

**Unaudited Second Quarter Financial Statements
For The Financial Period Ended 30 June 2015**

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1. Consolidated Statement of Comprehensive Income

	Group		Change %
	1H 2015 S\$'000	1H 2014 S\$'000	
Revenue	200,479	249,019	-19%
Materials and subcontract costs	(130,028)	(162,509)	-20%
Employee benefits	(21,576)	(24,474)	-12%
Depreciation and amortisation	(2,347)	(2,660)	-12%
Finance costs	(11,144)	(10,599)	5%
Other operating expenses	(45,025)	(42,180)	7%
Operating (loss)/ profit	(9,641)	6,597	n.m
Interest income	3,108	1,337	132%
Rental income	4,057	3,626	12%
Other income	3,753	31,272	-88%
Share of results of associates and joint ventures	313	2,050	-85%
Profit before tax	1,590	44,882	-96%
Taxation	(1,107)	(4,963)	-78%
Profit for the period	483	39,919	-99%
Other comprehensive income			
Net fair value change of available-for-sale financial assets	(1,060)	256	n.m
Foreign exchange translation	(2,822)	3	n.m
Share of other comprehensive income of associates and joint ventures	(1,426)	-	n.m
Other comprehensive income for the period, net of tax	(5,308)	259	n.m
Total comprehensive income for the period	(4,825)	40,178	n.m
Profit attributable to:			
Shareholders of the Company	2,528	30,009	-92%
Non-controlling interests	(2,045)	9,910	n.m
	483	39,919	-99%
Total comprehensive income attributable to:			
Shareholders of the Company	(2,257)	30,268	n.m
Non-controlling interests	(2,568)	9,910	n.m
	(4,825)	40,178	n.m
Earnings per ordinary share (cents)			
-Basic	0.14	1.72	-92%
-Diluted	0.14	1.72	-92%

Other information :-

	Group		Change %
	1H 2015 S\$'000	1H 2014 S\$'000	
Amortisation of intangible assets and prepaid rent	385	445	-13%
Recovery of doubtful receivables	-	(46)	n.m
Depreciation of property, plant and equipment	1,962	2,215	-11%
Net foreign exchange gain	(45)	(3,257)	n.m
Fair value gain on investment properties	-	(25,083)	n.m
Net gain on disposal of property, plant and equipment	-	(3)	n.m
Manufacturing and melting loss	488	597	-18%
Property, plant and equipment written off	107	105	2%

n.m - means "not meaningful"

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

1(ii) Consolidated Statement of Comprehensive Income For The Financial Period from 1 April 2015 to 30 June 2015 ("2Q 2015")

	Group		Change %
	2Q 2015 \$'000	2Q 2014 \$'000	
Revenue	100,399	120,993	-17%
Materials and subcontract costs	(64,723)	(82,279)	-21%
Employee benefits	(11,336)	(11,762)	-4%
Depreciation and amortisation	(1,138)	(1,322)	-14%
Finance costs	(6,593)	(4,978)	32%
Other operating expenses	(22,876)	(22,280)	3%
Operating loss	(6,267)	(1,628)	285%
Interest income	1,576	949	66%
Rental income	1,858	1,860	0%
Other income	3,353	2,825	19%
Share of results of associates and joint ventures	595	137	334%
Profit before tax	1,115	4,143	-73%
Taxation	(667)	(1,760)	-62%
Profit for the period	448	2,383	-81%
Other comprehensive income			
Net fair value change of available-for-sale financial assets	(408)	256	n.m
Foreign exchange translation	(1,547)	3	n.m
Share of other comprehensive income of associates and joint ventures	(1,915)	-	n.m
Other comprehensive income for the period, net of tax	(3,870)	259	n.m
Total comprehensive income for the period	(3,422)	2,642	n.m
Profit attributable to:			
Shareholders of the Company	270	2,229	-88%
Non-controlling interests	178	154	16%
	448	2,383	-81%
Total comprehensive income attributable to:			
Shareholders of the Company	(3,077)	2,488	n.m
Non-controlling interests	(345)	154	n.m
	(3,422)	2,642	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 decrease in materials and subcontract costs in 1H 2015 and 2Q 2015 was in line with the lower revenue for the real estate and jewellery business.

1d. - Employee benefits expenses for 1H 2015 and 2Q 2015 decreased mainly due to lower provision of performance bonus for real estate business and lower staff cost for jewellery business, partially offset by increase in number of employees for the financial service business.

