

**UNAUDITED THIRD QUARTER AND NINE-MONTH FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD
ENDED 30 SEPTEMBER 2018**
**PART 1 – INFORMATION REQUIRED FOR QUARTERLY (Q1, Q2 & Q3), HALF-YEAR AND FULL YEAR
ANNOUNCEMENTS**

- 1(a)(i) An income statement and statement of comprehensive income, or a statement of comprehensive income, for the group, together with a comprehensive statement for the corresponding period of the immediately preceding financial year.

CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	Group					
	3Q2018	3Q2017	Change	9M2018	9M2017	Change
	\$'000	\$'000	%	\$'000	\$'000	%
Revenue	48,645	64,373	(24.4)	160,818	188,695	(14.8)
Cost of sales	(36,476)	(53,243)	(31.5)	(124,691)	(157,210)	(20.7)
Gross profit	12,169	11,130	9.3	36,127	31,485	14.7
Other item of income						
Other operating income	830	1,025	(19.0)	3,013	2,789	8.0
Other items of expense						
Marketing and distribution expenses	(348)	(197)	76.6	(714)	(768)	(7.0)
Administrative expenses	(5,959)	(5,321)	12.0	(17,381)	(15,247)	14.0
Finance costs	(867)	(961)	(9.8)	(2,995)	(2,788)	7.4
Other operating expenses	(102)	(189)	(46.0)	(1,897)	(552)	243.7
Share of results of associates	725	439	65.1	2,323	1,810	28.3
Profit before tax	6,448	5,926	8.8	18,476	16,729	10.4
Income tax expense	(1,367)	(1,274)	7.3	(2,664)	(2,374)	12.2
Profit for the period	5,081	4,652	9.2	15,812	14,355	10.1
Other comprehensive income:						
Items that may be reclassified subsequently to profit or loss						
Foreign currency translation	(232)	20	n.m.	(91)	(14)	550.0
Total comprehensive income for the period	4,849	4,672	3.8	15,721	14,341	9.6
Profit for the period attributable to:						
Owners of the Company	4,947	4,473	10.6	15,361	13,935	10.2
Non-controlling interests	134	179	(25.1)	451	420	7.4
	5,081	4,652	9.2	15,812	14,355	10.1
Total comprehensive income for the period attributable to:						
Owners of the Company	4,715	4,493	4.9	15,270	13,921	9.7
Non-controlling interests	134	179	(25.1)	451	420	7.4
	4,849	4,672	3.8	15,721	14,341	9.6

n.m.: Not meaningful

1(a)(ii) Notes to consolidated statements of profit or loss and other comprehensive income

The Group's profit before tax was arrived at after charging/(crediting) the following:

	Group					
	3Q2018	3Q2017	Change	9M2018	9M2017	Change
	\$'000	\$'000	%	\$'000	\$'000	%
Depreciation of property, plant and equipment	449	410	9.5	1,347	1,150	17.1
Inventories recognised as an expense in cost of sales	35,269	52,492	(32.8)	121,483	155,232	(21.7)
Operating lease expense	1,190	1,114	6.8	3,337	3,058	9.1
Interest expense on loans and borrowings	2,160	1,594	35.5	6,315	4,765	32.5
Allowance for doubtful trade receivables	102	213	(52.1)	1,489	573	159.9
Goodwill written off	–	–	n.m.	408	–	n.m.
Net fair value (gain)/loss on loan from an unrelated party	(86)	31	n.m.	(112)	71	n.m.
Net exchange loss/(gain)	92	8	1050.0	(9)	10	n.m.
Gain on excess of fair value over consideration of interest acquired in a subsidiary	–	(39)	n.m.	–	(39)	n.m.
Decrease/(increase) in fair value of inventories less point-of-sale costs	181	(50)	n.m.	241	(112)	n.m.
Amortisation of intangible assets	–	–	n.m.	127	–	n.m.
Write back of allowance for write-down of inventories	–	–	n.m.	(150)	–	n.m.
Rental income from leasehold property	(250)	(410)	(39.0)	(728)	(928)	(21.6)
Interest income	(171)	(164)	4.3	(495)	(461)	7.4
Dividend income from unquoted investments	–	–	n.m.	(52)	(48)	8.3

n.m.: Not meaningful

1(b)(i) A statement of financial position (for the issuer and group), together with a comparative statement as at the end of the immediately preceding financial year.

