



UNAUDITED FULL YEAR FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2013

Background

ValueMax Group Limited ("Company") was incorporated on 7 August 2003 under the Companies Act as a private limited liability Company under the name of Fang Yuan Holdings Pte. Ltd. It changed its name to ValueMax Group Pte. Ltd. on 7 April 2004. On 21 October 2013, the Company was converted to a public limited company and changed its name to ValueMax Group Limited. The Company was listed on the Singapore Exchange Securities Trading Limited ("SGX") on 30 October 2013.

The group comprising the Company and its subsidiaries (the "Group") undertook a restructuring exercise (the "Restructuring Exercise") as part of its corporate reorganisation for the purposes of the Company's listing on the Main Board of SGX. The Restructuring Exercise comprised the following:

- a) a transfer of businesses under common control ("Business Transfers");
- b) acquisition of additional equity interests in the various subsidiaries and associated companies in Singapore;
- c) acquisition of equity interests in two investee companies in Singapore; and
- d) acquisition of equity interests in four associated companies in Malaysia.

Please refer to the Company's prospectus dated 21 October 2013 ("Prospectus").

For the purpose of this announcement, the results of the Group for the full year ended 31 December 2013 ("FY2013") with the comparative results of the Group for the full year ended 31 December 2012 ("FY2012") have been prepared using the principles of merger accounting and on the assumption that the Business Transfers have been effected as at the beginning of the earliest period presented in these combined financial statements.

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 STATEMENT OF COMPREHENSIVE INCOME

	Group		
	FY2013	FY2012	Change
	Unaudited	Audited	
	\$'000	\$'000	%
Revenue	353,148	508,984	(30.6)
Cost of sales	(330,427)	(483,203)	(31.6)
Gross profit	22,721	25,781	(11.9)
Other item of income			
Other operating income	2,642	1,242	112.7
Other items of expense			
Marketing and distribution expenses	(300)	(198)	51.5
Administrative expenses	(12,270)	(9,759)	25.7
Finance costs	(176)	(314)	(43.9)
Other operating expenses	(4,103)	(656)	525.5
Share of results of associates	1,909	797	139.5
Profit before tax	10,423	16,893	(38.3)
Income tax expense	(853)	(2,034)	(58.1)
Profit for the period	9,570	14,859	(35.6)
Other comprehensive income:			
Foreign currency translation	(142)	-	n.m.
Total comprehensive income for the period	9,428	14,859	(36.6)
Profit attributable to:			
Owners of the Company	9,357	14,346	(34.8)
Non-controlling interests	213	513	(58.5)
	9,570	14,859	(35.6)
Total comprehensive income attributable to:			
Owners of the Company	9,215	14,346	(35.8)
Non-controlling interests	213	513	(58.5)
	9,428	14,859	(36.6)

n.m.: Not meaningful

1(a)(ii) Notes to consolidated statement of comprehensive income

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

	Group		
	FY2013	FY2012	Change
	Unaudited	Audited	
	\$'000	\$'000	%
Depreciation of property, plant and equipment	504	322	56.5
Inventories recognised as an expense in cost of sales	328,841	481,309	(31.7)
Operating lease expense	2,809	2,076	35.3
Listing expenses	1,397	-	n.m.
Interest expense on loans and borrowings	1,762	2,208	(20.2)
Allowance for doubtful trade receivables	2,546	656	288.1
Allowance for write-down of inventories	160	-	n.m.
Overprovision of tax in respect of previous years	(404)	-	n.m.
Rental income from leasehold property	(415)	(265)	56.6
Dividend income from unquoted investments	(76)	(76)	-
Interest income on loans and receivables	(249)	(175)	42.3
Gain on remeasurement of investment in associate to fair value upon business combination achieved in stages	(685)	-	n.m.
Excess of fair value over consideration of equity interest acquired in a subsidiary	(405)	-	n.m.
Net fair value (gain)/loss on loan from an unrelated party	(510)	2	n.m.

