



Corporation Ltd

Company Registration No: 197001030G  
(Incorporated in Singapore)

**UNAUDITED THIRD QUARTER FINANCIAL STATEMENTS AND DIVIDEND ANNOUNCEMENT  
FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2019**

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**TABLE OF CONTENTS**

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1. CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
2. STATEMENTS OF FINANCIAL POSITION
3. CONSOLIDATED STATEMENT OF CASH FLOWS
4. STATEMENTS OF CHANGES IN EQUITY
5. CHANGES IN SHARE CAPITAL
6. CHANGES IN TREASURY SHARES
7. CHANGES IN SUBSIDIARY HOLDINGS
8. GROUP BORROWINGS AND DEBT SECURITIES
9. AUDITOR'S REPORT
10. ACCOUNTING POLICIES
11. CHANGES IN THE ACCOUNTING POLICIES
12. EARNINGS PER SHARE
13. NET ASSET VALUE PER SHARE
14. VARIANCE FROM FORECAST STATEMENT
15. REVIEW OF CORPORATE PERFORMANCE
16. BUSINESS OUTLOOK
17. INTERESTED PERSON TRANSACTIONS
18. DIVIDEND
19. CONFIRMATION THAT THE ISSUER HAS PROCURED UNDERTAKINGS FROM ALL ITS DIRECTORS AND EXECUTIVE OFFICERS PURSUANT TO RULE 720 (1) OF THE LISTING MANUAL
20. CONFIRMATION BY THE BOARD

**1. CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**

**1(i) Consolidated Statement of Comprehensive Income For The Financial Period Ended 30 September 2019 ("9M 2019")**

	Group		Change %
	9M 2019 S\$'000	9M 2018 S\$'000	
<b>Revenue</b>	451,119	774,965	-42%
Materials and subcontract costs	(288,972)	(568,666)	-49%
Employee benefits	(47,415)	(44,016)	8%
Depreciation and amortisation	(19,692)	(4,867)	305%
Finance costs	(26,112)	(22,156)	18%
Other operating expenses	(57,789)	(95,598)	-40%
Interest income	4,912	11,249	-56%
Rental income	1,852	1,818	2%
Other income	9,797	3,209	205%
Share of results of associates and a joint venture	11,994	1,496	702%
<b>Profit before tax</b>	<b>39,694</b>	<b>57,434</b>	<b>-31%</b>
Taxation	(12,463)	(16,354)	-24%
<b>Profit for the period</b>	<b>27,231</b>	<b>41,080</b>	<b>-34%</b>
<b>Other comprehensive income</b>			
Net fair value changes on debt and equity instruments at fair value through other comprehensive income	3,498	(5,639)	n.m
Foreign currency translation	(5,482)	(9,987)	-45%
Share of other comprehensive income of an associate and a joint venture	7,594	99	n.m
<b>Other comprehensive income for the period, net of tax</b>	<b>5,610</b>	<b>(15,527)</b>	<b>n.m</b>
<b>Total comprehensive income for the period</b>	<b>32,841</b>	<b>25,553</b>	<b>29%</b>
<b>Profit attributable to:</b>			
Owners of the Company	20,505	32,277	-36%
Non-controlling interests	6,726	8,803	-24%
	<b>27,231</b>	<b>41,080</b>	<b>-34%</b>
<b>Total comprehensive income attributable to:</b>			
Owners of the Company	27,031	19,794	37%
Non-controlling interests	5,810	5,759	1%
	<b>32,841</b>	<b>25,553</b>	<b>29%</b>
<b>Earnings per ordinary share (cents)</b>			
-Basic	1.06	1.67	-37%
-Diluted	1.06	1.67	-37%

**Other information :-**

	Group		Change %
	9M 2019 S\$'000	9M 2018 S\$'000	
<b>Other Income</b>			
Foreign exchange gain	12	204	-94%
Net fair value gain on derivatives	6,275	-	n.m
Reversal of impairment in investment securities	-	379	n.m
Government grants and other miscellaneous income	3,510	2,626	34%
	<b>9,797</b>	<b>3,209</b>	
<b>Other operating expenses</b>	<b>(57,789)</b>	<b>(95,598)</b>	
<u>Included in other operating expenses</u>			
Net foreign exchange loss	(6,174)	(13,547)	-54%
Manufacturing and melting loss	(448)	(466)	-4%
Allowance for write-down of development properties	1,246	-	n.m
Property, plant and equipment written off	(771)	(724)	6%
Impairment loss on property, plant and equipment	(600)	-	n.m
Interest receivables written-off	(11)	-	n.m

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 2019 to 30 September 2019 ("3Q 2019")

