ASPIAL

NEWS RELEASE

Aspial's profit after tax surges to $24.0 million for 3Q 2018

- ***Revenue for the latest quarter grew 217% to $347.0 million***
- ***On track to further improve debt position with redemption of outstanding 2018 Notes amounting to $51.0 million in November 2018***
- ***Aspial has received sizable proceeds from projects in Australia; more proceeds expected in coming months which will further improve Group's debt profile***
- ***Declares interim dividend of 0.25 Singapore cents per share***

Financial Highlights of the Group:

S$'000	3Q 2018	3Q 2017	% Change	9M 2018	9M 2017	% Change
Revenue	**346,987**	109,401	217	**771,677**	354,926	117
Pre-tax Profit	**32,602**	3,569	813	**57,434**	11,230	411
Profit After Tax	**24,026**	1,283	nm	**41,080**	2,882	nm
EPS (in cents)	**0.97**	0.004	nm	**1.67**	(0.01)	nm

Singapore, 7 November 2018 – *Aspial Corporation Limited* ("**Aspial**" or the **"Group"**), an investment holding company with four core businesses, namely real estate, jewellery, financial service and hospitality (including other investments), today announced a 217% surge in revenue to $347.0 million for the quarter ended 30 September 2018 (**"3Q 2018"**), up from $109.4 million in the year ago period (**"3Q 2017"**). Correspondingly, the Group reported pre-tax profit of $32.6 million, up from $3.6 million previously; while profit after tax increased significantly to $24.0 million, up from $1.3 million in 3Q 2017.

For the nine months ended 30 September 2018 (**"9M 2018"**), Aspial achieved a record revenue of $771.7 million, up from $354.9 million in the previous corresponding period (**"9M 2017"**). This was primarily attributable to an increase in contribution from the Group's Real

Estate Business. For 9M 2018, Group pre-tax profit rose to $57.4 million, despite a net foreign exchange loss amounting to $13.3 million. Excluding the foreign exchange loss, Group pre-tax profit would have been $70.7 million in 9M 2018. Group profit after tax was $41.1 million in 9M 2018, up from $2.9 million in 9M 2017.

The Real Estate Business continued to be key revenue contributor to Group revenue in 9M 2018, increasing by 284.6% from $136.7 million in 9M 2017 to $525.8 million in 9M 2018. Pre-tax profit surged to $55.1 million, up from $8.5 million in 9M 2017. The increase in revenue and pre-tax profit were mainly due to the progress recognition of sales from the CityGate project in Singapore, as well as the settlement and handover of completed residential units for the AVANT and Australia 108 projects in Melbourne, Australia.

The Financial Service Business saw revenue grow from $139.0 million in 9M 2017 to $158.5 million in 9M 2018; largely driven by higher interest income from its pawnbroking and secured lending businesses, and higher sales from the retail and trading of jewellery and branded merchandise business. The business segment recorded a pre-tax profit of $9.5 million in 9M 2018, compared to $10.8 million previously. The dip in pre-tax profit was due to higher finance cost and foreign exchange loss. Excluding the foreign exchange loss, the business segment would have reported a pre-tax profit of $13.0 million in 9M 2018.

Revenue from the Jewellery Business increased 15.8% from $84.7 million to $98.1 million in 9M 2018, mainly due to higher sales from its Niessing brand and gold bullion business. The business segment narrowed its pre-tax loss to $2.8 million for 9M 2018, compared to a pre-tax loss of $6.0 million in 9M 2017. This was largely due to maiden profit contribution from its Niessing operations and lower loss from its retail business in Singapore.

To reward shareholders for their support, Aspial is declaring an interim dividend of 0.25 Singapore cents per share.

Debt Analysis

The Group was successful in lowering its debt significantly in the course of 3Q 2018, resulting from the settlement of completed residential units in AVANT and Australia 108. As at 30 September 2018, total loan and borrowings (excluding term notes and bonds), stood at $707.3 million, which was $278.1 million lower than that as at 30 June 2018.

Of the $707.3 million in total loans and borrowings (excluding term notes and bonds), about 51% or $363.7 million were property development-related loans while the remaining 49% or $343.6 million were mainly working capital/mortgage loans for the Financial Service and Jewellery business segments, as well as investment in properties and investment in securities.

In the next three months, the Group intends to adopt a multi-pronged approach to improve its debt and cash profile. This will be underpinned by the following upcoming corporate developments :

- Up to $228.0 million of proceeds expected from the settlement and handover of AVANT and Australia 108 units (subject to actual settlement);
- Expected Temporary Occupation Permit (**"TOP"**) for CityGate project by end-2018, where remaining CityGate development loans will be repaid and net cash will be received upon completion; and
- The Group will repay outstanding term notes due in November 2018.

"We are pleased that Group profit has improved significantly with the progressive completion and settlement for our two skyscraper projects in Melbourne – AVANT and Australia 108. Looking ahead, we also expect to continue to book revenue and profits as higher levels of Australia 108 are progressively completed and settlement made," said Mr Koh Wee Seng, Chief Executive Officer, Aspial.

“Importantly, the Group’s debt profile has improved in the course of 3Q 2018 and we expect it to improve further with the completion and settlement for completed units at CityGate, Australia 108 and AVANT. Overall, we are committed to reduce Aspial’s total loans and borrowings and will balance it against the need for us to maintain financial flexibility to the extent that we are able to capitalize on business opportunities as they arise,” added Mr Koh.

ISSUED ON BEHALF OF	:	Aspial Corporation Limited
BY	:	Citigate Dewe Rogerson Singapore Pte Ltd
		55 Market Street
		#02-01
		SINGAPORE 048941
CONTACT	:	Mr Winston Choo / Mr Derrick Tee
		at telephone
DURING OFFICE HOURS	:	6534-5122
EMAIL	:	winston.choo@citigatedewerogerson.com
		derrick.tee@citigatedewerogerson.com