



MAXI-CASH FINANCIAL SERVICES CORPORATION LTD

(Company Registration No: 200806968Z)

(Incorporated in the Republic of Singapore)

UNAUDITED FULL YEAR FINANCIAL STATEMENTS AND DIVIDEND ANNOUNCEMENT FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2018

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1. CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

Consolidated Statement of Comprehensive Income For The Financial Year Ended 31 December 2018 ("FY2018")

	Group		Change %
	2018 \$'000	2017 \$'000	
Revenue	203,651	192,872	6%
Material costs	(130,201)	(130,943)	-1%
Employee benefits	(19,644)	(16,959)	16%
Depreciation and amortisation	(2,116)	(1,604)	32%
Finance costs	(11,022)	(7,477)	47%
Other operating expenses	(33,218)	(24,909)	33%
Interest income	2,843	1,963	45%
Rental income	261	373	-30%
Other income	1,653	1,856	-11%
Share of results of joint venture	(141)	(215)	-34%
Profit before tax	12,066	14,957	-19%
Taxation	(1,581)	(1,595)	-1%
Profit for the year	10,485	13,362	-22%
Other comprehensive income			
Net fair value changes on debt and equity instruments at fair value through other comprehensive income	(3,036)	305	n.m.
Foreign currency translation	6	-	n.m.
Other comprehensive income for the year, net of tax	(3,030)	305	n.m.
Total comprehensive income for the year	7,455	13,667	-45%
Profit attributable to:			
Owners of the Company	10,382	13,255	-22%
Non-controlling interests	103	107	-4%
	10,485	13,362	-22%
Total comprehensive income attributable to:			
Owners of the Company	7,352	13,560	-46%
Non-controlling interests	103	107	-4%
	7,455	13,667	-45%
Earnings per ordinary share (cents)			
-Basic	1.03	1.63	-37%
-Diluted	1.03	1.63	-37%

Other information :-

	Group		Change %
	2018 \$'000	2017 \$'000	
Amortisation of prepaid rent	3	42	-93%
Depreciation of property, plant and equipment	2,113	1,562	35%
Financial losses on items not fully covered by insurance	13	25	-48%
Foreign currency exchange loss/(gain), net	5,854	(539)	n.m.
Loss on disposal of plant and equipment, net	129	529	-76%

n.m. - Not meaningful

NOTES:

- 1a - Depreciation of fixed assets in pawnshops and retail outlets is computed on a straight-line basis over 3 to 5 years.
- 1b - The Group recognises all inventory, including trade-in stock and sales return stock, at the lower of cost and net realisable value.
- 1c - The decrease in material costs in FY2018 were mainly due to lower cost from the retail and trading of jewellery and branded merchandise business.
- 1d - Higher employee benefits for FY2018 were mainly due to the increase in number of employees and basic salaries with more shops in operation.
- 1e - Higher depreciation and amortisation charges in FY2018 were mainly due to the additional shops renovation, leasehold property and computer equipments in FY2018.
- 1f - Increase in finance costs for FY2018 was mainly due to higher loan, interest accrued for multicurrency medium term notes and amortisation of multicurrency medium term notes programme establishment and issuance expenses issued in FY2017.
- 1g - Higher other operating expenses in FY2018 were mainly due to higher other professional fee for secured loans, rental expenses and foreign currency exchange loss (mainly unrealised).
- 1h - Higher interest income for FY2018 was mainly from investment securities.
- 1i - Decrease in other income for FY2018 was mainly due to loss on disposal of investment securities.