	Group		Change %
	3Q 2019 S\$'000	3Q 2018 S\$'000	
<b>Revenue</b>	<b>138,655</b>	<b>348,101</b>	<b>-60%</b>
Materials and subcontract costs	(86,309)	(254,669)	-66%
Employee benefits	(16,922)	(15,477)	9%
Depreciation and amortisation	(7,500)	(1,736)	332%
Finance costs	(7,017)	(7,357)	-5%
Other operating expenses	(16,941)	(40,584)	-58%
Interest income	901	4,563	-80%
Rental income	641	588	9%
Other income	6,716	(880)	n.m
Share of results of associates and a joint venture	10	53	-81%
<b>Profit before tax</b>	<b>12,234</b>	<b>32,602</b>	<b>-62%</b>
Taxation	(3,099)	(8,576)	-64%
<b>Profit for the period</b>	<b>9,135</b>	<b>24,026</b>	<b>-62%</b>
<b>Other comprehensive income</b>			
Net fair value changes on debt and equity instruments at fair value through other comprehensive income	157	(439)	n.m
Foreign exchange translation	(3,077)	(3,506)	-12%
Share of other comprehensive income of associates and a joint venture	830	(274)	n.m
<b>Other comprehensive income for the period, net of tax</b>	<b>(2,090)</b>	<b>(4,219)</b>	<b>-50%</b>
<b>Total comprehensive income for the period</b>	<b>7,045</b>	<b>19,807</b>	<b>-64%</b>
<b>Profit attributable to:</b>			
Owners of the Company	5,740	18,699	-69%
Non-controlling interests	3,395	5,327	-36%
	<b>9,135</b>	<b>24,026</b>	<b>-62%</b>
<b>Total comprehensive income attributable to:</b>			
Owners of the Company	4,363	15,381	-72%
Non-controlling interests	2,682	4,426	-39%
	<b>7,045</b>	<b>19,807</b>	<b>-64%</b>

**NOTES:**

- 1a. The Group recognises all inventories, 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.
- 1b. The decrease in materials and subcontract costs in 9M 2019 and 3Q 2019 was mainly due to lower revenue for the real estate and pawnbroking businesses.
- 1c. The increase in employee benefits for 9M 2019 and 3Q 2019 was mainly due to higher staff costs for overseas jewellery business.
- 1d. The significant increase in depreciation and amortisation for 9M 2019 and 3Q 2019 was mainly attributable to depreciation of right-of-use (ROU) assets arising from adoption of SFRS(I) 16 *Leases*.
- 1e. The increase in finance costs for 9M 2019 was mainly due to the adoption of SFRS(I) 15 *Revenue from Contracts with Customers*. Borrowing cost relating to contracts with customers for which an entity transfers control of units over time, should not be capitalised when the unit are no longer deemed as qualifying assets. The decrease in finance costs for 3Q 2019 was mainly attributable to the redemption of 5.05% term notes in June 2019 and reduction of interest-bearing loans and borrowings.
- 1f. Lower other operating expenses in 9M 2019 and 3Q 2019 was mainly due to the decrease of rental expenses after adoption of SFRS(I) 16 *Leases* and lower sales and marketing expenses for real estate business.
- 1g. Lower interest income in 9M 2019 and 3Q 2019 was mainly due to decrease in investment securities and lower interest-bearing deposits at bank, and interest earned from deposits held in escrow account upon settlement by purchasers of *Australia 108* and *AVANT projects*.
- 1h. The increase in other income in 9M 2019 and 3Q 2019 was mainly attributable to net fair value gain on derivatives.
- 1i. The increase in share of results of associates and a joint venture in 9M 2019 was largely due to recognition of gain on sale of Crowne Plaza London Kensington in April 2019 by AF Global Limited ("AFG"). The decrease in 3Q 2019 was mainly due to lower profit from share of profit from AFG.
- 1j. The higher effective tax rate in 9M 2019 was mainly due to the higher tax rate and unutilised tax losses for the overseas real estate business for which deferred tax assets have not been recognised for the period.