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	
	31.12.2013	31.12.2012	31.12.2013	31.12.2012
	Unaudited	Audited	Unaudited	Audited
	\$'000	\$'000	\$'000	\$'000
<u>Non-current assets</u>				
Property, plant and equipment	4,967	2,535	40	55
Investment in subsidiaries	–	–	27,804	23,607
Investment in associates	7,442	3,511	1,874	2,265
Other investments	701	399	701	399
	13,110	6,445	30,419	26,326
<u>Current assets</u>				
Inventories	43,300	32,364	–	–
Trade and other receivables	136,211	145,784	55,605	18,470
Prepaid operating expenses	918	854	77	234
Cash and bank balances	46,520	3,087	37,817	–
Income tax receivable	–	–	9	–
	226,949	182,089	93,508	18,704
Total assets	240,059	188,534	123,927	45,030
<u>Current liabilities</u>				
Trade and other payables	10,873	18,546	305	3,102
Other liabilities	1,518	1,546	621	802
Interest-bearing loans and borrowings	74,985	90,751	–	905
Income tax payable	1,351	3,552	–	130
	88,727	114,395	926	4,939
Net current assets	138,222	67,694	92,582	13,765
<u>Non-current liabilities</u>				
Provisions	224	29	–	–
Deferred tax liabilities	385	49	7	7
Interest-bearing loans and borrowings	–	2	–	–
	609	80	7	7
Total liabilities	89,336	114,475	933	4,946
Net assets	150,723	74,059	122,994	40,084
<u>Equity attributable to owners of the Company</u>				
Share capital	78,313	5,742	78,313	5,742
Retained earnings	74,024	64,667	44,681	34,342
Other reserves	(5,757)	1,843	–	–
	146,580	72,252	122,994	40,084
Non-controlling interests	4,143	1,807	–	–
Total equity	150,723	74,059	122,994	40,084

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

Amount repayable in one year or less, or on demand

	As at 31 December 13		As at 31 December 12	
	Unaudited		Audited	
	Secured	Unsecured	Secured	Unsecured
	\$'000	\$'000	\$'000	\$'000
Included in trade and other payables	-	5,442	-	853
Included in interest-bearing loans and borrowings	73,466	1,519	88,722	2,029
Total	73,466	6,961	88,722	2,882

Amount repayable by the Group after one year

	As at 31 December 13		As at 31 December 12	
	Unaudited		Audited	
	Secured	Secured	Secured	Unsecured
	\$'000	\$'000	\$'000	\$'000
Included in interest-bearing loans and borrowings	-	-	2	-

Details of collateral:

As at 31 December 2013

- A fixed and floating charge on all assets of certain subsidiaries, legal mortgages over two properties and personal guarantees by certain directors of the Company and its subsidiaries.

As at 31 December 2012

- A fixed and floating charge on all assets of certain subsidiaries, legal mortgages over a property and personal guarantees by certain directors of the Company and its subsidiaries.

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	FY2013	FY2012
	Unaudited	Audited
	\$'000	\$'000
Operating activities		
Profit before tax	10,423	16,893
Adjustments for:		
Depreciation of property, plant and equipment	504	322
Allowance for doubtful trade receivables	2,546	656
Interest income	(249)	(175)
Finance costs	1,762	2,208
Dividend income from unquoted investments	(76)	(76)
(Decrease)/Increase in fair value of inventories less point-of-sale costs	1,719	(30)
Net fair value (gain)/loss on financial liability at fair value through profit or loss	(510)	2
Excess of fair value over consideration of interest acquired in a subsidiary	(405)	–
Gain on remeasurement of investment in associate to fair value upon business combination achieved in stages	(685)	–
Share of results of associates	(1,909)	(797)
Listing expenses	1,397	–
Unrealised exchange gain	–	(316)
Operating cash flows before changes in working capital	14,517	18,687
<u>Changes in working capital</u>		
Increase in inventories	(11,672)	(5,435)
Decrease in trade and other receivables	23,398	4,061
Increase in prepaid operating expenses	(50)	(750)
Decrease in trade and other payables	(24,568)	(3,392)
(Decrease)/increase in other liabilities	(176)	269
Cash flows from operations	1,449	13,440
Interest received	249	175
Finance costs paid	(1,762)	(2,208)
Income taxes paid	(3,348)	(2,034)
Net cash flows (used in)/generated from operating activities	(3,412)	9,373
Investing activities		
Purchase of property, plant and equipment	(229)	(522)
Acquisition of non-controlling interests in subsidiaries	(960)	–
Net cash outflow on acquisition of a subsidiary	(847)	–
Acquisition of additional interest in an associate	(480)	(248)
Acquisition of unquoted investments	(13)	–
Dividend income from associates	802	468
Dividend income from unquoted investments	76	76
Net cash flows used in investing activities	(1,651)	(226)
Financing activities		
Proceeds from short-term bank borrowings	12,000	29,666
Repayment of short-term bank borrowings	(19,442)	–
Repayment of loans from related parties	–	(21,798)
Repayment of obligations under finance leases	(3)	(1)
Gross proceeds from issuance of ordinary shares pursuant to the IPO	70,380	–
Listing expenses	(3,624)	–
Dividends paid to non-controlling interests	(303)	(149)
Net cash flows from financing activities	59,008	7,718
Net increase in cash and cash equivalents	53,945	16,865
Cash and cash equivalents at beginning of period	(8,431)	(25,296)
Cash and cash equivalents at end of period	45,514	(8,431)