STATEMENTS OF FINANCIAL POSITION

	Group		Company	
	30.09.2018 \$'000	31.12.2017 \$'000	30.09.2018 \$'000	31.12.2017 \$'000
<u>Non-current assets</u>				
Property, plant and equipment	29,322	29,984	148	142
Intangible asset	43	578	–	–
Investment in subsidiaries	–	–	71,807	60,807
Investment in associates	15,432	13,870	1,002	1,002
Other investments	688	688	688	688
Trade and other receivables	76,956	58,552	4,343	4,743
	122,441	103,672	77,988	67,382
<u>Current assets</u>				
Inventories	55,714	57,662	–	–
Trade and other receivables	284,593	252,063	131,496	127,983
Prepaid operating expenses	501	1,210	36	24
Cash and bank balances	6,801	7,464	294	689
	347,609	318,399	131,826	128,696
Total assets	470,050	422,071	209,814	196,078
<u>Current liabilities</u>				
Trade and other payables	4,665	4,451	11,022	6,091
Other liabilities	4,098	3,713	1,495	1,394
Interest-bearing loans and borrowings	201,790	212,381	–	49,899
Income tax payable	2,895	2,434	211	185
	213,448	222,979	12,728	57,569
Net current assets	134,161	95,420	119,098	71,127
<u>Non-current liabilities</u>				
Provisions	347	332	–	–
Interest-bearing loans and borrowings	61,914	12,933	49,734	–
Deferred tax liabilities	2,019	1,972	24	19
Other deposits	37	48	–	–
	64,317	15,285	49,758	19
Total liabilities	277,765	238,264	62,486	57,588
Net assets	192,285	183,807	147,328	138,490
<u>Equity attributable to owners of the Company</u>				
Share capital	78,313	78,313	78,313	78,313
Treasury shares	(26)	(26)	(26)	(26)
Retained earnings	116,136	107,496	69,041	60,203
Other reserves	(6,590)	(6,499)	–	–
	187,833	179,284	147,328	138,490
Non-controlling interests	4,452	4,523	–	–
Total equity	192,285	183,807	147,328	138,490

1(b)(ii) Aggregate amount of group's borrowings and debt securities

Amount repayable in one year or less, or on demand

	As at 30 September 18		As at 31 December 17	
	Secured \$'000	Unsecured \$'000	Secured \$'000	Unsecured \$'000
Included in trade and other payables	–	3,367	–	3,322
Included in interest-bearing loans and borrowings	196,676	5,114	154,201	58,180
Total	196,676	8,481	154,201	61,502

Amount repayable by the Group after one year

	As at 30 September 18		As at 31 December 17	
	Secured \$'000	Unsecured \$'000	Secured \$'000	Unsecured \$'000
Included in interest-bearing loans and borrowings	12,180	49,734	12,933	–
Total	12,180	49,734	12,933	–

Details of collateral:

- A fixed and floating charge on all assets of certain subsidiaries, legal mortgages over several properties and personal guarantees by certain directors of a subsidiary.

1(c) A statement of cash flows (for the group), together with a comparative statement for the corresponding period of the immediately preceding financial year.