**2. STATEMENTS OF FINANCIAL POSITION**

	Group		Company	
	30-Sep-19 S\$'000	31-Dec-18 S\$'000	30-Sep-19 S\$'000	31-Dec-18 S\$'000
<b>Non-current assets</b>				
Property, plant and equipment	104,866	91,155	207	191
Intangible assets	9,544	10,244	911	1,054
Investment properties	74,801	72,523	-	-
Investment in subsidiaries	-	-	225,204	227,204
Investment in associates	19,042	19,324	-	-
Investment in joint ventures	33,190	13,346	5,000	5,000
Investment securities	30,429	99,303	-	500
Trade and other receivables	13,782	16,686	-	-
Right-of-use assets	95,243	-	-	-
Prepayments	-	1	-	-
Deferred tax assets	4,091	3,530	948	87
	<b>384,988</b>	<b>326,112</b>	<b>232,270</b>	<b>234,036</b>
<b>Current assets</b>				
Inventories	154,736	147,413	-	-
Contract assets	-	44,918	-	-
Development properties	539,970	590,335	-	-
Properties held for sale	65,173	76,135	-	-
Trade and other receivables	351,528	326,229	3,436	2,202
Prepayments	4,688	6,798	154	231
Due from subsidiaries (non-trade)	-	-	194,444	211,712
Due from joint ventures (non-trade)	66,242	86,099	66,242	86,093
Due from associates (non-trade)	823	276	-	-
Investment securities	9,310	3,679	425	-
Derivatives	8,181	2,537	-	-
Cash and bank balances	30,846	59,020	376	164
	<b>1,231,497</b>	<b>1,343,439</b>	<b>265,077</b>	<b>300,402</b>
<b>Total assets</b>	<b>1,616,485</b>	<b>1,669,551</b>	<b>497,347</b>	<b>534,438</b>
<b>Current liabilities</b>				
Trade and other payables	63,288	73,887	13,893	8,158
Due to subsidiaries (non-trade)	-	-	237,147	185,665
Due to a joint venture (non-trade)	-	25	-	-
Due to an associate (non-trade)	1,668	2,028	-	-
Provision for taxation	10,869	14,250	-	-
Lease liabilities	22,291	-	-	-
Term notes and bonds	363,921	82,750	-	83,000
Interest-bearing loans and borrowings	381,786	461,655	-	-
	<b>843,823</b>	<b>634,595</b>	<b>251,040</b>	<b>276,823</b>
<b>Net current assets</b>	<b>387,674</b>	<b>708,844</b>	<b>14,037</b>	<b>23,579</b>
<b>Non-current liabilities</b>				
Interest-bearing loans and borrowings	108,117	104,346	-	-
Term notes and bonds	142,000	505,122	-	-
Other payables	5,892	3,121	-	-
Lease liabilities	74,052	-	-	-
Deferred tax liabilities	18,923	15,804	-	-
	<b>348,984</b>	<b>628,393</b>	<b>-</b>	<b>-</b>
<b>Total liabilities</b>	<b>1,192,807</b>	<b>1,262,988</b>	<b>251,040</b>	<b>276,823</b>
<b>Net assets</b>	<b>423,678</b>	<b>406,563</b>	<b>246,307</b>	<b>257,615</b>
<b>Equity attributable to shareholders of the Company</b>				
Share capital	226,930	226,930	226,930	226,930
Treasury shares	(2,501)	(2,589)	(2,501)	(2,589)
Other reserves	(20,242)	(27,776)	1,382	1,413
Revenue reserves	116,602	109,335	20,496	31,861
	<b>320,789</b>	<b>305,900</b>	<b>246,307</b>	<b>257,615</b>
Non-controlling interests	102,889	100,663	-	-
<b>Total equity</b>	<b>423,678</b>	<b>406,563</b>	<b>246,307</b>	<b>257,615</b>
<b>Net asset value per ordinary share (in cents)</b>	<b>16.56</b>	<b>15.80</b>	<b>12.72</b>	<b>13.30</b>

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**2. STATEMENTS OF FINANCIAL POSITION (CONTINUED)**

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**2a. - Review of Financial Position**

Group shareholders' funds increased from S\$406.6 million as at 31 December 2018 to S\$423.7 million as at 30 September 2019. This was mainly contributed by the increase in revenue reserves and non-controlling interest. The increase in revenue reserves was attributable to profit for the year, partially offset by payment of final dividend for FY2018 as well as proposed interim dividend for FY2019.

The Group's total assets of S\$1,616.5 million as at 30 September 2019 was S\$53.1 million lower than that as at 31 December 2018. This was mainly attributable to the decrease in investment securities, development properties, contract assets, cash and bank balances, amount due from joint ventures and properties held for sale, partially offset by the increase in right-of-use assets, trade and other receivables, investment in joint venture and property, plant and equipment. The decrease in investment securities was largely due to the disposal of investment securities. The decrease in development properties and properties held for sale was mainly due to recognition of costs relating to the settlement of units sold for AVANT and Australia 108 projects, partially offset by on-going construction costs, interest costs and other development expenditures for Australia 108 and other overseas projects. The increase in right-of-use assets was mainly due to the adoption of SFRS(I) 16 *Leases*.

The Group's total liabilities of S\$1,192.8 million as at 30 September 2019 was S\$70.2 million lower than that as at 31 December 2018. This was largely due to the redemption of all its outstanding S\$62.8 million term notes due in June 2019, cancellation of S\$10 million bonds due April 2020 in September 2019 and decrease of interest bearing loans and borrowings, partially offset by increase in lease liabilities arising from the adoption of SFRS(I) 16 *Leases*.