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	Capital reserve	Merger reserve	Foreign currency translation reserve	Retained earnings	Total		
Group	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
At 1 January 2013	5,742	1,843	–	–	64,667	72,252	1,807	74,059
Profit for the period	–	–	–	–	9,357	9,357	213	9,570
<u>Other comprehensive income</u>								
Foreign currency translation	–	–	–	(142)	–	(142)	–	(142)
Total comprehensive income for the period	–	–	–	(142)	9,357	9,215	213	9,428
<u>Contributions by and distributions to owners</u>								
Shares issued for acquisition of associated companies	3,730	–	–	–	–	3,730	–	3,730
Shares issued for acquisition of an investee company	688	–	–	–	–	688	–	688
Issuance of ordinary shares pursuant to the IPO	70,380	–	–	–	–	70,380	–	70,380
Share issuance expense	(2,227)	–	–	–	–	(2,227)	–	(2,227)
Dividends paid to non-controlling interests	–	–	–	–	–	–	(303)	(303)
Adjustment pursuant to the Restructuring Exercise	–	–	(7,599)	–	–	(7,599)	–	(7,599)
Total contributions by and distributions to owners	72,571	–	(7,599)	–	–	64,972	(303)	64,669
<u>Changes in ownership interests in subsidiaries</u>								
Acquisition of a subsidiary	–	–	–	–	–	–	3,527	3,527
Acquisition of non-controlling interests without a change in control	–	141	–	–	–	141	(1,101)	(960)
Total changes in ownership interests in subsidiaries	–	141	–	–	–	141	2,426	2,567
At 31 December 2013	78,313	1,984	(7,599)	(142)	74,024	146,580	4,143	150,723

	Attributable to owners of the Company							
	Share capital	Capital reserve	Merger reserve	Foreign currency translation reserve	Retained earnings	Total	Non-controlling interests	Total equity
Group	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
At 1 January 2012	5,742	1,843	–	–	50,321	57,906	1,443	59,349
Total comprehensive income for the year	–	–	–	–	14,346	14,346	513	14,859
<u>Contributions by and distributions to owners</u>								
Dividends paid to non-controlling interests	–	–	–	–	–	–	(149)	(149)
Total transactions with owners in their capacity as owners	–	–	–	–	–	–	(149)	(149)
At 31 December 2012	5,742	1,843	–	–	64,667	72,252	1,807	74,059

	Attributable to owners of the Company		
	Share capital	Retained earnings	Total equity
Company	\$'000	\$'000	\$'000
At 1 January 2013	5,742	34,342	40,084
Profit for the period, representing total comprehensive income for the period	–	10,339	10,339
<u>Contributions by and distributions to owners</u>			
Shares issued for acquisition of associated companies	3,730	–	3,730
Shares issued for acquisition of an investee company	688	–	688
Issuance of ordinary shares pursuant to the IPO	70,380	–	70,380
Share issuance expense	(2,227)	–	(2,227)
Total transactions with owners in their capacity as owners	72,571	–	72,571
At 31 December 2013	78,313	44,681	122,994
At 1 January 2012	5,742	25,460	31,202
Profit for the period, representing total comprehensive income for the period	–	8,882	8,882
At 31 December 2012	5,742	34,342	40,084

