ASPIAL
Corporation Ltd

Company Registration No: 197001030G
(Incorporated in Singapore)

Unaudited First Quarter Financial Statements
For The Financial Period Ended 31 March 2014

Table of Contents

1. Consolidated Statement of Comprehensive Income
2. Statement of Financial Position
3. Consolidated Statement of Cash Flows
4. Statement of Changes in Equity
5. Changes in Share Capital
6. Changes in Treasury Shares
7. Group Borrowings and Debt Securities
8. Auditor's Report
9. Accounting Policies
10. Earnings per Share
11. Net Asset Value per Share
12. Variance from Forecast Statement
13. Review of Corporate Performance
14. Business Outlook
15. Interested Person Transactions
16. Dividend
17. Negative Confirmation By The Board

1. Consolidated Statement of Comprehensive Income

	Group		Change
	1Q 2014 S$'000	1Q 2013 S$'000	%
Revenue	**128,026**	**94,382**	**36%**
Materials and subcontract costs	(80,230)	(57,573)	**39%**
Employee benefits	(12,712)	(11,564)	**10%**
Depreciation and amortisation	(1,338)	(1,346)	**-1%**
Finance costs	(5,621)	(2,463)	**128%**
Other operating expenses	(19,900)	(17,573)	**13%**
Operating profit	**8,225**	**3,863**	**113%**
Interest income from bank balances and affiliated company	388	19	**>300%**
Rental income	1,766	2,125	**-17%**
Other income	28,447	331	**>300%**
Share of results of associated companies	1,913	8,152	**-77%**
Profit before tax	**40,739**	**14,490**	**181%**
Taxation	(3,203)	(2,221)	**44%**
Profit for the period	**37,536**	**12,269**	**206%**
Profit attributable to:			
Shareholders of the Company	27,780	10,694	**160%**
Non-controlling interests	9,756	1,575	**>300%**
	37,536	**12,269**	**206%**
Total comprehensive income attributable to:			
Shareholders of the Company	27,780	10,694	**160%**
Non-controlling interests	9,756	1,575	**>300%**
	37,536	**12,269**	**206%**
Earnings per ordinary shares (cents)			
-Basic	**1.60**	**0.66**	**142%**
-Diluted	**1.60**	**0.66**	**142%**

Other information :-

	Group		Change
	1Q 2014 S$'000	1Q 2013 S$'000	%
Amortisation of intangible assets and prepaid rent	223	223	-
Recovery of allowance for doubtful receivables	(46)	-	n.m
Depreciation of property, plant and equipment	1,115	1,122	-1%
Net foreign exchange gain	(1,940)	(42)	**>300%**
Fair value gain on investment property	(25,083)	-	n.m
Net gain on disposal of property, plant and equipment	(3)	-	n.m
Manufacturing and melting loss	325	302	8%
Trade in loss	490	294	67%
Property, plant and equipment written off	12	20	-38%

n.m - Not meaningful

NOTES:

1a. - Depreciation of 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 2014 was due to higher revenues for all businesses.

1d. - Employee benefits expense increased in 2014 mainly due to the increase in number of employees for the financial service business and higher provision of Directors' performance bonus for property business.

1e. - Lower depreciation charges was due to the reduction in number of stores for the jewellery business.

1f. - Finance cost increased mainly due to increased borrowings and the issuance of multicurrency medium term notes.

1g. - Higher other operating expenses in 2014 was mainly due to sales and marketing expense for the property business

1h. - The lower rental income was due to decrease of rental income derived from Keypoint.

1i. - Higher other income was mainly due to fair value gain on investment properties and foreign exchange gain.

1j. - Share of results of associated companies was mainly due to lower profit from associated companies for the property business.