**3. CONSOLIDATED STATEMENT OF CASH FLOWS**

	3Q 2019 S\$'000	3Q 2018 S\$'000	9M 2019 S\$'000	9M 2018 S\$'000
<b>Operating activities</b>				
Profit before tax	12,234	32,602	39,694	57,434
Adjustments for:				
Property, plant and equipment written off	313	272	771	724
Impairment loss on investment in an associate	-	-	-	31
Impairment loss on property, plant and equipment	161	-	600	-
Allowance for write-down of development properties	-	-	1,246	-
Loss/(gain) on disposal of property, plant and equipment	-	-	86	(10)
Employee Share Award Scheme expenses	211	192	211	192
Net fair value (gain)/loss on derivatives	(5,352)	38	(6,275)	-
Impairment loss/(reversal of impairment) on investment securities	-	1,481	-	(379)
Depreciation of property, plant and equipment	1,512	1,525	4,312	4,263
Depreciation of right-of-use assets	5,665	-	14,444	-
Write back of inventories	(244)	-	(484)	-
Interest receivables written-off	-	-	11	-
Allowance for amounts due from a joint venture	(13)	-	-	-
Interest expense	6,388	6,679	24,215	20,173
Interest income	(901)	(4,563)	(4,912)	(11,250)
Amortisation of prepaid rent	1	2	3	2
Amortisation of intangible assets	322	207	933	603
Amortisation of prepaid commitment fees	644	678	1,940	1,983
Amortisation of premium on term notes	(15)	(14)	(43)	(41)
Loss on disposal of investment securities	139	788	468	2,366
Allowance/(recovery of allowance) for doubtful debts	-	75	-	(26)
Share of results of associates and a joint venture	(10)	(315)	(11,994)	(1,314)
Unrealised foreign exchange differences	2,497	5,118	5,335	10,247
<b>Operating profit before changes in working capital</b>	<b>23,552</b>	<b>44,765</b>	<b>70,561</b>	<b>84,998</b>
Decrease/(increase) in:				
Inventories	1,589	3,375	(7,410)	8,449
Development properties	(17,217)	131,557	39,601	128,515
Investment properties	-	(84)	-	(84)
Properties held for sale	3,185	-	10,750	-
Trade and other receivables	(1,540)	14,594	20,602	10,050
Prepayments	(1,170)	(899)	139	25
(Decrease)/Increase in:				
Trade and other payables	(3,306)	1,291	(11,645)	(5,134)
<b>Net cash flows generated from operations</b>	<b>5,093</b>	<b>194,599</b>	<b>122,598</b>	<b>226,819</b>
Interest paid	(8,662)	(8,024)	(28,153)	(52,254)
Interest received	-	-	-	11
Income taxes paid	(6,570)	(1,989)	(14,296)	(3,207)
<b>Net cash flows (used in)/generated from operating activities</b>	<b>(10,139)</b>	<b>184,586</b>	<b>80,149</b>	<b>171,369</b>
<b>Investing activities</b>				
Purchase of property, plant and equipment	(9,668)	(3,868)	(19,450)	(14,855)
Proceeds from sale of property, plant and equipment	-	4	-	332
Purchase of intangible assets	(118)	(98)	(380)	(143)
Prepayments	-	(8)	-	(8)
Interest received	671	1,973	5,097	5,301
Purchase of investment securities	-	(20,915)	(2)	(109,361)
Proceeds from disposal of investment securities	8,880	44,466	67,379	116,323
Net cash inflow on acquisition of a subsidiary	-	1,058	-	1,966
Due (from)/to associates (non-trade), net	(533)	(94)	(841)	865
Due (from)/to a joint venture (non-trade), net	(127)	(1,346)	19,858	(1,338)
<b>Net cash flows (used in)/generated from investing activities</b>	<b>(895)</b>	<b>21,172</b>	<b>71,661</b>	<b>(918)</b>
<b>Financing activities</b>				
Dividends paid to shareholders of the Company	(4,841)	(9,682)	(9,682)	(9,682)
Dividends paid to non-controlling interests of subsidiaries	-	(2,962)	(2,374)	(2,962)
Proceeds from issuance of ordinary shares by subsidiaries to non-controlling interests	1	-	1	6,302
Proceeds from issuance of term notes and bonds	23,500	-	23,500	50,000
Repayment of term notes	(16,169)	-	(105,547)	(26,000)
Proceeds from term loans	11,905	23,325	45,313	160,903
Repayment of term loans	(19,984)	(218,712)	(89,148)	(239,108)
Repayment of short-term bank borrowings, net	(10,235)	(76,324)	(28,119)	(49,143)
Repayment of lease liabilities	(4,254)	-	(13,416)	-
Repayment of finance lease obligations	(33)	(18)	(117)	(54)
Due to a related company (non-trade)	-	(440)	-	-
Purchase of treasury shares	(116)	(42)	(116)	(42)
<b>Net cash flows used in financing activities</b>	<b>(20,226)</b>	<b>(284,855)</b>	<b>(179,705)</b>	<b>(109,786)</b>