- 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.**

CHANGES IN ISSUED AND PAID-UP SHARE CAPITAL

Number of shares	FY2013	FY2012
Issued and fully paid-up share capital		
Balance at 1 January	5,742,085	5,742,085
Issuance of shares pursuant to the Restructuring Exercise	342,499	-
	6,084,584	5,742,085
After Sub-division	395,497,960	N/A
Issuance of shares pursuant to the IPO	138,000,000	-
Balance at 31 December	533,497,960	5,742,085

On 11 October 2013, our shareholders approved, *inter alia*, the sub-division of each share in the existing issued share capital of our Company into 65 shares. The resultant number of shares from the sub-division was 395,497,960.

- 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.**

	31.12.2013	31.12.2012
Total number of issued shares (excluding treasury shares)	533,497,960	5,742,085

- 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.**

Not applicable.

- 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 applied the same accounting policies and methods of computation in the financial statements for the current financial period ended as those of the audited financial statements for the financial year ended 31 December 2012, as well as applicable new and revised Financial Reporting Standards ("FRSs") which became effective for financial years beginning on or after 1 January 2013. The adoption of these new and revised FRSs has no material effect on the announcement 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	
	FY2013 Cents	FY2012 Cents
i) Basic earnings per share	2.32	3.84
ii) Diluted earnings per share	2.32	3.84
- Weighted average number of shares ('000)	403,203	373,236

The weighted average number of shares was computed on the basis that the sub-division of each share in the existing issued share capital of our Company into 65 shares occurred as at 1 January 2012.

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	
	31.12.2013	31.12.2012	31.12.2013	31.12.2012
Net asset value per ordinary share (cents)	27.48	19.36	23.05	10.74
Number of ordinary shares in issue ('000)	533,498	373,236	533,498	373,236

The number of ordinary shares was based on the number of outstanding shares as at 31 December 2013 and 31 December 2012 respectively, assuming that the sub-division of each share in the existing issued share capital of our Company into 65 shares occurred as at 1 January 2012.

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

FY2013 vs FY2012

Revenue

The Group's revenue of \$353.1 million in FY2013 was \$155.9 million or 30.6% lower than the revenue of \$509 million last year. Revenue from the retail and trading of pre-owned jewellery and gold business declined by \$154.1 million or 31.6% while revenue from the pawnbroking business decreased by \$1.8 million or 8.1% as a result of the decline in gold price during the year.

Cost of sales

The Group's cost of sales decreased by \$152.8 million or 31.6% from \$483.2 million in FY2012 to \$330.4 million in FY2013. The overall decline in cost of sales was in line with the decrease in revenue during the year.

Gross profit

Gross profit declined by 11.9% or \$3.0 million as a result of the overall decrease in revenue. Overall gross profit margin increased from 5.1% to 6.4% mainly as a result of a higher revenue mix from the pawnbroking business.

Other operating income

Other operating income comprises mainly rental income, management fees from associated companies and interest income. The increase in other income of \$1.4 million was mainly due to income from assignment of tenancy agreement of \$0.3 million, and \$1.1 million arising from the excess of fair value over the consideration paid for interest acquired in a subsidiary and gain on remeasurement of investment in associate to fair value upon business combination achieved in stages.

Administrative expenses

Administrative expenses comprise mainly employee benefits expense, rental expenses, depreciation expenses and insurance premiums. Administrative expenses increased by \$2.5 million from \$9.8 million in FY2012 to \$12.3 million in FY2013 mainly due to the increase in employee benefits expense of \$1.0 million, rental expenses of \$0.7 million, depreciation of \$0.2 million and other operating expenses of \$0.6 million. The increase in employee benefits expense was due to the increase in headcount and salary adjustments as well as the inclusion of employee benefits expense from Ban Soon Pawnshop since August 2013. Rental expenses increased mainly due to the opening of new outlets at Woodlands MRT and Little India in July and October 2013 respectively, the full period impact of two outlets which were opened during FY2012 and revision in rental rates upon renewal of leases.

Other operating expenses

Other operating expenses increased from \$0.7 million in FY2012 to \$4.1 million in FY2013. The Group made an allowance for doubtful trade receivables of \$2.5 million and a \$0.2 million allowance for write-down of inventories in FY2013. The allowance for doubtful trade receivables in FY2012 was \$0.7 million. In addition, the Company incurred listing expenses of \$1.4 million in FY2013.