2. STATEMENTS OF FINANCIAL POSITION

	Group		Company	
	31-Dec-18 \$'000	31-Dec-17 \$'000	31-Dec-18 \$'000	31-Dec-17 \$'000
NON-CURRENT ASSETS				
Property, plant and equipment	23,150	16,191	158	178
Trade and other receivables	15,123	45,891	-	16
Investment in subsidiaries	-	-	47,928	46,100
Investment in joint venture	141	282	500	500
Prepaid rent	1	-	-	-
Deferred tax assets	685	295	-	110
	39,100	62,659	48,586	46,904
CURRENT ASSETS				
Inventories	61,469	51,807	-	-
Trade and other receivables	303,543	273,361	29	12
Prepaid rent	4	-	-	-
Prepayments	1,726	2,325	421	699
Due from subsidiaries (non-trade)	-	-	161,889	142,568
Due from a related company (non-trade)	1	-	-	-
Due from joint venture (non-trade)	5,215	2,590	5,215	2,590
Derivative financial instruments	1,058	-	-	-
Investment securities	26,715	36,105	-	-
Cash and bank balances	21,845	17,694	941	740
	421,576	383,882	168,495	146,609
TOTAL ASSETS	460,676	446,541	217,081	193,513
CURRENT LIABILITIES				
Trade and other payables	9,089	6,769	2,776	2,997
Due to a related company (non-trade)	706	42	-	42
Provision for taxation	1,986	1,843	50	-
Dividends payables	3,105	-	3,105	-
Interest-bearing loans	222,668	230,375	-	-
	237,554	239,029	5,931	3,039
Net current assets	184,022	144,853	162,564	143,570
NON-CURRENT LIABILITIES				
Other payables	74	239	16	74
Interest-bearing loans	12,644	7,624	-	-
Term notes	69,000	70,000	70,000	70,000
Deferred tax liabilities	257	307	-	-
	81,975	78,170	70,016	70,074
TOTAL LIABILITIES	319,529	317,199	75,947	73,113
Net assets	141,147	129,342	141,134	120,400
EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY				
Share capital	137,286	118,367	137,286	118,367
Treasury shares	(15)	(165)	(15)	(165)
Other reserves	(3,257)	305	(23)	-
Revenue reserves	6,113	9,918	3,886	2,198
	140,127	128,425	141,134	120,400
Non-controlling interests	1,020	917	-	-
Total equity	141,147	129,342	141,134	120,400
Net asset value per ordinary share (cents)	13.54	14.10	13.63	13.22

2a. - Review of Financial Position

The equity attributable to owners of the Company was \$140.1 million as at 31 December 2018 as compared to \$128.4 million as at 31 December 2017. The increase was mainly attributable to the increase in share capital. The increase in share capital was due to issuance of 87,125,632 new ordinary shares pursuant to the Rights Issue in January 2018 and 36,550,676 new ordinary shares under the scrip dividend scheme in July 2018. The decrease in other reserves was mainly due to net loss in fair value change of available-for-sale financial assets and capital reserve from purchase of a new subsidiary.

The Group's total assets of \$460.7 million as at 31 December 2018 was \$14.2 million higher than that as at 31 December 2017 mainly due to the increase in property, plant and equipment, inventories, trade and other receivables (current), amount due from joint venture (non-trade), derivative financial instruments and cash and bank balances, partially offset by the decrease in trade and other receivables (non-current), prepayments and investment securities. The increase in property, plant and equipment was mainly due to the acquisition of a leasehold property. Trade and other receivables (current) were pertaining to the increase in pledge book for the Group's pawnbroking business, provision of secured loans and interest receivables from investment securities and secured loan. The investment securities were pertaining to the bonds sold by the Group.

The Group's total liabilities of \$319.5 million as at 31 December 2018 was \$2.3 million higher than that as at 31 December 2017. This was mainly due to the increase in trade and other payables, amount due to a related company (non-trade), dividends payables, partially offset by the decrease in interest-bearing loans and term notes.