1e. - The increase in finance cost in 1H 2015 and 2Q 2015 was due to higher interest paid for multicurrency medium term notes (MTN). The outstanding amount of the MTN as at 30 June 2015 was S\$495 million as compared to S\$415 million as at 30 June 2014.

1f. - Higher other operating expenses in 1H 2015 and 2Q 2015 was mainly due to the increase in sales and marketing expenses and foreign exchange loss for the real estate business.

1g. - Higher interest income in 1H 2015 and 2Q 2015 was mainly due to higher income from the investment securities.

1h. - Lower other income in 1H 2015 was mainly due to the absence of fair value gain for the investment properties. The increase in other income in 2Q 2015 was due to profit from sale of property at 383 King Street, Melbourne.

1i. - The decline in share of results of associates and joint ventures in 1H 2015 was mainly due to share of loss from a new joint venture. The increase in share of results of associates and joint ventures in 2Q 2015 was due to higher profit from associates for the real estate business.

2. Statement of Financial Position As At 30 June 2015

	Group		Company	
	30-Jun-15 S\$'000	31-Dec-14 S\$'000	30-Jun-15 S\$'000	31-Dec-14 S\$'000
NON-CURRENT ASSETS				
Property, plant and equipment	23,939	24,769	762	373
Intangible assets	7,729	7,985	35	35
Investment properties	45,700	45,700	-	-
Investment in subsidiaries	-	-	70,802	78,601
Investment in associates	21,561	59,699	-	-
Investment in joint ventures	31,664	25	5,025	25
Investment securities	23	30,559	-	30,536
Other non-financial asset	-	-	29,614	-
Other receivables	5,314	3,605	6	49
Prepaid rent	67	95	-	-
Deferred tax assets	8,894	7,012	253	288
	144,891	179,449	106,497	109,907
CURRENT ASSETS				
Inventories	125,883	131,138	-	-
Development properties	859,952	890,563	-	-
Properties held for sale	8,802	8,565	-	-
Trade and other receivables	255,469	224,903	17,382	34
Prepaid rent	111	212	-	-
Prepayments	3,519	4,303	2,653	3,392
Due from subsidiaries (non-trade)	-	-	545,848	570,290
Due from an affiliated company (non-trade)	2,752	2,752	-	-
Due from a joint venture (non-trade)	49,181	-	49,181	-
Due from associates (non-trade)	17,160	17,160	-	-
Investment securities	91,141	103,597	-	-
Cash and bank balances	103,559	83,619	566	3,640
	1,517,529	1,466,812	615,630	577,356
TOTAL ASSETS	1,662,420	1,646,261	722,127	687,263
CURRENT LIABILITIES				
Trade and other payables	69,327	61,779	8,047	8,576
Due to subsidiaries (non-trade)	-	-	1,774	78
Due to associates (non-trade)	8,980	55,880	-	-
Provision for taxation	15,660	25,057	31	27
Term notes	85,000	85,000	85,000	85,000
Interest-bearing loans and borrowings	281,316	223,599	-	-
	460,283	451,315	94,852	93,681
Net current assets	1,057,246	1,015,497	520,778	483,675
NON-CURRENT LIABILITIES				
Interest bearing loans and borrowings	415,184	409,289	-	-
Term notes	410,000	397,500	410,000	410,000
Other payables	4,160	4,343	-	-
Deferred tax liabilities	16,320	14,069	-	-
	845,664	825,201	410,000	410,000
TOTAL LIABILITIES	1,305,947	1,276,516	504,852	503,681
Net assets	356,473	369,745	217,275	183,582
EQUITY ATTRIBUTABLE TO SHAREHOLDERS OF THE COMPANY				
Share capital	215,873	202,179	215,873	202,179
Treasury shares	(2,473)	(2,473)	(2,473)	(2,473)
Other reserves	(4,829)	(44)	1,361	2,403
Revenue reserves	105,600	125,696	2,514	(18,527)
	314,171	325,358	217,275	183,582
Non-controlling interests	42,302	44,387	-	-
Total equity	356,473	369,745	217,275	183,582
Net asset value per ordinary share (in cents)	16.60	17.56	11.48	9.91

2. Statement of Financial Position As At 30 June 2015 (Con't)

2a. - Review of Financial Position

Group shareholders' funds decreased from S\$369.7 million as at 31 December 2014 to S\$356.5 million as at 30 June 2015. The decrease was mainly due to share of reduced comprehensive income of joint venture, decrease in profit for the period and payment of dividend for 2014. The increase in share capital was due to ordinary shares issued under the scrip dividend scheme.