Share of results of associates

The Group's share of results of associates increased from \$0.8 million in FY2012 to \$1.9 million in FY2013. The increase was mainly due to the inclusion of the Group's share of the Malaysian associated companies' results in FY2013.

Profit before tax

As a result of the above, profit before income tax expense decreased by \$6.5 million from \$16.9 million in FY2012 to \$10.4 million in FY2013.

Income tax expense

Income tax expense decreased by \$1.2 million from \$2.0 million in FY2012 to \$0.8 million in FY2013. This is in line with the decrease in profit before tax.

Review of the Group's Financial Position

Non-current assets increased by \$6.7 million from \$6.4 million as at 31 December 2012 to \$13.1 million as at 31 December 2013 mainly due to the increase in property, plant and equipment and investment in associates of \$2.4 million and \$3.9 million respectively. Property, plant and equipment increased mainly due to the inclusion of \$2.4 million of the property, plant and equipment of Ban Soon Pawnshop. The increase in investment in associates was a result of the equity interests acquired during the year.

Current assets increased by \$44.8 million from \$182.1 million as at 31 December 2012 to \$226.9 million as at 31 December 2013. This was mainly due to increases in inventories of \$10.9 million and cash and cash equivalents of \$43.4 million. This was partially offset by the decrease in trade and other receivables in the gold trading business and loans to associated companies of \$5.5 million and \$4.0 million respectively. Cash and cash equivalents increased as result of the net proceeds from the initial public offering ("IPO") of the Company's shares.

Current liabilities decreased by \$25.7 million from \$114.4 million as at 31 December 2012 to \$88.7 million as at 31 December 2013 as a result of the decrease in interest-bearing loans and borrowings, trade and other payables and income tax payable of \$15.8 million, \$7.7 million and \$2.2 million respectively. The Group repaid some of its bank borrowings using proceeds from the IPO.

Equity comprises share capital, retained earnings, capital reserve, merger reserve, foreign currency translation reserve and non-controlling interests. Equity attributable to owners of the Company increased from \$72.3 million as at 31 December 2012 to \$146.6 million as at 31 December 2013. The \$74.3 million increase in equity attributable to owners of the Company was mainly due to the increase in share capital of \$72.6 million as a result of shares issued in consideration for the acquisition of equity interests in the Malaysian associated companies and an investee company, and pursuant to the IPO. Retained earnings also increased by \$9.3 million as a result of the profit after tax generated during the year. These were partially offset by an adjustment to the equity attributable to owners of the Company of \$7.6 million recorded in the merger reserve, which arose from the transfer of the gold trading and retail of pre-owned jewellery businesses as part of the Restructuring Exercise.

Review of the Group's Cash Flows

In FY2013, the net cash used in operating activities was \$3.4 million. This comprises operating cash flows before working capital adjustments of \$14.5 million, adjusted by net working capital outflow of \$13.0 million. In FY2013, we received interest income of \$0.2 million and paid interest expense and income tax of \$1.8 million and \$3.3 million respectively. The net working capital outflow was a result of increases in inventories of \$11.7 million, and decreases in trade and other payables of \$24.6 million and other liabilities of \$0.2 million. These were partially offset by the decrease in trade and other receivables of \$23.4 million.

In FY2013, the net cash used in investing activities amounted to \$1.7 million. This comprises the purchase of property, plant and equipment of \$0.2 million, acquisition of equity interests in subsidiaries of \$1.8 million and the acquisition of additional equity interests in an associated company of \$0.5 million. These were partially offset by dividends received from associated companies of \$0.8 million.

Our net cash generated from our financing activities in FY2013 amounted to \$59.0 million which was due to proceeds from the IPO of \$66.7 million, which was partially offset by the net repayment of revolving credit of \$7.4 million and dividends paid to non-controlling interests 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.

Not applicable.

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.

The Group achieved a successful listing on the SGX on 30 October 2013 and raised net proceeds of approximately \$66.7 million. As mentioned in the Prospectus, the Group intends to continue to grow its businesses by expanding its existing network through opening of new outlets as well as identifying targets for acquisitions.