2. Statement of Financial Position As At 31 March 2014

	Group		Company	
	31-Mar-14 S$'000	31-Dec-13 S$'000	31-Mar-14 S$'000	31-Dec-13 S$'000
NON-CURRENT ASSETS				
Property, plant and equipment	24,096	24,287	279	338
Intangible assets	8,367	8,495	35	35
Investment properties	40,773	-	-	-
Investment in subsidiaries	-	-	77,601	77,601
Investment in associated companies	56,748	54,835	-	-
Investment in joint ventures	25	25	25	25
Investment securities	33	33	-	-
Other receivables	5,271	5,129	34	-
Prepaid rent	95	143	-	-
Deferred tax assets	1,344	1,692	153	168
	136,752	**94,639**	**78,127**	**78,167**
CURRENT ASSETS				
Inventories	126,365	117,219	-	-
Development properties	740,585	751,921	-	-
Trade and other receivables	307,260	194,468	500	60
Prepaid rent	367	379	-	-
Prepayments	3,488	13,269	2,143	1,701
Due from subsidiaries (non-trade)	-	-	445,049	368,697
Due from an affiliated company (non-trade)	3,623	3,486	-	-
Due from associated companies (non-trade)	32,680	32,741	-	-
Investment securities	57,290	-	-	-
Cash and bank balances	85,409	67,461	635	2,027
	1,357,067	**1,180,944**	**448,327**	**372,485**
TOTAL ASSETS	**1,493,819**	**1,275,583**	**526,454**	**450,652**
CURRENT LIABILITIES				
Trade and other payables	83,664	80,168	3,919	6,998
Due to subsidiaries (non-trade)	-	-	2,093	78
Due to an affiliated company (non-trade)	1,310	1,310	-	-
Provision for taxation	28,030	3,358	33	38
Term notes	85,000	65,000	65,000	65,000
Interest-bearing loans and borrowings	220,314	173,312	-	-
	418,318	**323,148**	**71,045**	**72,114**
Net current assets	**938,749**	**857,796**	**377,282**	**300,371**
NON-CURRENT LIABILITIES				
Interest bearing loans and borrowings	439,925	415,315	-	-
Term notes	265,000	185,125	265,000	185,125
Deferred tax liabilities	2,762	21,714	-	-
	707,687	**622,154**	**265,000**	**185,125**
TOTAL LIABILITIES	**1,126,005**	**945,302**	**336,045**	**257,239**
Net assets	**367,814**	**330,281**	**190,409**	**193,413**
EQUITY ATTRIBUTABLE TO SHAREHOLDERS OF THE COMPANY				
Share capital	152,611	152,611	152,611	152,611
Treasury shares	(460)	(460)	(460)	(460)
Other reserves	4,758	4,761	842	842
Revenue reserves	163,377	135,597	37,416	40,420
	320,286	**292,509**	**190,409**	**193,413**
Non-controlling interests	47,528	37,772	-	-
Total equity	**367,814**	**330,281**	**190,409**	**193,413**
Net asset value per ordinary share (in cents)	**18.42**	**16.82**	**10.95**	**11.12**

2. Statement of Financial Position As At 31 March 2014 (Con't)

2a. - Review of Financial Position

Group shareholders' funds increased from S$330.3 million as at 31 December 2013 to S$367.8 million as at 31 March 2014. The increase was attributable to profit for the period.

The Group's total assets of S$1,493.8 million as at 31 March 2014 was S$218.2 million higher than that as at 31 December 2013 mainly due to the increase in trade and other receivables, investment securities, investment properties, cash and bank balances, inventories and investment in associated companies partially offset by the decline in prepayments. The increase in trade and other receivables were due to trade receivables from East Village and Cardiff Residence which had obtained Temporary Occupation Permit in March 2014. The investment securities in as at 31 March 2014 was from the Group investments in bonds. The investment properties as at 31 March 2014 was due to reclassification of 8 units of retail units at East Village from development properties to investment properties. The increase in investment in associated companies was due to share of results of associated companies. The decline in prepayments was due to reclassification of deposits paid for purchases of land to development properties.

The Group's total liabilities of S$1,126.0 million as at 31 March 2014 was S$180.7 million higher than that as at 31 December 2013 due to the issuance of S$100.0 million of multicurrency medium term notes and increase in interest-bearing loans and borrowings, provision for taxation and trade and other payables. The increase was partially offset by decline in deferred tax liabilities.