The Group's total assets of S\$1,662.4 million as at 30 June 2015 was S\$16.2 million higher than that as at 31 December 2014 mainly due to the increase in amount due from a joint venture, investment in joint ventures, trade and other receivables and cash and bank balances, partially offset by the decline in investment in associates, investment in securities (non-current), development properties and inventories. The increase in investment in joint ventures was due to reclassification from investment securities (non-current) as the result of the acquisition of LCD Global Investments Ltd ("LCD") shares by the Group's 50% owned joint venture company AF Global Pte Ltd ("AFG"). The increase in amount due from a joint venture was due to advance to AFG for its general cash offer for LCD shares. The increase in trade and other receivables was mainly due to increase in receivables from the disposal of investment securities in June 2015. The decrease in development properties was mainly due to the sale of property at 383 King Street, Melbourne. The decrease of inventories was due to smaller retail network for the jewellery business

The Group's total liabilities of S\$1,305.9 million as at 30 June 2015 was S\$29.4 million higher than that as at 31 December 2014. The increase was due to the increase of interest bearing loans and borrowings, trade and other payables and deferred tax liabilities. The increase was partially offset by the decline in amount due to associates and provision for taxation. The decrease in amount due to associates was mainly due to dividend received from an associate in 1H 2015.

3. Consolidated Statement of Cash Flows For The Financial Period Ended 30 June 2015

	2Q 2015 S\$'000	2Q 2014 S\$'000	1H 2015 S\$'000	1H 2014 S\$'000
OPERATING ACTIVITIES				
Profit before taxation	1,115	4,143	1,590	44,882
Adjustments for:				
Property, plant and equipment written off	91	93	107	105
Depreciation of property, plant and equipment	969	1,100	1,962	2,215
Changes in fair value of available-for-sale investment	334	-	334	-
Gain on disposal of property, plant and equipment	-	-	-	(3)
Gain on disposal of investment securities	(197)	-	(210)	-
Write down of inventories	15	-	39	-
Recovery of doubtful receivables	-	-	-	(46)
Interest expense	6,593	4,978	11,144	10,599
Interest income	(1,576)	(949)	(3,108)	(1,337)
Amortisation of prepaid rent	41	95	129	190
Amortisation of intangible assets	128	127	256	255
Fair value gain on investment properties	-	-	-	(25,083)
Share of results of associates	(1,023)	(137)	(1,862)	(2,050)
Share of results of joint ventures	427	-	1,549	-
Translation difference	(1,548)	-	(2,822)	-
Operating profit before changes in working capital	5,369	9,450	9,108	29,727
Decrease/(increase) in:				
Inventories	5,285	(845)	5,216	(9,991)
Development properties	30,108	(53,433)	30,611	(57,787)
Properties held for sale	(80)	-	(237)	-
Trade and other receivables	9,437	68,201	(5,083)	(44,685)
Prepayments	7,581	(120)	784	9,535
Increase/(decrease) in:				
Trade and other payables	8,350	(17,493)	5,200	(13,997)
Net cash generated from/(used in) operations	66,050	5,760	45,599	(87,198)
Interest paid	(6,593)	(4,978)	(11,144)	(10,599)
Income taxes (paid)/refund	(7,845)	(971)	(7,970)	1,892
Net cash generated from/(used in) operating activities	51,612	(189)	26,485	(95,905)
INVESTING ACTIVITIES				
Purchase of property, plant and equipment	(569)	(1,300)	(1,246)	(2,234)
Proceeds from sale of property, plant and equipment	7	-	7	-
Investment in joint ventures	-	-	(5,000)	-
Increase in prepaid rent	-	-	-	(35)
Purchase of investment securities	(9,489)	(36,180)	(27,875)	(93,470)
Proceeds from disposal of investment securities	12,695	-	26,690	-
Interest received	1,308	949	1,693	1,337
Due from associates (non-trade), net	(3,400)	(1,120)	(6,900)	(1,059)
Due from a joint venture (non-trade), net	(880)	-	(49,181)	-
Net cash used in investing activities	(328)	(37,651)	(61,812)	(95,461)
FINANCING ACTIVITIES				
Dividends paid to shareholders of the Company	(1,131)	(1,673)	(1,131)	(1,673)
Dividends paid to non-controlling interests of subsidiaries	(5,214)	(222)	(7,214)	(222)
Proceeds from term notes	-	65,000	-	165,000
Proceeds from term loans	24,464	54,651	47,452	104,906
Repayment of term loans	(41,295)	(61,175)	(58,344)	(88,798)
Proceeds/(repayment) from short term bank borrowings, net	5,931	(29,308)	74,504	19,679
Repayment of finance lease obligations	-	(4)	-	(11)
Due from/(to) affiliated company (non-trade), net	-	12	-	(126)
Net cash (used in)/generated from financing activities	(17,245)	27,281	55,267	198,755
Net increase/(decrease) in cash and cash equivalents	34,039	(10,559)	19,940	7,389
Cash and cash equivalents at beginning of period	69,520	85,409	83,619	67,461
Cash and cash equivalents at end of period	103,559	74,850	103,559	74,850