The Group has received its pawnbroking licence for the 96 Serangoon Road outlet in January 2014. Since the third quarter ended 30 September 2013 financial results announcement dated 6 December 2013, the Group has entered into 3 new leases in Singapore and has applied for the relevant licences to operate at these locations. The Group expects to commence operations at these locations in the second quarter of FY2014. On 14 February 2014, the Group increased the share capital of one of its wholly owned subsidiary by \$3 million to meet the requirement set by the Registrar of Pawnbrokers for the application of three new licences.

In November 2013, the Group announced the incorporation of three new indirect associated companies to operate a pawnbroking business in Malaysia. On 18 February 2014, one of the newly incorporated associated companies increased its share capital by approximately \$4 million Malaysian Ringgit to meet the share capital requirement for the application of a pawnbroking licence. The Group will continue to seek opportunities to grow its Malaysia operations through its associated companies.

The industry as a whole is facing challenging business conditions, with lower gold prices and increased competition within the Singapore. Nonetheless, the Group will continue with its strategy to grow its business both in Singapore and Malaysia, and strengthen its brand awareness as set out in the Prospectus.

11. Dividend

i. Current Financial Period Reported on

Any dividend declared for the current financial period reported on?

Yes

	2013
Name of dividend	Final
Dividend type	Cash
Dividend rate	0.88 cent per ordinary share
Tax rate	One-tier tax exempt
Book closure date & time	To be announced later
Payment date	To be announced later

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.

Not applicable.

13. The Group does not have a general mandate from shareholders interest person transactions pursuant to [Rule 920\(1\)\(a\)\(ii\)](#). However, the following interest person transactions were included in the Prospectus, and as such, the transactions are deemed to be under a general mandate pursuant to Rule 920(2) until the next annual general meeting.

	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 Rule 920)	
	YTD-31 Dec 2013	YTD-31 Dec 2012
	\$'000	\$'000
Sales of goods to a director-related companies		
- Golden Goldsmith	208	1,274
- Big M Jewellery	–	385
- Hwa Goldsmith and Jewellers	1,542	672
- Lee Heng Jewellers	165	6
- Lucky Jewellery	413	–
Purchase of goods from director-related companies		
- Dormant Jewellery	84	2,089
- Big M Jewellery	68	2,095
- Golden Goldsmith	7,547	2,008
- Lee Heng	133	381
Rental paid to director-related companies		
- Dormant Jewellery	–	355
- Yeah Properties	302	195
- Yeah Capital	149	144

Some of the interested person transactions in the comparative period included transactions between the above interested persons and Yeah Capital Pte Ltd and/or Dormant2 Jewellery Pte Ltd prior to the transfer of businesses from these two entities to the Group pursuant to the Business Transfer agreements.

In addition to the above interested person transactions and as disclosed in the Prospectus, the Group also entered into the following transactions during the period under review:

- a) Pursuant to the business transfer agreements dated 1 January 2013 and 1 February 2013, the Group acquired the gold trading and retail of pre-owned jewellery businesses from Yeah Capital Pte Ltd and Dormant2 Jewellery Pte Ltd at a consideration of \$12,438,096 and \$1,786,766 respectively.
- b) Pursuant to the share purchase agreement dated 1 August 2013 entered into between the Company and certain shareholders of the subsidiary and associated companies in connection with the Restructuring Exercise, the Company acquired equity interests in various subsidiaries, associated companies and investee companies for a consideration of \$2,927,654.
- c) The Group acquired 46.6% equity interests in the Malaysian associated companies pursuant to agreements dated 12 August 2013 entered into between the Company, Goldjew Sdn Bhd, Great Prompt Sdn Bhd and Managing Director and CEO of the Company Mr Yeah Hiang Nam and his nominees. The aggregate consideration for the acquisition was \$3,729,400.