CONSOLIDATED STATEMENTS OF CASH FLOWS	3Q2018 \$'000	3Q2017 \$'000	9M2018 \$'000	9M2017 \$'000
Operating activities				
Profit before tax	6,448	5,926	18,476	16,729
Adjustments for:				
Depreciation of property, plant and equipment	449	410	1,347	1,150
Amortisation of intangible assets	–	–	127	–
Allowance for doubtful trade receivables	102	213	1,489	573
Goodwill written off	–	–	408	–
Interest income	(171)	(164)	(495)	(461)
Finance costs	2,160	1,594	6,315	4,765
Decrease/(increase) in fair value of inventories less point-of-sale costs	181	(50)	241	(112)
Write-back of allowance for write-down of inventories	–	–	(150)	–
Net fair value (gain)/loss on loan from an unrelated party	(86)	31	(112)	71
Dividend income from unquoted investments	–	–	(52)	(48)
Gain on excess of fair value over consideration of interest acquired in a subsidiary	–	(39)	–	(39)
Share of results of associates	(725)	(439)	(2,323)	(1,810)
Unrealised exchange loss/(gain)	151	(4)	50	16
Operating cash flows before changes in working capital	8,509	7,478	25,321	20,834
Changes in working capital				
(Increase)/decrease in inventories	(1,404)	2,639	1,857	(561)
(Increase)/decrease in trade and other receivables	(23,992)	(18,565)	(52,423)	940
Decrease in prepaid operating expenses	2	53	709	996
Increase/(decrease) trade and other payables	718	171	203	(212)
Increase in other liabilities	1,360	1,405	385	730
Cash flows (used in)/generated from operations	(14,807)	(6,819)	(23,948)	22,727
Interest received	171	164	495	461
Finance costs paid	(2,134)	(1,535)	(6,169)	(4,588)
Income taxes paid	(768)	(637)	(2,156)	(1,741)
Net cash flows (used in)/generated from operating activities	(17,538)	(8,827)	(31,778)	16,859
Investing activities				
Purchase of property, plant and equipment	(240)	(166)	(670)	(434)
Purchase of investment securities	–	–	–	(50)
Net cash outflow on acquisition of a subsidiary	–	(4,395)	–	(4,395)
Dividend income from associates	421	–	621	200
Dividend income from unquoted investments	–	–	52	48
Net cash flows generated from/(used in) investing activities	181	(4,561)	3	(4,631)
Financing activities				
Proceeds from interest-bearing loans and borrowings	23,349	13,366	128,039	47,330
Repayment of interest-bearing loans and borrowings	(5,257)	(1,158)	(85,839)	(48,954)
Term notes issuance expenses paid	–	–	(310)	–
Purchase of treasury shares	–	–	–	(26)
Return of investment to non-controlling interests	–	–	–	(1,046)
Dividends paid to non-controlling interests	–	–	(522)	(397)
Dividends paid on ordinary shares	–	–	(6,721)	(5,761)
Net cash flows generated from/(used in) financing activities	18,092	12,208	34,647	(8,854)
Net increase/(decrease) in cash and cash equivalents	735	(1,180)	2,872	3,374
Cash and cash equivalents at beginning of period	5,429	9,626	3,292	5,072
Cash and cash equivalents at end of period	6,164	8,446	6,164	8,446

1(d)(i) A statement (for the issuer and group) showing either (i) all changes in equity or (ii) changes in equity other than those arising from capitalization issues and distributions to shareholders, together with a comparative statement for the corresponding period for the immediately preceding financial year.

STATEMENTS OF CHANGES IN EQUITY

	Attributable to owners of the Company						Non-controlling interests	Total equity	
	Share capital	Treasury shares	Capital reserve	Merger reserve	Foreign currency translation reserve	Retained earnings			
Group	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
At 1 January 2018	78,313	(26)	1,984	(7,599)	(884)	107,496	179,284	4,523	183,807
Profit for the period	–	–	–	–	–	15,361	15,361	451	15,812
Foreign currency translation	–	–	–	–	(91)	–	(91)	–	(91)
Total comprehensive income for the period	–	–	–	–	(91)	15,361	15,270	451	15,721
Distributions to owners									
Dividends paid on ordinary shares	–	–	–	–	–	(6,721)	(6,721)	–	(6,721)
Dividends paid to non-controlling interests	–	–	–	–	–	–	–	(522)	(522)
Total distributions to owners	–	–	–	–	–	(6,721)	(6,721)	(522)	(7,243)
At 30 September 2018	78,313	(26)	1,984	(7,599)	(975)	116,136	187,833	4,452	192,285