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

Cash and cash equivalents

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

	1H 2015 S\$'000	1H 2014 S\$'000
Amounts held under the "Project Account (Amendment) Rules - 1997" withdrawals of which are restricted to payments for expenditure incurred on projects	18,540	39,399
Cash at bank	85,019	35,451
Cash and cash equivalents	103,559	74,850

3a. - Cashflow Analysis

2Q 2015

Net cash generated from operating activities for 2Q 2015 was S\$51.6 million compared to net cash used in operating activities of S\$0.2 million for the corresponding quarter in the previous year. This was mainly due to decrease in development properties, trade and other receivables, prepayments, inventories and increase in trade and other payables. The decrease in development properties was mainly due to the sale of property at 383 King Street, Melbourne.

Net cash used in investing activities of S\$0.3 million in 2Q 2014 was mainly due to amount due to associates, partially offset by proceeds from disposal of investment securities(net).

Net cash used in financing activities was S\$17.2 million compared to net cash generated from financing activities of S\$27.3 million in 2Q 2014. This was mainly due to repayment of term loans(net) and increase in dividend paid to shareholders of the Company and non-controlling interests of subsidiaries.

1H 2015

Net cash generated from operating activities for 1H 2015 was S\$26.5 million compared to net cash used in operating activities of S\$95.9 million for the corresponding first half in the previous year. This was mainly due to decrease in development properties, inventories and increase in trade and other payables. The decrease in development properties was mainly due to the sale of property at 383 King Street, Melbourne.

Net cash used in investing activities of S\$61.8 million in 1H 2015 was mainly due to investment in a joint venture, amount due from a joint venture, amount due to associates and purchase of investment securities(net).

Net cash generated from financing activities was S\$55.3 million compared to S\$198.8 million in 1H 2014. This was mainly due to net proceeds from short term bank borrowings, partially offset by repayment of term loans(net).

As a result, free cash flow increased to S\$103.6 million as at 30 June 2015 from S\$74.9 million as at 30 June 2014.