14. Use of proceeds

In accordance with the section entitled “Use of Proceeds and Listing Expenses” and as at the date of this announcement, the Company wishes to announce that the net proceeds of approximately \$66.7 million have been utilised as follows:

Use of Proceeds	Amount allocated (as stated in the Prospectus) (\$'million)	Amount utilised as at the date of this announcement (\$'million)	Balance of net proceeds as at the date of this announcement (\$'million)
Expansion of our business ⁽¹⁾	40.0	3.8	36.2
Working capital purposes ⁽²⁾	26.7	26.7	-
	66.7	30.5	36.2

⁽¹⁾ \$3.8 million of the net proceeds allocated for expansion of business was utilised to increase the share capital of two wholly owned subsidiaries by \$3.1 million and \$0.7 million (MYR 1.9 million) for the Group's share of investment in the newly incorporated Malaysian associated company.

⁽²⁾ Net proceeds allocated to working capital purposes have been used to reduce the utilisation of bank overdrafts and revolving credit facilities.

The Company will make further periodic announcements on the use of the balance net proceeds from the Invitation as and when the funds are materially disbursed.

15. Segmented revenue and results for business or geographical segments (of the group) in the form presented in the issuer's most recently audited annual financial statements, with comparative information for the immediately preceding year.

	Pawnbroking	Retail and trading of pre-owned jewellery and gold	Others	Elimination	Group
	\$'000	\$'000	\$'000	\$'000	\$'000
2013					
Revenue from external customers	20,472	332,676	–	–	353,148
Inter-segment revenue	15,097	–	–	(15,097)	–
Results:					
Interest income	–	–	1,053	(804)	249
Share of results of associates	–	–	1,909	–	1,909
Segment profit	7,423	442	(147)	2,705	10,423
Assets:					
Investment in associates	–	–	7,442	–	7,442
Segment assets	151,658	53,622	129,277	(94,498)	240,059
Segment liabilities	104,558	47,715	5,889	(68,826)	89,336

	Pawnbroking	Retail and trading of pre-owned jewellery and gold	Others	Elimination	Group
	\$'000	\$'000	\$'000	\$'000	\$'000
2012					
Revenue from external customers	22,273	486,711	–	–	508,984
Inter-segment revenue	10,839	–	–	(10,839)	–
Results:					
Interest income	–	–	2,010	(1,835)	175
Share of results of associates	–	–	797	–	797
Segment profit	11,502	3,408	1,924	59	16,893
Assets:					
Investment in associates	–	–	3,511	–	3,511
Segment assets	136,885	51,219	46,887	(46,457)	188,534
Segment liabilities	90,336	38,127	6,530	(20,518)	114,475

16. A breakdown of sales as follows:—

		Group		
		FY2013	FY2012	Change
		\$'000	\$'000	%
(a)	Sales for first half year	160,625	254,176	(36.8)
(b)	Profit after tax before deducting non-controlling interests for first half year	5,828	9,269	(37.1)
(c)	Sales for second half year	192,523	254,808	(24.4)
(d)	Profit after tax before deducting non-controlling interests for second half year	4,595	7,624	(39.7)

17. A breakdown of the total annual dividend (in dollar value) for the issuer's latest full year and its previous full year as follows:—

	FY2013	FY2012
Ordinary Dividend	\$'000	\$'000
Final Dividend	4,695	—
Total	4,695	—

18. Disclosure of person occupying a managerial position in the issuer or any of its principal subsidiaries who is a relative of a director or chief executive officer or substantial shareholder of the issuer pursuant to Rule 704(13) in the format below. If there are no such persons, the issuer must make an appropriate negative statement.

Name	Age	Family relationship with any director and/or substantial shareholder	Current position and duties, and the year the position was held	Details of changes in duties and position held, if any, during the year
Yeow Mooi Gaik	54	Sister of Mr Yeah Hiang Nam	Area manager/branch manager of Kovan outlet	Additional duty of overseeing the management and performance of shops in the central cluster
Yeo Kiat Lee, Sharon	40	Niece of Mr Yeah Hiang Nam	Branch manager of Vista Point outlet	N/A
Ng Yah Ching	44	Nephew of Mr Yeah Hiang Nam	Branch manager of Boon Lay outlet	N/A
Soh Chau Chye	44	Husband of niece of Mr Yeah Hiang Nam	Branch manager of Ang Mo Kio outlet	N/A
Yeoh Kiat Sin, Henry	41	Nephew of Mr Yeah Hiang Nam	Appraiser of Kovan outlet	N/A

For and on behalf of the Board

Yeah Hiang Nam
Managing Director

Yeah Lee Ching
Executive Director