**3. CONSOLIDATED STATEMENT OF CASH FLOWS (CONTINUED)**

	3Q 2019 S\$'000	3Q 2018 S\$'000	9M 2019 S\$'000	9M 2018 S\$'000
Net (decrease)/increase in cash and cash equivalents	(31,260)	(79,097)	(27,895)	60,665
Cash and cash equivalents at beginning of period	62,210	194,371	59,020	54,888
Effects of exchange rate changes on cash and cash equivalents	(104)	(300)	(279)	(579)
<b>Cash and cash equivalents at end of period</b>	<b>30,846</b>	<b>114,974</b>	<b>30,846</b>	<b>114,974</b>

**Cash and cash equivalents**

Cash and cash equivalents included in the consolidated statement of cash flows comprise the following amounts:-

	9M 2019 S\$'000	9M 2018 S\$'000
Amounts held under the "Project Account (Amendment) Rules - 1997" withdrawals of which are restricted to payments for expenditure incurred on projects	-	19,543
Cash at bank	30,846	95,431
<b>Cash and cash equivalents</b>	<b>30,846</b>	<b>114,974</b>

**3a. - Cashflow Analysis**

**3Q 2019**

Net cash used in operating activities for 3Q 2019 was S\$10.1 million compared to net cash generated from operating activities of S\$184.6 million in 3Q 2018. This was mainly attributable to increase in development properties and decrease in trade and other payables, partially offset by increase in properties held for sale and inventories. The increase in development properties was mainly due to increase of on-going construction costs, interest costs and other development expenditures for Australia 108 and other overseas projects, partially offset by the recognition of cost relating to the settlement of units sold for AVANT and Australia 108 projects to cost of sales in 3Q 2019.

Net cash used in investing activities of S\$0.9 million in 3Q 2019 was largely attributable by the purchase of property, plant and equipment, partially offset by proceeds from disposal of investment securities.

Net cash used in financing activities was S\$20.2 million in 3Q 2019 compared to S\$284.9 million in 3Q 2018. This was mainly due to buy-back and cancellation of bonds in September 2019, and the repayment of term loans and short-term borrowings, partially offset by proceeds from issuance of term notes by its subsidiary, Maxi-Cash Financial Services Corporation Limited.

**9M 2019**

Net cash generated from operating activities for 9M 2019 was S\$80.1 million as compared to S\$171.4 million in 9M 2018. This was mainly attributable to decrease in development properties, trade and other receivables and properties held for sale, partially offset by increase in inventories and decrease in trade and other payables. The decrease in development properties and properties held for sale was mainly due to recognition of costs relating to the settlement of units sold for AVANT and Australia 108 projects to cost of sales, partially offset by on-going construction costs, interest costs and other development expenditures for Australia 108 and other overseas projects in 9M 2019.

Net cash generated from investing activities of S\$71.7 million in 9M 2019 was largely attributable to proceeds from disposal of investment securities and amount due to a joint venture (non-trade), partially offset by increase in property, plant and equipment.

Net cash used in financing activities was S\$179.7 million in 9M 2019 as compared to S\$109.8 million for 9M 2018. The net cash used in financing activities was mainly due to buy-back and cancellation of term notes and bonds in first quarter and third quarter of 2019, the redemption of all of the Group's outstanding S\$62.8 million term notes due in June 2019, and the repayment of term loans and short-term borrowings.

As a result, cash and cash equivalent balances decreased to S\$30.8 million as at 30 September 2019 from S\$59.0 million as at 31 December 2018.