3. CONSOLIDATED STATEMENT OF CASH FLOWS

	Group	
	31-Dec-18 \$'000	31-Dec-17 \$'000
OPERATING ACTIVITIES		
Profit before tax	12,066	14,957
Adjustments for:		
Write back for doubtful receivables, net	(26)	(107)
Depreciation of property, plant and equipment	2,113	1,562
Employee Share Award Scheme expenses	169	-
Write-down of inventories	-	4
Interest expense	10,794	7,334
Interest income from investment securities	(2,843)	(1,963)
Amortisation of prepaid commitment fee	283	155
Amortisation of premium on term notes	(55)	(12)
Financial losses on pledged items not fully covered by insurance	13	25
Loss on disposal of property, plant and equipment	129	530
Loss/(Gain) on disposal of investment securities	187	(785)
Net fair value gain on derivatives	(1,058)	-
Amortisation of prepaid rent	3	42
Unrealised foreign exchange differences	3,813	(470)
Share of results of joint venture	141	215
Operating profit before changes in working capital	25,729	21,487
(Increase)/decrease in:		
Inventories	(9,611)	(8,600)
Trade and other receivables	(1,768)	(70,260)
Prepayments	439	(759)
Due from a related company (non-trade)	27	97
Increase in:		
Trade and other payables	5,027	1,253
Cash flows generated from /(used in) operations	19,843	(56,782)
Interest paid	(10,794)	(7,334)
Interest received	63	-
Income taxes refunded	35	30
Income taxes paid	(1,495)	(1,346)
Net cash flows generated from /(used in) operating activities	7,652	(65,432)
INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(9,170)	(14,121)
Interest received	2,380	1,514
Investment in subsidiary	(1,610)	-
Purchase of investment securities	(42,830)	(125,800)
Investment in joint venture	-	(500)
Proceeds from disposal of plant and equipment	14	-
Due from a joint venture (non-trade)	(2,625)	(2,590)
Proceeds from disposal of investment securities	48,644	90,847
Net cash flows used in investing activities	(5,197)	(50,650)
FINANCING ACTIVITIES		
Proceeds from issuance of term notes	-	70,140
Repayment of term notes	(996)	-
(Repayment)/Proceeds from short-term bank borrowings, net	(7,899)	56,525
Proceeds from term loans	5,678	8,000
Repayment of term loans	(470)	(76)
Purchase of treasury shares	(42)	(165)
Repayment of advances from immediate holding company (non-trade), net	-	(11)
Term notes commitment fee paid	-	(869)
Repayment of advances from related companies (non-trade), net	(213)	(29,528)
Proceeds from rights issue, net	13,802	20,463
Dividends paid on ordinary shares	(8,078)	(1,245)
Net cash flows generated from financing activities	1,782	123,234
Net increase in cash and cash equivalents	4,237	7,152
Effect of exchange rate changes on cash and cash equivalents	(86)	-
Cash and cash equivalents at the beginning of the financial year	17,694	10,542
Cash and cash equivalents at the end of the financial year	21,845	17,694

3. CONSOLIDATED STATEMENT OF CASH FLOWS (CONTINUED)

Cash and cash equivalents

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

	31-Dec-18 \$'000	31-Dec-17 \$'000
Cash at banks and on hand	21,845	17,694
Cash and cash equivalents	21,845	17,694

3a. - Cashflow Analysis

FY 2018

Net cash generated from operating activities for FY2018 was \$7.7 million. This was due to the increase in operating profit, decrease in prepayments and increase in trade and other payables, but partially offset by increase in trade and other receivables, interest paid, income tax paid and inventories.

Net cash used in investing activities was \$5.2 million in FY2018. The net cash used in investing activities in FY2018 was mainly due to investment in a subsidiary, acquisition of a leasehold property and amount due from a joint venture company, partially offset by proceeds from disposal of investment securities (net) and interest received.

Net cash generated from financing activities was \$1.8 million in FY2018. The net cash generated from financing activities was mainly due to proceeds from rights issue and term loan, partially offset by dividend payment, repayment of term loans, repayment of certain short-term bank borrowings (net) and purchase of treasury shares.

As a result of the above, cash and cash equivalents was \$21.8 million as at 31 December 2018.