4. Statement of Changes in Equity For The Financial Period Ended 30 June 2015

	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		
Group						
Balance as at 1 January 2015	202,179	(2,473)	125,696	(44)	44,387	369,745
Profit for the period	-	-	2,528	-	(2,045)	483
<i>Other comprehensive income for the period</i>						
Net loss on fair value changes of available-for-sale- financial assets	-	-	-	(1,060)	-	(1,060)
Foreign currency translation	-	-	-	(2,299)	(523)	(2,822)
Share of other comprehensive income of joint venture	-	-	-	(1,426)	-	(1,426)
Other comprehensive income, net of tax	-	-	-	(4,785)	(523)	(5,308)
<i>Contributions by and distributions to owner</i>						
Dividends on ordinary shares	-	-	(22,624)	-	(7,214)	(29,838)
Ordinary shares issued under scrip dividend	13,694	-	-	-	-	13,694
Capital contribution to subsidiary	-	-	-	-	(102)	(102)
Total contributions by and distributions to owners	13,694	-	(22,624)	-	(7,316)	(16,246)
<i>Changes in ownership interests in subsidiary</i>						
Disposal of interest in subsidiary, representing total changes in ownership interests in subsidiary	-	-	-	-	7,799	7,799
	-	-	-	-	7,799	7,799
Balance as at 30 June 2015	215,873	(2,473)	105,600	(4,829)	42,302	356,473
Balance as at 1 January 2014						
Balance as at 1 January 2014	152,611	(460)	135,597	4,761	37,772	330,281
Profit for the period	-	-	30,009	-	9,910	39,919
<i>Other comprehensive income for the period</i>						
Net loss on fair value changes of available-for-sale- financial assets	-	-	-	256	-	256
Foreign currency translation	-	-	-	3	-	3
Other comprehensive income, net of tax	-	-	-	259	-	259
<i>Contributions by and distributions to owner</i>						
Dividends on ordinary shares	-	-	(34,783)	-	(222)	(35,005)
Ordinary shares issued under scrip dividend	33,110	-	-	-	-	33,110
Total contributions by and distributions to owners	33,110	-	(34,783)	-	(222)	(1,895)
Balance as at 30 June 2014	185,721	(460)	130,823	5,020	47,460	368,564
Company						
Balance as at 1 January 2015	202,179	(2,473)	(18,527)	2,403	-	183,582
Profit for the period	-	-	43,665	-	-	43,665
<i>Other comprehensive income for the period</i>						
Net loss on fair value changes of available-for-sale- financial assets	-	-	-	(1,042)	-	(1,042)
Other comprehensive income, net of tax	-	-	-	(1,042)	-	(1,042)
<i>Contributions by and distributions to owner</i>						
Dividends on ordinary shares	-	-	(22,624)	-	-	(22,624)
Ordinary shares issued under scrip dividend	13,694	-	-	-	-	13,694
Total contributions by and distributions to owners	13,694	-	(22,624)	-	-	(8,930)
Balance as at 30 June 2015	215,873	(2,473)	2,514	1,361	-	217,275
Balance as at 1 January 2014						
Balance as at 1 January 2014	152,611	(460)	40,420	842	-	193,413
Total comprehensive income for the period	-	-	(5,859)	-	-	(5,859)
Dividends on ordinary shares	-	-	(34,783)	-	-	(34,783)
Ordinary shares issued under scrip dividend	33,110	-	-	-	-	33,110
Balance as at 30 June 2014	185,721	(460)	(222)	842	-	185,881

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 2015	1,853,079	199,706
Ordinary shares issued under Scrip Dividend Scheme	39,124	13,694
Balance at 30 June 2015	1,892,203	213,400

6. Changes in Treasury Shares

There were no (30 June 2014: 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 and 30 June 2015	9,583	2,473

7. Group Borrowings and Debt Securities

Amount repayable in one year or less, or on demand

As at 30-Jun-15		As at 31-Dec-14	
Secured S\$'000	Unsecured S\$'000	Secured S\$'000	Unsecured S\$'000
281,316	85,000	223,599	85,000

Amount repayable after one year

As at 30-Jun-15		As at 31-Dec-14	
Secured S\$'000	Unsecured S\$'000	Secured S\$'000	Unsecured S\$'000
415,184	410,000	409,289	397,500

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;
- v) fixed and floating charge on all current assets of certain subsidiaries.

8. Auditor's Report

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

9. Accounting Policies

The Group has applied the same accounting policies and methods of computation in the second quarter announcement for the current financial year as those of the audited financial statements for the financial period ended 31 December 2014, as well as all applicable new and revised Financial Reporting Standards ("FRSs") which became effective for financial years beginning on or after 1 January 2015. The adoption of these new and revised FRSs has no material effect on the second quarter announcement for the current financial period.

10. Earnings Per Share

	Group			
	2Q	2Q	1H	1H
	30-Jun-15 cents	30-Jun-14 cents	30-Jun-15 cents	30-Jun-14 cents
i) Basic earnings per share	0.01	0.13	0.14	1.72
ii) Diluted earnings per share	0.01	0.13	0.14	1.72
-Weighted average number of shares (excluding treasury shares) ('000)	1,856,088	1,743,429	1,854,592	1,743,429

11. Net Asset Value Per Share

	Group		Company	
	30-Jun-15	31-Dec-14	30-Jun-15	31-Dec-14
Net asset value per ordinary share (in cents)	16.60	17.56	11.48	9.91
Number of ordinary shares in issue (excluding treasury shares) ('000)	1,892,203	1,853,079	1,892,203	1,853,079

12. Variance from Forecast Statement

No forecast for the period ended 30 June 2015 was previously provided.

