31,000
Cash at bank	117,323	41,279
Cash and cash equivalents	**127,732**	**72,279**

3a. - Cashflow Analysis

3Q 2017

Net cash used in operating activities for 3Q 2017 was S$7.0 million compared to S$48.2 million for 3Q 2016. This was mainly attributable to increase in development properties, properties held for sale and inventories, partially offset by decrease in trade and other receivables, prepayment and increase in trade and other payables. The increase in development properties was largely contributed by the on-going construction of the overseas real estate projects. The increase in properties held for sale was due to the completion of some projects in Malaysia.

Net cash used in investing activities of S$49.8 million in 3Q 2017 was largely attributable to purchase of investment securities (net) and increase in property, plant and equipment.

Net cash generated from financing activities was S$114.6 million in 3Q 2017 compared to net cash used in financing activities S$140.1 million in 3Q 2016. This was largely due to increase in term loans and short term bank borrowings (net), proceeds from the rights issues by MCFS in July 2017 and initial public offering of the overseas real estate business.

9M 2017

Net cash used in operating activities for 9M 2017 was S$86.2 million compared to S$14.1 million for the corresponding nine months in the previous year. This was mainly attributable to increase in trade and other receivables, development properties and properties held for sale, partially offset by decrease in inventories and increase in trade and other payables. The increase in development properties was largely contributed by the on-going construction of the overseas real estate projects, partially offset by reclassification of development properties to trade receivables as the Group had obtained TOP for its Waterfront@Faber project in 2Q 2017. The increase in trade and other receivables was mainly attributable to TOP for Waterfront@Faber project and increase in pledge book and provision of secured loans for the financial service business.

Net cash used in investing activities of S$62.4 million in 9M 2017 was largely attributable to purchase of investment securities (net) and increase in property, plant and equipment.

Net cash generated from financing activities was S$206.0 million in 9M 2017 as compared to S$22.4 million due largely to increase in term loan and short term bank borrowings (net), proceeds from issuance of term notes and rights issues by its subsidiary, MCFS and initial public offering of the overseas real estate business, partially offset by redemption of all its outstanding S$55.75 million term notes due in January 2017 and payment of dividend.

As a result, cash and cash equivalent balances increased to S$127.7 million as at 30 September 2017 from S$72.3 million as at 30 September 2016.

4. STATEMENTS OF CHANGES IN EQUITY

	Attributable to owners of the Company				Non-controlling interests	Total
	Share capital S$'000	Treasury shares S$'000	Revenue reserves S$'000	Other reserves S$'000	S$'000	S$'000
Group						
Balance as at 1 January 2017	**226,152**	**(2,589)**	**93,755**	**(5,329)**	**64,881**	**376,870**
Profit for the period	-	-	(135)	-	3,017	**2,882**
Other comprehensive income for the period						
Net gain on fair value changes of available-for-sale financial assets	-	-	-	4,553	369	**4,922**
Foreign currency translation	-	-	-	2,702	556	**3,258**
Share of other comprehensive income of a joint venture	-	-	-	385	-	**385**
Other comprehensive income, net of tax	-	-	-	7,640	925	**8,565**
Contributions by and distributions to owners						
Dividends on ordinary shares - cash and scrip dividends	-	-	(4,834)	-	(766)	**(5,600)**
Ordinary shares issued under scrip dividend	778	-	-	-	-	**778**
Capital return to non-controlling shareholder upon liquidation of a subsidiary	-	-	-	-	(1,889)	**(1,889)**
Total contributions by and distributions to owners	778	-	(4,834)	-	(2,655)	**(6,711)**
Changes in ownership interests in subsidiaries						
Acquisition of non-controlling interests in a listed subsidiary without a change in control	-	-	-	(1,984)	(2,853)	**(4,837)**
Premium on dilution of interest in subsidiaries	-	-	-	9,203	18,294	**27,497**
Change in ownership interest in subsidiaries without a change in control	-	-	2,841	1,402	(4,243)	**-**
Capital contribution from no-controlling interests	-	-	-	-	12,770	**12,770**
Total changes in ownership interests in subsidiaries	-	-	2,841	8,621	23,968	**35,430**
Balance as at 30 September 2017	**226,930**	**(2,589)**	**91,627**	**10,932**	**90,136**	**417,036**
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**
Other comprehensive income for the period						
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)**
Contributions by and distributions to owners						
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)**
Changes in ownership interests in subsidiaries						
Acquisition of non-controlling interests in a subsidiary	-	-	-	(11)	(6)	**(17)**
Capital contribution from non-controlling interest	-	-	-	-	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**