4. STATEMENTS OF CHANGES IN EQUITY

	Attributable to owners of the Company				Non-controlling interests \$'000	Total \$'000
	Share capital \$'000	Treasury shares \$'000	Other reserves \$'000	Revenue reserves \$'000		
Group						
Balance as at 1 January 2018	118,367	(165)	305	9,918	917	129,342
Total comprehensive income for the year	-	-	-	10,382	103	10,485
Ordinary shares issued under scrip dividend scheme	5,117	-	-	-	-	5,117
Ordinary shares issued under rights issue	13,940	-	-	-	-	13,940
Purchase of treasury shares	-	(42)	-	-	-	(42)
Treasury Shares reissued pursuant to Maxi-Cash Performance Share Plan	-	192	(23)	-	-	169
Foreign Currency Translation	-	-	6	-	-	6
Net fair value changes on debt and equity instruments at FVOCI	-	-	(3,036)	-	-	(3,036)
Capital reserve from acquisition of a subsidiary	-	-	(1,501)	-	-	(1,501)
Dividends on ordinary shares-Cash	-	-	-	(8,078)	-	(8,078)
Dividends on ordinary shares-Scrip	-	-	-	(5,117)	-	(5,117)
Transfer of fair value reserves of equity instruments at FVOCI upon disposal	-	-	992	(992)	-	-
Share issuance expenses	(138)	-	-	-	-	(138)
Balance as at 31 December 2018	137,286	(15)	(3,257)	6,113	1,020	141,147
Balance as at 1 January 2017	87,439	-	-	8,373	810	96,622
Total comprehensive income for the year	-	-	-	13,255	107	13,362
Dividends on ordinary shares - Cash	-	-	-	(1,245)	-	(1,245)
Dividends on ordinary shares - Scrip	-	-	-	(10,465)	-	(10,465)
Ordinary shares issued under scrip dividend scheme	10,465	-	-	-	-	10,465
Ordinary shares issued under rights issue	20,613	-	-	-	-	20,613
Purchase of treasury shares	-	(165)	-	-	-	(165)
Net fair value changes on debt and equity instruments at FVOCI	-	-	305	-	-	305
Share issuance expenses	(150)	-	-	-	-	(150)
Balance as at 31 December 2017	118,367	(165)	305	9,918	917	129,342
Company						
Balance as at 1 January 2018	118,367	(165)	-	2,198	-	120,400
Total comprehensive income for the year	-	-	-	14,883	-	14,883
Ordinary shares issued under scrip dividend scheme	5,117	-	-	-	-	5,117
Ordinary shares issued under rights issue	13,940	-	-	-	-	13,940
Purchase of treasury shares	-	(42)	-	-	-	(42)
Treasury Shares reissued pursuant to Maxi-Cash Performance Share Plan	-	192	(23)	-	-	169
Dividends on ordinary shares-Cash	-	-	-	(8,078)	-	(8,078)
Dividends on ordinary shares-Scrip	-	-	-	(5,117)	-	(5,117)
Share issuance expenses	(138)	-	-	-	-	(138)
Balance as at 31 December 2018	137,286	(15)	(23)	3,886	-	141,134
Balance as at 1 January 2017	87,439	-	-	923	-	88,362
Total comprehensive income for the year	-	-	-	12,985	-	12,985
Dividends on ordinary shares - Cash	-	-	-	(1,245)	-	(1,245)
Dividends on ordinary shares - Scrip	-	-	-	(10,465)	-	(10,465)
Ordinary shares issued under scrip dividend scheme	10,465	-	-	-	-	10,465
Ordinary shares issued under rights issue	20,613	-	-	-	-	20,613
Purchase of treasury shares	-	(165)	-	-	-	(165)
Share issuance expenses	(150)	-	-	-	-	(150)
Balance as at 31 December 2017	118,367	(165)	-	2,198	-	120,400

5. CHANGES IN SHARE CAPITAL

	No. of ordinary shares (excluding treasury shares) '000	Issued and fully paid-up share capital \$'000
Balance as at 31 December 2017	910,576	118,202
Ordinary shares issued under rights issue (Note 1)	87,126	13,802
Balance as at 31 March and 30 June 2018	997,702	132,004
Ordinary shares issued under scrip dividend scheme (Note 2)	36,550	5,117
Share buyback (Note 3)	(300)	(42)
Treasury Shares reissued pursuant to Maxi-Cash Performance Share Plan (Note 4)	1,204	192
Balance as at 30 September 2018 and 31 December 2018	1,035,156	137,271

Note 1 - On 30 September 2018 and 12 January 2018, the Company issued 87,125,632 new shares at an issue price of \$0.160 for each rights share, on the basis of one (1) rights share for every ten (10) existing ordinary shares in the capital of the Company.

Note 2 - On 13 July 2018, the Company issued 36,550,676 new shares at an issue price of \$0.140 to eligible Shareholders who have elected to participate in the Company's scrip dividend scheme.

Note 3 - On 14 August 2018, 17 August 2018 and 20 August 2018, the Company purchased an aggregate of 300,000 shares, which are held as treasury shares.

Note 4 - On 31 August 2018, the Company transferred 1,203,700 treasury shares to eligible employees under Maxi-Cash Performance Share Plan.

The Company has no outstanding convertibles as at 31 December 2018 and 31 December 2017.

6. CHANGES IN TREASURY SHARES

	No. of treasury shares '000	\$'000
Balance as at 31 December 2017	1,000	165
Share buyback	300	42
Treasury Shares reissued pursuant to Maxi-Cash Performance Share Plan	(1,204)	(192)
Balance as at 31 December 2018	96	15
% of treasury shares over total number of ordinary shares		0.01%

On 31 August 2018, 1,203,700 treasury shares were transferred to eligible employees under the Maxi-Cash Performance Share Plan. Save as disclosed, there were no sales, transfer, cancellation and/or use of treasury shares during and as at the end of the current financial period reported on.

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 31-Dec-18		As at 31-Dec-17	
Secured \$'000	Unsecured \$'000	Secured \$'000	Unsecured \$'000
222,668	-	230,375	-

Amount repayable after one year

As at 31-Dec-18		As at 31-Dec-17	
Secured \$'000	Unsecured \$'000	Secured \$'000	Unsecured \$'000
12,644	69,000	7,624	70,000

Details of collateral

The Group's borrowings and debt securities are secured as follows:-

- corporate guarantees by the Company and/or Aspiat Corporation Limited (controlling shareholder of the Company); and
- fixed and floating charges on all assets of certain subsidiaries.