3. Consolidated Statement of Cash Flows For The Financia Period Ended 31 March 2014

	1Q 2014 S$'000	1Q 2013 S$'000
OPERATING ACTIVITIES		
Profit before taxation	40,739	14,490
Adjustments for:		
Property, plant and equipment written off	12	20
Depreciation of property, plant and equipment	1,115	1,122
Recovery of allowance for doubtful receivables	(46)	-
Interest expense	5,621	2,463
Interest income	(388)	(19)
Amortisation of prepaid rent	95	95
Amortisation of intangible assets	128	128
Gain on disposal of property, plant and equipment	(3)	-
Share of results of associated companies	(1,913)	(8,152)
Operating profit before changes in working capital	**45,360**	**10,147**
(Increase)/decrease in:		
Inventories	(9,146)	1,722
Development properties	11,336	(56,005)
Properties held for sale	-	6,382
Trade and other receivables	(112,888)	(479)
Prepayments	9,656	(970)
Increase/(decrease) in:		
Trade and other payables	3,496	(34,389)
Net cash used in operations	**(52,186)**	**(73,592)**
Interest paid	(5,621)	(2,463)
Income taxes paid	2,862	(615)
Net cash used in operating activities	**(54,945)**	**(76,670)**
INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(933)	(1,221)
Purchase of investment property	(40,773)	-
Increase in prepaid rent	(35)	-
Interest received	388	19
Purchase of investment securities	(57,290)	-
Due from associated companies (non-trade), net	61	(4,218)
Net cash used in investing activities	**(98,582)**	**(5,420)**
FINANCING ACTIVITIES		
Proceeds from issuance of shares by the Company:		
-Scrip dividend	-	10,601
-Rights issue	-	23,795
Proceeds from term notes	100,000	-
Proceeds from term loans	50,255	54,995
Repayment of term loans	(27,623)	(12,063)
Proceeds/(repayment) from short term bank borrowings, net	48,987	19,843
Proceeds from finance lease obligations	-	(14)
Repayment of finance lease obligations	(7)	-
Due to affiliated companies (non-trade), net	(137)	-
Net cash generated from financing activities	**171,475**	**97,157**
Net increase in cash and cash equivalents	17,948	15,067
Cash and cash equivalents at beginning of period	67,461	46,755
Cash and cash equivalents at end of period	**85,409**	**61,822**

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:-

	1Q 2014 S$'000	1Q 2013 S$'000
Amounts held under the "Project Account (Amendment) Rules - 1997" withdrawals of which are restricted to payments for expenditure incurred on projects	62,114	26,426
Cash at bank	23,295	35,396
Cash and cash equivalents	**85,409**	**61,822**

3a. - Cashflow Analysis

Net cash used in operating activities was S$54.9 million compared to S$76.7 million for 1Q 2013 as a result of the increase in trade and other receivables and inventories partially offset by profit for the period, decrease in development properties and prepayments and increase in trade and other payables.

Net cash used in investing activities of S$98.6 million was due to the new investments in investment properties and bonds.

Net cash generated from financing activities for period was S$171.5 million in 1Q 2014 compared with S$97.2 million in 1Q 2013. This was mainly due to proceeds from the issuance of multicurrency medium term notes.

As a result, cash and cash equivalents increased to S$85.4 million as at 31 March 2014 from S$61.8 million as at 31 March 2013.

4. Statement of Changes in Equity For The Financial Period Ended 31 March 2014

	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
Group						
Balance as at 1 January 2014	**152,611**	**(460)**	**135,597**	**4,761**	**37,772**	**330,281**
Total comprehensive income for the period	-	-	27,780	(3)	9,756	**37,533**
Balance as at 31 March 2014	**152,611**	**(460)**	**163,377**	**4,758**	**47,528**	**367,814**
Balance as at 1 January 2013	**76,801**	**(538)**	**122,662**	**4,419**	**28,359**	**231,703**
Total comprehensive income for the period	-	-	10,694	-	1,575	**12,269**
Ordinary shares issued under rights issue	23,795	-	-	-	-	**23,795**
Ordinary shares issued under scrip dividend	10,601	-	-	-	-	**10,601**
Balance as at 31 March 2013	**111,197**	**(538)**	**133,356**	**4,419**	**29,934**	**278,368**
Company						
Balance as at 1 January 2014	**152,611**	**(460)**	**40,420**	**842**	**-**	**193,413**
Total comprehensive income for the period	-	-	(3,004)	-	-	**(3,004)**
Balance as at 31 March 2014	**152,611**	**(460)**	**37,416**	**842**	**-**	**190,409**
Balance as at 1 January 2013	**76,801**	**(538)**	**27,602**	**500**	**-**	**104,365**
Total comprehensive income for the period	-	-	(954)	-	-	**(954)**
Ordinary shares issued under rights issue	23,795	-	-	-	-	**23,795**
Ordinary shares issued under scrip dividend	10,601	-	-	-	-	**10,601**
Balance as at 31 March 2013	**111,197**	**(538)**	**26,648**	**500**	**-**	**137,807**