4. STATEMENTS OF CHANGES IN EQUITY (CONTINUED)

	Attributable to shareholders of the Company				Non-controlling interests	Total
	Share capital S$'000	Treasury shares S$'000	Revenue reserves S$'000	Other reserves S$'000	S$'000	S$'000
Company						
Balance as at 1 January 2017	**226,152**	**(2,589)**	**29,444**	**1,413**	**-**	**254,420**
Profit for the period	-	-	2,420	-	-	**2,420**
Contributions by and distributions to owners						
Dividends on ordinary shares - cash and scrip dividends	-	-	(4,834)	-	-	**(4,834)**
Ordinary shares issued under scrip dividend	778	-	-	-	-	**778**
Total contributions by and distributions to owners	778	-	(4,834)	-	-	**(4,056)**
Balance as at 30 September 2017	**226,930**	**(2,589)**	**27,030**	**1,413**	**-**	**252,784**
Balance as at 1 January 2016	**215,872**	**(2,796)**	**54,467**	**1,429**	**-**	**268,972**
Loss for the period	-	-	(1,375)	-	-	**(1,375)**
Contributions by and distributions to owners						
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**

5. CHANGES IN SHARE CAPITAL

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

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

6. CHANGES IN TREASURY SHARES

There were no treasury shares transferred to employees under the Aspial Share Award Scheme during the financial period (30 September 2016: nil).

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

7. CHANGES IN SUBSIDIARY HOLDINGS

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

8. GROUP BORROWINGS AND DEBT SECURITIES

Amount repayable in one year or less, or on demand

As at 30-Sep-17		As at 31-Dec-16	
Secured S$'000	Unsecured S$'000	Secured S$'000	Unsecured S$'000
507,392	-	447,748	55,750

Amount repayable after one year

As at 30-Sep-17		As at 31-Dec-16	
Secured S$'000	Unsecured S$'000	Secured S$'000	Unsecured S$'000
297,383	622,000	175,612	574,000

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

The Group has applied the same accounting policies and methods of computation in the third quarter results announcement for the current financial period ended 30 September 2017 as those of the audited financial statements for the financial year ended 31 December 2016, as well as all applicable new and revised Financial Reporting Standards ("FRSs") which became effective for financial years beginning on or after 1 January 2017. The adoption of these new and revised FRSs has no material effect on the third quarter announcement for the current financial period ended 30 September 2017.

11. EARNINGS PER SHARE

	Group			
	3Q 30-Sep-17 cents	3Q 30-Sep-16 cents	9M 30-Sep-17 cents	9M 30-Sep-16 cents
i) Basic earnings per share	0.004	0.66	(0.01)	0.49
ii) Diluted earnings per share	0.004	0.66	(0.01)	0.49
-Weighted average number of shares (excluding treasury shares) ('000)	1,936,491	1,932,746	1,934,551	1,906,484

12. NET ASSET VALUE PER SHARE

	Group		Company	
	30-Sep-17	31-Dec-16	30-Sep-17	31-Dec-16
Net asset value per ordinary share (in cents)	16.88	16.14	13.05	13.16
Number of ordinary shares in issue (excluding treasury shares) ('000)	1,936,491	1,933,499	1,936,491	1,933,499

13. VARIANCE FROM FORECAST STATEMENT

No forecast for the period ended 30 September 2017 was previously provided.

14. REVIEW OF CORPORATE PERFORMANCE

Group revenue for the nine months ended 30 September 2017 was S$354.9 million compared with S$440.8 million for the corresponding period in 2016. The lower revenue was mainly due to fewer development projects in 2017 and lower sales from the Jewellery Business. However, the Financial Service Business continued to record higher revenue.

For 3Q 2017, Group revenue declined S$55.6 million or 33.7% to S$109.4 million from that of the corresponding period in 2016.

Revenue from the Real Estate Business decreased by S$99.2 million from S$235.9 million in 9M 2016 to S$136.7 million in 9M 2017. The revenue for 9M 2017 was mainly contributed by the progress recognition of sales from CityGate and final recognition of sales from Waterfront@Faber as compared to 9M 2016 where there were higher revenue contributions from The Hillford, Waterfront@Faber, Urban Vista and CityGate. Although the Group has made good progress in the sales and construction of its overseas projects, unlike in Singapore, it cannot progressively recognise such revenue until the projects are completed and the units delivered to purchasers.

Revenue from the Financial Service Business increased by S$21.7 million or 18.5% to S$139.0 million in 9M 2017. The increase was due to higher interest income and sales from the retailing and trading of jewellery and watches.

The ongoing consolidation of retail network and weak consumer sentiment continued to affect the Jewellery Business. For 9M 2017, revenue from the Jewellery Business declined S$10.5 million to S$84.7 million.

Group pre-tax profit for 9M2017 was S$11.2 million compared with S$14.4 million for 9M 2016.

For 9M 2017, the Real Estate Business recorded a pre-tax profit of S$8.5 million as compared to S$7.4 million for 9M 2016. This higher pre-tax profit was mainly due to higher profit from CityGate and foreign exchange gain, partially offset by listing expenses in connection with the initial public offering of the Group's overseas real estate business.

Pre-tax profit of the Financial Service Business increased by S$1.0 million or 10.2% to S$10.8 million in 9M 2017. The increase was mainly due to higher interest income and profit from the retail and trading business.