13. Review of Corporate Performance

Group revenue for the half year ended 30 June 2015 was S\$200.5 million as compared to S\$249.0 million for the corresponding period in 2014. The decrease in Group revenue was due to lower revenue from the Real Estate Business and Jewellery Business.

For 2Q 2015, Group revenue decreased by 17.0% to S\$100.4 million, mainly due to lower revenue from both Real Estate Business and Jewellery Business.

In 1H 2015, revenue from the Real Estate Business decreased S\$41.5 million from S\$119.1 million to S\$77.6 million. The decrease was due to lower progress recognition of sales from ongoing projects.

Revenue from the Jewellery Business declined by S\$10.7 million in 1H 2015 mainly due to the smaller retail network and weaker market sentiments.

The Financial Service Business delivered another quarter of healthy revenue growth. Revenue increased by S\$3.1 million to S\$58.6 million in 1H 2015, driven by higher interest income from its record pledge book size and the increase in sales from the retail and trading of pre-owned jewellery and watches.

Operating expense increase marginally by S\$0.2 million from S\$79.9 million to S\$80.1 million in 1H 2015. The increase in operating expense was mainly due to higher sales and marketing cost and foreign exchange loss, partially offset by lower staff costs, rental expense and depreciation.

At the pre-tax level, Group profit was S\$1.6 million as compared to S\$44.9 million in 1H 2014. The lower pre-tax profit was due mainly to the lower profit from the Real Estate Business.

The Group had taken into account the following costs amounting to \$16.7m for 1H 2015:-

1. Foreign exchange loss of S\$6.5 million due to the decline in Australia and Malaysia currencies;
2. Sales & marketing expenditure of S\$8.9 million for the global launch of Australia 108 and Avant in Melbourne and building of sales gallery and preparation of marketing materials for Nova 8 project in Cairns, and marketing spend for Waterfront@faber and CityGate in Singapore; and
3. One-off cost of about S\$1.3 million relating to the general offer of its 50% owned joint venture company, AF Global Pte Ltd ("AFG") for the shares in LCD Global Investment Ltd ("LCD")

Excluding the above costs, the Group profit would have been S\$18.3 million in 1H 2015.

The Real Estate Business registered a pre-tax profit of S2.5 million for 1H 2015 as compared to S\$50.0 million for the same period in 2014. The lower pre-tax profit was due to lower progress recognition of revenue and profits from its current projects, higher sales and marketing cost, exchange losses and the absence of a revaluation gain as compared to the corresponding period.

The Jewellery Business registered a pre-tax profit of S\$0.6 million in 1H 2015 as compared to S\$1.7 million in the previous corresponding period. The decline in pre-tax profit was due to lower sales, partially offset by lower operating expense such as rental and staff costs as the Group continued to rationalise its retail network.

The Financial Service Business continued to register higher pre-tax profit in 1H 2015. Pre-tax profit increased by S\$1.7 million from S\$0.3 million in 1H 2014 to S\$2.0 million in 1H 2015. The increase was due to higher interest income and profit from the retail and trading business.

For 2Q 2015, the Group registered a pre-tax profit of S\$1.1 million as compared to S\$4.1 million in 2Q 2014. The decline in profit was due to lower revenue from the Real Estate Business and Jewellery Business, higher sales and marketing expense for new property launches in Singapore and overseas, higher foreign exchange losses and higher interest expense.

14. Business Outlook

Real Estate Business

Singapore real estate market remains subdued in 2015 as a result of the Total Debt Servicing Ratio and various property cooling measures in place. According to the real estate statistics released by URA, the prices of private residential properties declined 0.9% in 2Q 2015 as compared to 1.0% in 1Q 2015.

Despite the declining prices and transaction volume for the private residential properties in Singapore, the Group continues to record encouraging sales for its projects.

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

Project	Type	Total Units	Launch Date	Units Launched	% Sold based on units launched
Urban Vista*	Residential	582	1Q 2013	582	100%
Kensington Square*	Retail	57	3Q 2013	57	58%
Kensington Square*	Residential	141	3Q 2013	141	100%
The Hillford	Commercial	20	1Q 2014	20	90%
The Hillford	Residential	281	2Q 2014	281	100%
Waterfront@Faber	Residential	210	2Q 2014	210	68%
CityGate*	Residential	311	3Q 2014	311	88%
CityGate*	Commercial	188	3Q 2014	188	49%

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

14. Business Outlook (continue)

Real Estate Business (continue)

The Group has commenced construction works for all its projects in Singapore which are launched to date except CityGate, and will be booking revenue and profit for the units sold progressively in accordance with the stage of completion from FY2015 to FY2019.