5. Changes in Share Capital

	Company	
No. of shares	2014 '000	2013 '000
Issued and fully paid share capital		
Balance at 1 January	1,745,098	1,546,064
Ordinary shares issued under Scrip Dividend Scheme	-	136,383
Ordinary shares issued under Rights Issue	-	62,651
Balance at 31 March /31 December	**1,745,098**	**1,745,098**

6. Changes in Treasury Shares

There were no (31 March 2013: nil) treasury shares transferred to employees under the Aspial Share Award Scheme during the financial period.

	Company	
No. of shares	2014 '000	2013 '000
Balance at 1 January	5,950	6,963
Distributed as staff benefits	-	(1,013)
Balance at 31 March /31 December	**5,950**	**5,950**

7. Group Borrowings and Debt Securities

Amount repayable in one year or less, or on demand

As at 31-Mar-14		As at 31-Dec-13	
Secured S$'000	Unsecured S$'000	Secured S$'000	Unsecured S$'000
220,314	85,000	173,312	65,000

Amount repayable after one year

As at 31-Mar-14		As at 31-Dec-13	
Secured S$'000	Unsecured S$'000	Secured S$'000	Unsecured S$'000
439,925	265,000	415,315	185,125

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 developmen 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 first quarter annoucement for the current financial period as those of the audited financial statements for the year ended 31 December 2013, as well as all applicable Financial Reporting Standards ("FRS") which became effective for financial years beginning on or after 1 January 2014. The adoption of these new and revised FRSs has no material effect on the financial performance or financial position of the Group and the Company for the current financial period.

10. Earning Per Share

	Group	
	31-Mar-14 cents	31-Mar-13 cents
i) Basic earnings per share	1.60	0.66
ii) Diluted earnings per share	1.60	0.66
Weigted average number of shares (excluding treasury shares) ('000)	1,739,149	1,622,290

11. Net Asset Value Per Share

	Group		Company	
	31-Mar-14	31-Dec-13	31-Mar-14	31-Dec-13
Net asset value per ordinary share (in cents)	18.42	16.82	10.95	11.12
Number of ordinary shares in issue (excluding treasury shares) ('000)	1,739,149	1,739,149	1,739,149	1,739,149

12. Variance from Forecast Statement

No forecast for the period ended 31 March 2014 was previously provided.

13. Review of Corporate Performance

The Group posted strong growth in 1Q 2014, achieving a 35.6% increase in revenue to a record of S$128.0 million.

The Property Business delivered another quarter of outstanding performance registering a 114.9% increase in revenue. Revenue increased by S$33.9 million to S$63.4 million. The strong revenue growth was primarily due to the progress recognition of sales from 8 Bassein, The Hillford and Urban Vista and final recognition of sales from East Village and Cardiff Residence.

The Jewellery Business recorded a marginal drop in revenue by S$1.1 million to S$39.1 million in 1Q 2014 due mainly to the closure of retail stores. The ongoing consolidation of retail stores had resulted in a reduction of 3 retail stores in 1Q 2014 as compared to 4Q 2013.

The Financial Service Business delivered another quarter of growth in 1Q 2014. Revenue increased by 1.1% from S$26.6 million in 1Q 2013 to S$26.9 million in 1Q 2014, driven by its healthy pledge book.

Operating expense increased by S$3.5 million in 1Q 2014. The increase was mainly due to higher staff costs and sales and marketing expenses for the Property Business including the launch of the The Hillford.

The higher revenue and fair value gain on investment properties lifted the Group's pre-tax profit by 180.7% to S$40.7 million in 1Q 2014. The Group has booked in S$25.1 million of fair value gain on investment of 8 units of investment properties at East Village. Excluding the fair value gain, the Group's pre-tax profit would have been S$15.6 million for 1Q 2014 or $1.1 million higher than the pre-tax profit of S$14.5 million registered in 1Q 2013. Pre-tax profit for the Property Business surged 227.5% to S$42.9 million from S$13.1 million in 1Q 2013, due mainly to the fair value gain and the progress recognition of profits from East Village, Cardiff Residences, Parc Rosewood, Urban Vista, Kensington Square and The Hillford. Although the pre-tax profit was boosted by the fair value gain, the pre-tax profit for 1Q 2014 would still be S$4.7 million or 35.9% higher than 1Q 2013 if the fair value gain were to be excluded.