**4. STATEMENTS OF CHANGES IN EQUITY**

	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		
<b>Group</b>						
Balance as at 1 January 2019	226,930	(2,589)	109,335	(27,776)	100,663	406,563
Profit for the period	-	-	20,505	-	6,726	27,231
<i>Other comprehensive income for the period</i>						
Net fair value changes on debt and equity instruments at FVOCI	-	-	-	3,156	342	3,498
Foreign currency translation	-	-	-	(4,224)	(1,258)	(5,482)
Share of other comprehensive income of an associate and a joint venture	-	-	-	7,594	-	7,594
Other comprehensive income, net of tax	-	-	-	6,526	(916)	5,610
<i>Contributions by and distributions to owners</i>						
Dividends on ordinary shares - Cash	-	-	(12,200)	-	(3,590)	(15,790)
Treasury shares re-issued pursuant to performance share plan	-	88	-	(31)	-	57
Capital contribution from non-controlling interests	-	-	-	-	1	1
Total contributions by and distributions to owners	-	88	(12,200)	(31)	(3,589)	(15,732)
<i>Changes in ownership interests in subsidiaries</i>						
Change in ownership interest in subsidiaries without a change in control	-	-	1	-	5	6
Total changes in ownership interests in subsidiaries	-	-	1	-	5	6
<i>Others</i>						
Transfer of fair value reserves of equity instruments at FVOCI upon disposal	-	-	(1,039)	1,039	-	-
Total Others	-	-	(1,039)	1,039	-	-
<b>Balance as at 30 September 2019</b>	<b>226,930</b>	<b>(2,501)</b>	<b>116,602</b>	<b>(20,242)</b>	<b>102,889</b>	<b>423,678</b>
<b>Balance as at 1 January 2018</b>						
- As previously reported	226,930	(2,589)	96,231	16,438	89,738	426,748
- Effects of adopting SFRS(I) 1	-	-	13,104	(28,314)	-	(15,210)
- Effects of adopting SFRS(I) 15	-	-	(2,591)	-	(288)	(2,879)
<b>- As restated</b>	<b>226,930</b>	<b>(2,589)</b>	<b>106,744</b>	<b>(11,876)</b>	<b>89,450</b>	<b>408,659</b>
- Effects of adopting SFRS(I) 9	-	-	(9,367)	7,835	-	(1,532)
<b>- As restated</b>	<b>226,930</b>	<b>(2,589)</b>	<b>97,377</b>	<b>(4,041)</b>	<b>89,450</b>	<b>407,127</b>
Profit for the period	-	-	32,277	-	8,803	41,080
<i>Other comprehensive income for the period</i>						
Net fair value changes on debt and equity instruments at FVOCI	-	-	-	(4,883)	(756)	(5,639)
Foreign currency translation	-	-	-	(7,699)	(2,288)	(9,987)
Share of other comprehensive income of a joint venture	-	-	-	99	-	99
Other comprehensive income, net of tax	-	-	-	(12,483)	(3,044)	(15,527)
<i>Contributions by and distributions to owners</i>						
Dividends on ordinary shares - Cash dividends	-	-	(9,682)	-	(2,962)	(12,644)
Premium on dilution of interests in subsidiary	-	-	-	198	(198)	-
Capital contribution from non-controlling interests	-	-	-	(73)	8,608	8,535
Total contributions by and distributions to owners	-	-	(9,682)	125	5,448	(4,109)
<i>Changes in ownership interests in subsidiaries</i>						
Acquisition of non-controlling interests in a subsidiary	-	-	-	(3,726)	2,719	(1,007)
Changes in ownership interests in subsidiaries without a change in control	-	-	(109)	(28)	285	148
Total changes in ownership interests in subsidiaries	-	-	(109)	(3,754)	3,004	(859)
<b>Balance as at 30 September 2018</b>	<b>226,930</b>	<b>(2,589)</b>	<b>119,863</b>	<b>(20,153)</b>	<b>103,661</b>	<b>427,712</b>



**4. STATEMENTS OF CHANGES IN EQUITY (CONTINUED)**

	Attributable to shareholders 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		
<b>Company</b>						
Balance as at 1 January 2019	226,930	(2,589)	31,861	1,413	-	257,615
Profit for the period, representing total comprehensive income for the period	-	-	835	-	-	835
<i>Contributions by and distributions to owners</i>						
Dividends on ordinary shares - Cash dividends	-	-	(12,200)	-	-	(12,200)
Treasury shares reissued pursuant to performance share plan	-	88	-	(31)	-	57
Total contributions by and distributions to owners	-	88	(12,200)	(31)	-	(12,143)
<b>Balance as at 30 September 2019</b>	<b>226,930</b>	<b>(2,501)</b>	<b>20,496</b>	<b>1,382</b>	<b>-</b>	<b>246,307</b>
Balance as at 1 January 2018	226,930	(2,589)	28,715	1,413	-	254,469
Profit for the period, representing total comprehensive income for the period	-	-	1,965	-	-	1,965
<i>Contributions by and distributions to owners</i>						
Dividends on ordinary shares - Cash dividends	-	-	(9,682)	-	-	(9,682)
Total contributions by and distributions to owners	-	-	(9,682)	-	-	(9,682)
<b>Balance as at 30 September 2018</b>	<b>226,930</b>	<b>(2,589)</b>	<b>20,998</b>	<b>1,413</b>	<b>-</b>	<b>246,752</b>

**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, 31 March and 30 June 2019	1,936,491	224,341
Distributed as staff benefits	321	88
<b>Balance at 30 September 2019</b>	<b>1,936,812</b>	<b>224,429</b>

**6. CHANGES IN TREASURY SHARES**

There were 321,222 (30 September 2018: nil) treasury shares transferred to employees under the Aspiial Performance Share Plan during the financial period.