Group	Attributable to owners of the Company							Non-controlling interests	Total equity
	Share capital	Treasury shares	Capital reserve	Merger reserve	Foreign currency translation reserve	Retained earnings	Total		
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
At 1 January 2017	78,313	–	1,984	(7,599)	(1,074)	94,164	165,788	5,499	171,287
Profit for the period	–	–	–	–	–	13,935	13,935	420	14,355
Foreign currency translation	–	–	–	–	(14)	–	(14)	–	(14)
Total comprehensive income for the period	–	–	–	–	(14)	13,935	13,921	420	14,341
<u>Distributions to owners</u>									
Dividends paid on ordinary shares	–	–	–	–	–	(5,761)	(5,761)	–	(5,761)
Dividends paid to non-controlling interests	–	–	–	–	–	–	–	(397)	(397)
Return of investment to non-controlling interests	–	–	–	–	–	–	–	(1,046)	(1,046)
Purchase of treasury shares	–	(26)	–	–	–	–	(26)	–	(26)
Total distributions to owners	–	(26)	–	–	–	(5,761)	(5,787)	(1,443)	(7,230)
At 30 September 2017	78,313	(26)	1,984	(7,599)	(1,088)	102,338	173,922	4,476	178,398

Company	Attributable to owners of the Company			
	Share capital \$'000	Treasury shares \$'000	Retained earnings \$'000	Total equity \$'000
At 1 January 2018	78,313	(26)	60,203	138,490
Profit for the period, representing total comprehensive income for the period	–	–	15,559	15,559
<u>Distributions to owners</u>				
Dividends paid on ordinary shares	–	–	(6,721)	(6,721)
At 30 September 2018	78,313	(26)	69,041	147,328
At 1 January 2017	78,313	–	56,201	134,514
Profit for the period, representing total comprehensive income for the period	–	–	7,621	7,621
<u>Distributions to owners</u>				
Dividends paid on ordinary shares	–	–	(5,761)	(5,761)
Purchase of treasury shares	–	(26)	–	(26)
At 30 September 2017	78,313	(26)	58,061	136,348

1(d)(ii) Details of any changes in the company's share capital arising from rights issue, bonus issue, share buy-backs, exercises of share options or warrants, conversion of other issues of equity securities, issue of shares for cash or as consideration for acquisition or for any other purpose since the end of the previous period reported on. State also the number of issued shares excluding treasury shares, if any, against the total number of issued shares excluding treasury shares of the issuer, as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year.

Pursuant to the Share Buy-Back Mandate approved by shareholders, the Company purchased a total of 100,000 shares by way of on-market purchase for a total consideration of \$26,000 in 1Q2017. These shares purchased were made out of the Company's capital and held as treasury shares.

The Company's issued and fully paid up shares as at 30 September 2018 comprised 533,397,960 (30 September 2017: 533,497,960) ordinary shares and 100,000 (30 September 2017: 100,000) treasury shares.

1(d)(iii) To show the total number of issued shares excluding treasury shares as at the end of current financial period and as at the end of the immediately preceding year.

	30.09.2018	31.12.2017
Total number of issued shares	533,497,960	533,497,960
Less: Treasury shares	(100,000)	(100,000)
Total number of issued shares excluding treasury shares	533,397,960	533,397,960

1(d)(iv) A statement showing all sales, transfers, disposals, cancellation and/or use of treasury share as at the end of the current financial period reported on.

Treasury Shares	No. of shares	S\$'000
Balance as at 30/6/2018	100,000	26
No. of shares purchased	–	–
Balance as at 30/09/2018	100,000	26

2. Whether the figures have been audited or reviewed, and in accordance with which auditing standard or practice.

The figures have not been audited or reviewed by the Company's auditors.

3. Where the figures have been audited or reviewed, the auditors' report (including any qualifications or emphasis of a matter).

Not applicable.

4. Whether the same accounting policies and methods of computation as in the issuer's most recently audited annual financial statements have been applied.

The Group has adopted Singapore Financial Reporting Standards (International) ("SFRS(I)"), which is effective for Singapore-incorporated companies listed on the Singapore Exchange for annual reporting periods beginning on or after 1 January 2018. The Group has also adopted the new SFRS(I) and Interpretations to SFRS(I)s ("SFRS(I) INT") that are relevant to its operations and effective for annual periods beginning on or after 1 January 2018. The adoption of SFRS(I), and the new SFRS(I) and SFRS(I) INT relevant to the Group's operations and effective for annual periods beginning on or after 1 January 2018 did not have a material effect on the financial statements for the current financial period.

5. If there are any changes in the accounting policies and methods of computation, including any required by an accounting standard, what has changed, as well as the reasons for, and the effect of, the change.