The Jewellery Business registered a pre-tax loss of S$6.0 million in 9M 2017 as compared to S$3.8 million in 9M 2016. The higher loss was mainly due to the lower revenue. Operating expenses such as rental and other store related expenses had decreased mainly due to the on-going rationalization of retail network.

The Group had taken into account the following costs amounting to S$4.8 million for 9M 2017:

1. Sales and marketing expenditure of S$1.4 million for the marketing of the remaining units of Australia 108 and Avant projects in Melbourne and Phase 1 of Nova City in Cairns; and
2. One-off IPO expenses of S$1.7 million for the overseas real estate business.
3. One-off impairment of S$1.7 million for its investment securities

Excluding the above costs, Group profit would have been S$16.0 million in 9M 2017.

15. BUSINESS OUTLOOK

Real Estate Business

The Group continues to record sales for its CityGate project in Singapore and Australia 108 and Avant projects in Melbourne, Australia. Moving forward, the Group will continue to work on selling the remaining units in these 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					
CityGate*	Residential	311	3Q 2014	311	100%
CityGate*	Commercial	188	3Q 2014	188	69%
In Australia					
Australia 108 (Melbourne)	Residential & Commercial	1,103	4Q 2014	1,103	98%
Avant (Melbourne)	Residential & Commercial	456	2Q 2015	456	97%
Nova City Tower 1 (Cairns)	Residential & Commercial	187	4Q 2016	101	34%

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

The Group expects CityGate to contribute to the Group's revenue and profit in FY2017 and FY2018 as the Group continues to record sales for the remaining commercial units and construction progresses on schedule.

In Australia, the Group has made good progress for Australia 108 and Avant projects. As at the date of this announcement, the construction works for the two projects were ahead of the planned completion schedules with Australia 108 at Level 31 out of 101 levels and Avant at Level 55 out of 56 levels respectively.

15. BUSINESS OUTLOOK (CONTINUED)

Real Estate Business (continued)

The Group expects to complete stage 1 to 3 out of the 6 stages for Australia 108 and both stages for Avant in 2018 and will recognise revenue and profit from the projects when the completed units are delivered to the purchasers. In the next twelve months, the Group will continue with the sale of Nova City in Cairns and intend to launch the Albert Street project in Brisbane. In Penang, the Group has completed the refurbishment, upgrading and building works of 12 properties.

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$166 million which will be progressively recognised in accordance with the stage of construction.

Second, the Group has locked in about S$1.2 billion of sales revenue from the Australia 108, Avant and Nova City projects.

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$1.9 billion.

Overall, the Group has locked in more than S$1.3 billion of sales in Singapore and Australia.

According to the latest construction schedule, the Group expects to complete the first three phases of Australia 108 (Melbourne), Avant (Melbourne) and CityGate (Singapore) in 2018. These completions will contribute about S$900 million of sales proceeds to the Group.

Part of the sales proceeds will be used to repay outstanding loans and cover the remaining development costs for the projects. Accordingly, the Group expects its equity, cash and debt position to improve in 2018.

Financial Service Business

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

The Group has also ventured into secured lending business. The Group's subsidiary Maxi-Cash Financial Services Corporation Limited ("MCFS") had raised S$20.6 million of capital through rights issue and issued S$70 million of term notes to fund the working capital requirements for the new secured lending business and the existing pawnbroking business.

As at the end of September 2017, the Group was only able to invest about S$8 million to its secured lending business and hence the contribution to group results was marginal in the third quarter. However, by 31 October 2017, the Group had managed to invest a total of about S$40 million in its secured lending business and intends to invest up to S$30 million in the current quarter.

In view of the above, the Group expects its secured lending business to contribute positively to MCFS earnings as the funds are deployed.

Jewellery Business

The Group expects consumer sentiments to remain weak in 2017. The Group will press on with its efforts to improve operational effectiveness and efficiency of its Jewellery Business.

Other Investment

The existing core business of AF Global Limited, namely the hotel and serviced residence business is expected to remain profitable.

For its China Xuzhou Gulou Square project, the Group has achieved sales of 99.3% of its residential apartments. For its next stage of development, the Group intends to focus on the sales of the office units and leasing of the retail mall, which are currently under construction.

Riding on the recent upbeat sentiments on collective-sale and office rental market, the Knight Frank Singapore is expected to benefit from the improving sentiments in the local property market.

The Group plans to develop the site at Rawai, Phuket into a 5-star hotel managed by an international brand. The Group will continue to focus on improving its business operations, and conduct strategic review on how to enhance return on its assets.

The Group

Barring unforeseen circumstances and major depreciation of Malaysian and Australian currencies, the Group expects to remain profitable in 2017.

16. 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.

17. DIVIDEND

(i) Any dividend declared for the current financial period reported on?
No

(ii) Any dividend declared for the preceding financial period?
No

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

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

19. 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 2017 to be false or misleading in any material respects.

On behalf of the Board of Directors,

Koh Wee Seng	Koh Lee Hwee
CEO	Director

8 November 2017