Jewellery Business pre-tax profit rose marginally by S$0.3 million from S$0.6 million in 1Q 2013 to S$0.9 million in 1Q 2014 due to lower operating expenses. The decline in operating expenses such as rental and other store related expenses was mainly due to the on-going rationalization of retail network.

Pre-tax profit of S$0.3 million for the Financial Service Business was S$1.4 million lower as a result of higher material and operating costs. The higher material costs was mainly due to the higher retail sales and the effects of the gold price while the higher operating expenses were due to the opening of new stores.

14. Business Outlook

Property Business

According to the real estate statistics released by URA, the prices of private residential properties declined 1.3% in 1Q 2014 as compared to 0.9% in 4Q 2013. A total of about 1,800 new private residential properties were sold in the first quarter of 2014, 30% lower than the fourth quarter of 2013.

Despite the decline in private residential prices and transaction volume, the Group recorded good sales for all its projects. To date, the Group has achieved 100% sales for all its residential units in Urban Vista and Kensington Village which were launched in 2013. As for its latest project The Hillford which was launched in January 2014, all the 281 residential units were snapped up within hours during the first day of its launch.

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

Project	Type	Total Units	Launch Date	Units Launched	% Sold based on unit launched
Parc Rosewood*	Residential	689	1Q 2012	689	100%
8 Bassein	Residential	74	2Q 2012	74	100%
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	80%
The Hillford	Residential	281	2Q 2014	281	100%

*Parc Rosewood and Urban Vista are jointly developed with Fragrance Group Limited. Parc Rosewood is 40% owned while Urban Vista is 50% owned by a subsidiary of the Group.

The Group has commenced construction works for all the projects launched to date and will be booking revenue and profit for the units sold progressively in accordance with the stage of completion from FY2014 to FY2016.

14. Business Outlook (continue)

Property Business (continue)

In the next twelve months, the Group will focus on the planning and launching of the following projects:

Project/Tenure	Proposed Development	Location/ Country	Land Area (Sq ft)	Potential GFA (Sq ft)	Group's Interest
Waterfront @ Faber (99-year leasehold)	Residential	Singapore	162,810	227, 934	100%
Keypoint (99-year leasehold)	Residential & Commercial	Singapore	78,242	391,210	50%
Southbank (Freehold)	Residential & Commercial	Melbourne, Australia	28,245	1,400,000	100%
King Street (Freehold)	Residential & Commercial	Melbourne, Australia	23,737	300,000	100%
A'Beckett Street (Freehold)	Residential & Commercial	Melbourne, Australia	13,934	350,000	100%
Central Park (Freehold)	Residential & Commercial	Cairns, Australia	259,413	1,200,000	100%

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 Property 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$490 million which will be progressively recognised in accordance with the stage of construction.

Second, at current market prices, the potential sales revenue from Singapore and overseas projects is estimated to be in excess of S$2,800 million. However, the actual recognition of the potential revenue and profit from these overseas projects may be based on completion of construction method.

Jewellery Business

The Group is cautiously optimistic that consumer sentiments will remain positive as Singapore economy is expected to grow 2.0% to 4.0% in 2014.

The Group will continue its efforts to achieve higher sales and improve rental efficiency 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 emphasis on maintaining operational efficiency.

Financial Service Business

Despite the challenging business environment as a result of fluctuations in gold price, the Group is cautiously optimistic about the prospects of the pawnbroking industry in Singapore.

The Group will continue to capitalize on its largest retail network and pledge book to capture more market share. The Group's branding effort coupled with its modern, professional and innovative business approaches are expected to continue to drive its growth in 2014.

The Group

Barring unforeseen circumstances, the Group expects to remain profitable in 2014.

15. Interested Person Transactions

There were no (31 March 2013: nil) interested person transactions during the period under Review (excluding transactions less than $100,000 and transactions conducted under Shareholders' Mandate Persuant to Rule 920 of SGX-ST 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. 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 three months ended 31 March 2014 to be false or misleading in any material respect.

On behalf of the Board of Directors,

Koh Wee Seng
CEO

Ko Lee Meng
Director

12-May-14