The Group has made great progress for its projects in Australia. To date, the Group has launched two projects in Melbourne, namely Australia 108 and Avant respectively. Both projects have sold very well with Australia 108 and Avant achieving over 95% and 85% of total units launched.

The table below provides an overview of the Group's latest property development projects in Australia:

Project	Type	Total Units	Launch Date	Units Launched	% Sold based on unit launched
Australia 108 (Melbourne)	Residential & Commercial	1,105	4Q 2015	1,105	>95%
Avant (Melbourne)	Residential & Commercial	456	2Q 2015	456	>85%
Nova 8 (Cairns)	Residential & Commercial	2,100	TBC*	n.a**	n.a**
Albert Street (Brisbane)	Residential & Commercial	700	TBC*	n.a**	n.a**
Margaret Street (Brisbane)	Residential & Commercial	600	TBC*	n.a**	n.a**

* "TBC" means "to be confirmed"

** "n.a" means "not applicable"

In the next twelve months, the Group will focus on the planning and launching of the Nova 8 and the Albert Street and Margaret Street projects.

In Malaysia, the Group had purchased or in the process of purchasing some land and properties costing about MYR 250 million for commercial and residential investment and development.

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

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 as at the date of this announcement, the Group has locked in total revenue of about S\$620 million which will be progressively recognised in accordance with the stage of construction.

Second, the Group has locked in more than A\$1,050 million of sales revenue from the Australia 108 and Avant projects. The revenue will be recognised upon the completion of the projects.

Third, at current market prices, the potential sales revenue from the Group's remaining local and overseas projects is estimated to be in excess of S\$2 billion.

The Group expects positive cashflow from the TOP of local projects which includes Urban Vista, Kensington Square, The Hillford and Waterfront@Faber in the next 24 months.

Jewellery Business

The Group is cautiously optimistic that consumer sentiments will remain positive as Singapore economy is expected to grow 2% to 4% in 2015.

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

Moving forward, while strengthening its leadership and long-term competitiveness in the jewellery industry, the Group will continue its efforts in maintaining operational efficiency.

Financial Service Business

The Group expects the business environment to remain competitive. The introduction of the new Pawnbroking Act 2015 will benefit the industry in the longer term.

The Group will continue to capitalise on its strong "Maxi-cash" brand and its largest retail network and pledge book to capture more market share and mitigate the rising costs. The Group's branding and sales and marketing efforts coupled with its modern, professional and innovative business approaches are expected to continue to drive its growth in 2015.

Other Investment

The Group through its joint venture company AF Global Pte Ltd is currently undertaking a review of LCD Global Investments Ltd ("LCD") businesses and will consider and explore options and opportunities for the company.

The existing core business of LCD namely the hotel operation remains profitable.

The Group

Barring unforeseen circumstances, the Group expects to remain profitable in 2015.

15. Interested Person Transactions

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

Name of interested person	Aggregate value of all Interested Person Transactions during the year under Review (excluding Transactions less than \$100,000 and Transactions Conducted under Shareholders' Mandate Pursuant to Rule 920 of SGX-ST Listing Manual)	
	30-Jun-15 \$'000	30-Jun-14 \$'000
Rental of		
-8G Investment Pte Ltd	186	186
Sales of overseas properties		
-8G Investment Pte Ltd	5,873	-
-Ko Lee Meng	894	-

16. Dividend

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

No

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

Yes

Name of dividend	Interim
Dividend Type	Cash/Script
Dividend Amount per share	1.0 cent per ordinary share
No of shares in issue (excluding treasury shares)	1,817,053,695
Total Dividend Amount	S\$ 18,184,556.95
Tax Rate	Tax-exempt (one-tier tax) dividend
Book closure date	28/08/2014

17. Negative Confirmation By The Board

On behalf of the Board of Directors of the Company, we hereby confirm to the best of our knowledge that nothing has come to the attention of the Board of Directors of the Company which may render the financial statements for the six months ended 30 June 2015 to be false or misleading in any material respect.

On behalf of the Board of Directors,

Koh Wee Seng
CEO

Ko Lee Meng
Director

06-Aug-15