Please refer to item 4 above.

6. Earnings per ordinary share of the group for the current financial period reported on and the corresponding period of the immediately preceding financial year, after deducting any provision for preference dividends:

(a) Based on the weighted average number of ordinary shares on issue; and

(b) On a fully diluted basis (detailing any adjustments made to the earnings).

	Group			
	3Q2018	3Q2017	9M2018	9M2017
	Cents	Cents	Cents	Cents
i) Basic earnings per share	0.93	0.84	2.88	2.61
ii) Diluted earnings per share	0.93	0.84	2.88	2.61
- Weighted average number of shares ('000)	533,398	533,398	533,398	533,424

The calculation of basic earnings per share for 9M ended 30 September 2018 is based on the net profits attributable to shareholders for the 9M ended 30 September 2018 divided by the weighted average number of ordinary shares outstanding of 533,398,000.

7. Net asset value (for the issuer and group) per ordinary share based on the total number of issued shares excluding treasury shares of the issuer at the end of the:

(a) current financial period reported on; and

(b) immediately preceding financial year.

	Group		Company	
	30.09.2018	31.12.2017	30.09.2018	31.12.2017
Net asset value per ordinary share (cents)	35.21	33.61	27.62	25.96
Number of ordinary shares in issue ('000)	533,398	533,398	533,398	533,398

The number of ordinary shares was based on the number of outstanding shares as at 30 September 2018 and 31 December 2017 respectively, excluding treasury shares.

8. A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. It must include a discussion of the following:

(a) any significant factors that affected the turnover, costs, and earnings of the group for the current financial period reported on, including (where applicable) seasonal or cyclical factors; and

(b) any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on.

Review of the Group's Performance

3Q2018 vs 3Q2017

Revenue

The Group's revenue decreased from \$64.4 million in 3Q2017 to \$48.6 million in 3Q2018. Revenue from retail and trading of pre-owned jewellery and gold business decreased by \$17.8 million while revenue from pawnbroking and the moneylending business increased by \$1.0 respectively in 3Q2018.

Cost of sales

The Group's cost of sales decreased from \$53.2 million in 3Q2017 to \$36.5 million in 3Q2018. Cost of goods sold for retail and trading of jewellery and gold business decreased by \$17.3 million, which is in line with the decrease in revenue in this segment, while interest cost for both pawnbroking and moneylending increased by \$0.4 million and \$0.2 million respectively.

Gross profit

Overall gross profit increased by \$1.0 million in 3Q2018 compared with the same period in 3Q2017. Gross profit margin improved from 17.3% in 3Q2017 to 25.0% in 3Q2018.

Other operating income

Other operating income was \$0.8 million in 3Q2018 compared with \$1.0 million in 3Q2017. The lower other operating income was mainly due to the decrease in rental income of \$0.2 million.

Marketing and distribution expenses

Marketing and distribution expenses comprise mainly commission expenses, labour charges, licenses, packaging and repair and reconditioning expenses. The increase in marketing and distribution expenses from \$0.2 million in 3Q2017 to \$0.3 million in 3Q2018 was mainly due to the increase in commission expenses of \$0.1 million.

Administrative expenses

Administrative expenses comprise mainly employee benefits expense, rental expenses, depreciation expenses, legal and professional fees and insurance premiums. The increase in administrative expenses from \$5.3 million in 3Q2017 to \$6.0 million in 3Q2018 was mainly due to the increase in employee benefits of \$0.7 million.

Other operating expense

Other operating expenses comprise mainly allowance for doubtful trade receivables of \$0.1 million and \$0.2 million in 3Q2018 and 3Q2017 respectively.

Share of results of associates

The Group's share of results of associates increased from \$0.4 million in 3Q2017 to \$0.7 million in 3Q2018, due to increased contribution from Malaysian associated companies.

Profit before tax

As a result of the above, profit before tax increased by \$0.5 million to \$6.4 million in 3Q2018.

Income tax expense

Income tax expense increased by \$0.1 million in 3Q2018, which is in line with the increase in profit.