	Company	
	No. of shares '000	S\$ '000
Balance at 1 January, 31 March and 30 June 2019	9,405	2,589
Distributed as staff benefits	(321)	(88)
<b>Balance at 30 September 2019</b>	<b>9,084</b>	<b>2,501</b>

**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-19		As at 31-Dec-18	
Secured S\$'000	Unsecured S\$'000	Secured S\$'000	Unsecured S\$'000
381,786	363,921	461,655	82,750

Amount repayable after one year

As at 30-Sep-19		As at 31-Dec-18	
Secured S\$'000	Unsecured S\$'000	Secured S\$'000	Unsecured S\$'000
108,117	142,000	104,346	505,122

### 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

Except as disclosed in paragraph 11 below, 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 2019 as those of the audited financial statements for the financial year ended 31 December 2018, as well as all applicable new and revised Singapore Financial Reporting Standards (International) ("SFRS(I)") which became effective for financial years beginning on or after 1 January 2019.

The adoption of other SFRS(I) and Interpretations of SFRS(I) relevant to the Group's operations which are effective for annual periods beginning on or after 1 January 2019 does not have a material impact on the financial statements, except as disclosed in paragraph 11 below.

## 11. CHANGES IN THE ACCOUNTING POLICIES

The Group has adopted the SFRS(I) 16 *Leases* with effect from 1 January 2019. The Group has applied the simplified transition approach and will not restate comparative amounts for the year prior to first adoption and has not restated comparatives for the 2018 reporting period as permitted under the specific transition provisions in the standard.

## 12. EARNINGS PER SHARE

	Group		Group	
	3Q 30-Sep-19	3Q 30-Sep-18	9M 30-Sep-19	9M 30-Sep-18
i) Basic earnings per share (cents)	0.30	0.97	1.06	1.67
ii) Diluted earnings per share (cents)	0.30	0.97	1.06	1.67
-Weighted average number of shares (excluding treasury shares) ('000)	1,936,606	1,936,491	1,936,530	1,936,491

## 13. NET ASSET VALUE PER SHARE

	Group		Company	
	30-Sep-19	31-Dec-18	30-Sep-19	31-Dec-18
Net asset value per ordinary share (in cents)	16.56	15.80	12.72	13.30
Number of ordinary shares in issue (excluding treasury shares) ('000)	1,936,812	1,936,491	1,936,812	1,936,491

## 14. VARIANCE FROM FORECAST STATEMENT

No forecast for the period ended 30 September 2019 was previously provided.

## 15. REVIEW OF CORPORATE PERFORMANCE

Group revenue for the nine months ended 30 September 2019 was S\$451.1 million compared with S\$775.0 for the corresponding period in 2018. The lower revenue was mainly due to the decrease in contribution from the Real Estate Business.

For 3Q 2019, Group revenue declined S\$209.4 million or 60.2% to S\$138.7 million from that of the corresponding period in 2018.

Revenue from Real Estate Business decreased by 61.7% from S\$525.8 million in 9M 2018 to S\$201.2 million in 9M 2019. The lower revenue was mainly due to fewer development projects in 2019. The revenue for 9M 2019 was mainly contributed by Australia 108 as compared to 9M 2018 where there were contributions from CityGate, AVANT and Australia 108.

Revenue from the Financial Service Business decreased by S\$4.7 million or 2.9% to S\$157.1 million in 9M 2019. This was mainly due to lower sales from the retail and trading of jewellery and branded merchandise which was partly offset by higher revenue from the pawnbroking and secured lending operations.

The Jewellery Business recorded revenue of S\$99.1 million in 9M 2019 as compared to S\$98.1 million in 9M 2018. The higher revenue was mainly due to sales from overseas operations partially offset by lower sales from Singapore operations.

The Group's pre-tax profit for 9M 2019 was S\$39.7 million compared with S\$57.4 million in 9M 2018. For 3Q 2019, the Group's pre-tax profit of S\$12.2 million was S\$20.4 million lower than that of the corresponding quarter in 2018 as there were significant completion and settlement of apartments at its Melbourne projects in 3Q 2018.

For 9M 2019, the Real Estate Business recorded a pre-tax profit of S\$27.2 million as compared to S\$55.1 million for 9M 2018. The lower pre-tax profit was mainly due to fewer development projects in 9M 2019.

Pre-tax profit for the Financial Service Business increased by S\$3.8 million or 40.0% to S\$13.3 million in 9M 2019. The increase was mainly due to higher profit contributions from pawnbroking and secured lending operations and lower foreign exchange loss partially offset by lower profit contribution from the retail and trading of jewellery and branded merchandise.