9M2018 vs 9M2017

Revenue

The Group's revenue decreased from \$188.7 million in 9M2017 to \$160.8 million in 9M2018. Retail and trading of pre-owned jewellery and gold business accounted for the decrease of \$33.5 million while revenue from pawnbroking and moneylending increased by \$2.6 million and \$3.0 million respectively.

Cost of sales

The Group's cost of sales decreased from \$157.2 million in 9M2017 to \$124.7 million in 9M2018. Cost of goods sold for retail and trading of pre-owned jewellery and gold business decreased by \$33.9 million, which is in line with the decrease in revenue in this segment, while interest cost for both pawnbroking and moneylending increased \$1.4 million in aggregate.

Gross profit

Overall gross profit increased by \$4.6 million in 9M2018 compared with the same period in 9M2017. Gross profit margin improved from 16.7% in 9M2017 to 22.5% in 9M2018.

Other operating income

Other operating income was \$3.0 million in 9M2018 compared with \$2.8 million in 9M2017. The higher operating income was mainly due to the increase in facility fee income from the moneylending business of \$0.2 million.

Share of results of associates

The Group's share of results of associates increased from \$1.8 million in 9M2017 to \$2.3 million in 9M2018, due to increased contribution from Malaysian associated companies.

Administrative expenses

Administrative expenses comprise mainly employee benefits expense, rental expenses, depreciation expenses, legal and professional fees and insurance premiums. The increase in administrative expenses from \$15.2 million in 9M2017 to \$17.4 million in 9M2018 was mainly due to the increases in depreciation, rental expenses and legal and professional fees of \$0.2 million, \$0.4 million and \$0.1 million each respectively, as well as employee benefits expense and amortization expenses of \$1.4 million and \$0.1 million respectively.

Other operating expense

Other operating expenses increased from \$0.6 million in 9M2017 to \$1.9 million in 9M2018 mainly due to the increase in allowance for doubtful trade receivables and goodwill written off of \$0.9 million and \$0.4 million respectively.

Profit before tax

As a result of the above, profit before tax increased by \$1.7 million to \$18.5 million in 9M2018.

Income tax expense

Income tax expense increased by \$0.3 million in 9M2018, which is in line with the increase in profit.

Review of the Group's Financial Position

Non-current assets increased by \$18.7 million from \$103.7 million as at 31 December 2017 to \$122.4 million as at 30 September 2018. The increase comprises increase in trade and other receivables from the Group's moneylending business and investment in associates of \$18.4 million and \$1.6 million respectively. These were offset by the decreases in intangible assets and property, plant and equipment of \$0.5 million and \$0.7 million respectively.

Current assets increased by \$29.2 million from \$318.4 million as at 31 December 2017 to \$347.6 million as at 30 September 2018. This was mainly due to the increase in trade and other receivables of \$32.5 million. This was partially offset by the decrease in inventories of \$1.9 million, prepaid operating expenses of \$0.7 million and cash and bank balances of \$0.7 million.

Current liabilities decreased by \$9.5 million from \$223.0 million as at 31 December 2017 to \$213.5 million as at 30 September 2018 as a result of the decrease in interest-bearing loans and borrowings of \$10.6 million. This was partially offset by the increase in trade and other payables of \$0.2 million, other current liabilities of \$0.4 million and income tax payable of \$0.5 million.

Non-current liabilities increased by \$49.0 million from \$15.3 million as at 31 December 2017 to \$64.3 million as at 30 September 2018 was mainly due to the increase in interest-bearing loans and borrowings of \$49.0 million.

Equity comprises share capital, treasury shares, retained earnings, capital reserve, merger reserve, foreign currency translation reserve and non-controlling interests. Equity attributable to owners of the Company increased from \$179.3 million as at 31 December 2017 to \$187.8 million as at 30 September 2018 mainly due to the increase in retained earnings.

Review of the Group's Cash Flows

3Q2018 vs 3Q2017

In 3Q2018, the net cash used in operating activities was \$17.5 million. This comprises operating cash flows before working capital adjustments of \$8.5 million, adjusted by net working capital outflow of \$23.3 million. In 3Q2018, the Group received interest income of \$0.2 million, with interest expense paid of \$2.1 million and net income tax paid of \$0.8 million. The net working capital outflow was a result of the increases in trade and other receivables of \$24.0 million and inventories of \$1.4 million, which was partially offset by the increases in trade and other payables of \$0.7 million and other liabilities of \$1.4 million.