The Jewellery Business registered a pre-tax loss of S\$2.4 million in 9M 2019 as compared to S\$2.8 million in 9M 2018. The lower loss was mainly due to a reduction in operating costs for Singapore retail operations and share of higher profit from associates, partially offset by higher operating costs for overseas retail operations.

The share of results from associates and a joint venture was mainly attributable to the higher profit from its share of profit from AF Global Limited.

## **16. BUSINESS OUTLOOK**

### **Real Estate Business**

In Singapore, the Group will continue to sell the remaining commercial units in CityGate project, which obtained TOP in December 2018.

The Group continues to make good progress in the construction of the Australia 108 project in 9M 2019.

As at the date of this announcement, the Group has completed 91% of the construction of Australia 108 and construction on site has progressed to level 97 out of a total of 101 levels. The Group expects the Australia 108 project to contribute positively to the Group's revenue and profitability for FY2019 and FY2020 as construction completes progressively.

At present, the Group operates 7 hotels comprising 121 rooms with a total of 72 keys in Georgetown, Penang. The Group expects its hotel portfolio in Penang to increase to about 350 keys (with a total of about 410 rooms) by the end of 2020. Overall, the business and occupancy of its hotels has been encouraging and in line with the increase in tourist arrivals to Penang.

### **Financial Service Business**

The Group will continue to grow its core business of pawnbroking and retailing of new and pre-owned merchandise despite keen competition and increasing operating costs. To keep the growth momentum, the Group will continue to invest in brand building, improve its merchandise range and review the retail network.

### **Jewellery Business**

The Group expects consumer sentiments to remain fairly stable and will continue to improve the operational effectiveness and efficiency of its Jewellery Business.

### **AF Global Limited**

The existing core business of AF Global Limited ("AFG"), namely the hotel and serviced residence business, is expected to remain stable and contribute positively to the Group.

In China, the Xuzhou Gulou Square is still under court proceedings and the Group will update when there is any material development.

The Group will continue to focus on improving its business operations and enhancing the return from its asset portfolio through asset enhancement initiatives, acquisitions and divestments.

### **Debt Analysis**

Group total debt has declined substantially in 9M 2019 in terms of its loans and borrowings and outstanding term notes and bonds. Total debt decreased by S\$158.1 million to S\$995.8 million as at 30 September 2019.

Total loans and borrowings of S\$489.9 million as at 30 September 2019 was S\$76.1 million lower than 31 December 2018 mainly due to the repayment of loans for Australia 108 project and other investment in properties and securities.

Of the total loans and borrowings of S\$489.9 million, about S\$167.6 million was property development-related loans for the Real Estate Business and the balance of S\$322.3 million was mainly working capital/mortgage loan for its Financial Service Business, Jewellery Business, investment in properties and securities.

As at 30 September 2019, the Group has outstanding term notes and bonds of S\$505.9 million, which was S\$82.0 million lower than the amount as at 31 December 2018 due to the redemption of notes due June 2019, cancellation of bonds due 2020 and open market purchases of bonds and term notes, partially offset by net increase in bonds issued by Maxi-cash Financial Services Corporation Ltd. The Group cancelled S\$10.0 million of its 5.3% bonds due 2020 in September 2019.

The Group expects to improve its debt and cash profile in coming quarters as it expects to receive cash proceeds from the settlement and handover of units for Australia 108.

As part of the Group's strategy to improve its debt position, the Group intends to use part of the cash proceeds to purchase some of its remaining term notes and bonds, which may include those, but not limited to those due in 2020, prior to the maturity dates.

The purchase of its term notes and bonds may be done via various channels such as open market purchase and tender offer and will enable the Group to improve its debt position and reduce negative carry.

Barring unforeseen circumstances such as unfavorable changes in Australian and Malaysian currencies, the Group expects to be profitable in FY2019.

## 17. INTERESTED PERSON TRANSACTIONS

No interested persons transactions (“IPT”) were conducted under the Company’s IPT mandate for the period ended 30 September 2019.

## 18. DIVIDEND

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

Yes

Name of dividend	9M 2019
Name of dividend	Interim
Dividend Type	Cash
Dividend Rate	0.12 cent per ordinary share
Tax Rate	One-tier tax exempt
Book closure date	To be announced later
Payment date	To be announced later

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

Yes

Name of dividend	9M 2018
Name of dividend	Interim
Dividend Type	Cash
Dividend Rate	0.25 cent per ordinary share
Tax Rate	One-tier tax exempt
Book closure date	28 February 2019
Payment date	8 March 2019

## 19. 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.

## 20. 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 2019 to be false or misleading in any material respect.

On behalf of the Board of Directors,

Koh Wee Seng  
CEO

Koh Lee Hwee  
Director

7 November 2019