In 3Q2018, the net cash generated from investing activities amounted to \$0.2 million arising from the aggregate dividend income from associates of \$0.4 million, which was partially offset by the purchase of property, plant and equipment of \$0.2 million.

The net cash generated from financing activities in 3Q2018 amounted to \$18.1 million arising from the net proceeds from interest-bearing loans and borrowings.

9M2018 vs 9M2017

In 9M2018, the net cash used in operating activities was \$31.8 million. This comprises operating cash flows before working capital adjustments of \$25.3 million, adjusted by net working capital outflow of \$49.3 million. In 9M2018, the Group received interest income of \$0.5 million, with net income tax paid of \$2.1 million and interest expense paid of \$6.2 million. The net working capital outflow was a result of the increase in trade and other receivables of \$52.4 million, which was partially offset by the decreases in inventories of \$1.8 million and prepaid operating expenses of \$0.7 million, and the increases in trade and other payables of \$0.2 million and other liabilities of \$0.4 million.

In 9M2018, the net cash generated from investing activities comprised the aggregate dividend income from associates and unquoted investments of \$0.7 million, which was offset by the purchase of property, plant and equipment of \$0.7 million.

The net cash generated from financing activities in 9M2018 amounted to \$34.7 million comprising the net proceeds from interest-bearing loans and borrowings of \$42.2 million. This was partially offset by the payment of dividends of \$7.2 million and term notes issuance expenses of \$0.3 million.

9. Where a forecast, or a prospect statement, has been previously disclosed to shareholders, any variance between it and the actual results.

There is no material variance from the prospects disclosed in paragraph 10 of the Group's previous results announcement.

10. A commentary at the date of the announcement of the significant trends and competitive conditions of the industry in which the group operates and any known factors or events that may affect the group in the next reporting period and the next 12 months.

Gold price fell to below USD1,180 per ounce in August before recovering to above USD1,220 per ounce since the last results announcement. With the increasing economic and geopolitical uncertainties, gold price may continue to be volatile for the rest of 2018 while the Group continues to face challenges in an environment of rising interest rates and increased competition.

The Group will continue to explore acquisition opportunities and suitable locations to grow our network of pawnshops and retail outlets, and grow our moneylending business.

11. Dividend

**i. Current Financial Period Reported on
Any dividend declared for the current period?**

No.

**ii. Corresponding Period of the Immediately Preceding Financial Year
Any dividend declared for the corresponding period of the immediately preceding financial year?**

No.

12. If no dividend has been declared (recommended), a statement to that effect.

No dividend has been declared for the nine-month period ended 30 September 2018.

13. Interested Person Transactions

The Group has obtained a general mandate from shareholders of the Company for interested person transactions in the Annual General Meeting held on 25 April 2018. During the financial period, the following interested person transactions were entered into by the Group:

Aggregate value of all interested person transactions during the financial period under review		
	YTD-30 Sep 18 \$'000	YTD-30 Sep 17 \$'000
Sales of goods to director-related companies		
- Hwa Goldsmith and Jewellers	918	1,081
- Mei Zhi Jewellery	151	263
- Lucky Jewellery	1,114	69
Purchase of goods from director-related companies		
- Mei Zhi Jewellery	313	86
Rental paid to director-related company		
- Yeah Properties Pte Ltd	234	234
- Yeah Capital	131	131

Aggregate value of all interested person transactions during the financial year under review (excluding transactions less than \$100,000 and transactions conducted under shareholders' mandate pursuant to <u>Rule 920</u>)		
	YTD-30 Sep 18 \$'000	YTD-30 Sep 17 \$'000
Subscription of 3-year 5.10 percent fixed rate note due 2021		
- Yeah Hiang Nam	3,710	—

14. Negative confirmation pursuant to Rule 705(5)

The board of Directors of the Company (the "Board") confirms that, to the best of our knowledge, nothing has come to the attention of the Board which may render the unaudited interim financial statements for the period ended 30 September 2018 to be false or misleading in any material respects.

For and on behalf of the Board

Yeah Hiang Nam
Managing Director

Yeah Lee Ching
Executive Director