9. AUDITOR'S REPORT

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

10. ACCOUNTING POLICIES

The Group has applied the same accounting policies and methods of computation in the full year results announcement for the current financial year ended 31 December 2018 as those of the audited financial statements for the financial year ended 31 December 2017, as well as adopted Singapore Financial Reporting Framework (International) ("SFRS(I)"), a new financial reporting framework equivalent to the International Financial Reporting Standards, and all applicable new and revised Financial Reporting Standards ("FRSs") which became effective for financial years beginning on or after 1 January 2018.

11. EARNINGS PER SHARE

	Group	
	FY 2018	FY 2017
i) Basic earnings per share (cents)	1.03	1.63
ii) Diluted earnings per share (cents)	1.03	1.63
- Weighted average number of shares ('000)	1,012,594	810,759

12. NET ASSET VALUE PER SHARE

	Group		Company	
	31-Dec-18	31-Dec-17	31-Dec-18	31-Dec-17
Net asset value per ordinary share (cents)	13.54	14.10	13.63	13.22
Number of ordinary shares in issue ('000)	1,035,156	910,576	1,035,156	910,576

13. VARIANCE FROM FORECAST STATEMENT

No forecast for the financial year ended 31 December 2018 was previously provided.

14. REVIEW OF CORPORATE PERFORMANCE

The Group's revenue rose 5.6% to \$203.7 million in FY2018 and was \$10.8 million higher than FY2017. The increase in revenue was primarily attributed to higher interest income from the pawnbroking business, higher sales from the retail and trading of jewellery and branded merchandise business and contribution from the secured lending business.

Revenue contribution from the pawnbroking business increased by about 4.8% in FY2018 as compared to FY2017. The increase was primarily attributed to the higher interest income from its growing pledge book. The retail and trading of jewellery and branded merchandise business reported a 1.2% increase in revenue in FY2018 as compared to FY2017. The secured lending business reported a revenue of \$8.9 million in FY 2018.

As compared to FY2017, operating expenses in FY2018 increased in most categories such as staff costs, rental, finance costs, foreign currency exchange loss, loss on disposal of investment securities and depreciation costs. The decrease in material costs were due to lower cost from the retail and trading of jewellery and branded merchandise business. The increase in staff costs, rental and depreciation costs was mainly due to the increase in the number of shops. The increase in finance cost was largely due to the multicurrency medium notes issued in FY2017 and higher interest-bearing loan in FY2018. The foreign currency exchange loss of \$5.9 million in FY2018 was mainly from the secured lending business.

The higher revenue and gross profit were offset by the increase in other operating expenses. As a result, the pre-tax profit of the Group decreased to \$12.1 million in FY2018 compared to \$15.0 million in FY2017. Excluding the foreign currency exchange loss, the pre-tax profit in FY2018 would have been \$18.0 million.

15. BUSINESS OUTLOOK

Arising from the US-China trade tension, the resulting global economic uncertainties are likely to impact the growth of the countries that the Group has operations in. This, coupled with rising interest rates, higher operating costs, volatile gold prices, fluctuating exchange rates and keen competition continue to pose challenges for the Group's business in the coming year.

In view of these challenges, the Group will continue to explore new markets, products and services.

16. SEGMENT INFORMATION

2018						
Business Segment	Pawnbroking \$'000	Money Lending \$'000	Retail and trading of jewellery and branded merchandise \$'000	Others \$'000	Elimination \$'000	Group \$'000
Revenue	41,110	8,944	153,597	-	-	203,651
Intersegment revenue	44,320	-	3	-	(44,323)	-
	85,430	8,944	153,600	-	(44,323)	203,651
Results :						
Segment result	15,078	3,014	2,850	13,948	(14,504)	20,386
Share of results of a joint venture	-	-	-	(141)	-	(141)
Interest income	-	26	-	7,177	(4,360)	2,843
Finance costs	(5,509)	(4,137)	(595)	(5,141)	4,360	(11,022)
Profit from operations before taxation	9,569	(1,097)	2,255	15,843	(14,504)	12,066
Tax expense	(1,163)	58	(371)	(105)	-	(1,581)
Profit for the year	8,406	(1,039)	1,884	15,738	(14,504)	10,485
Assets and liabilities						
Segment assets	300,675	56,522	67,955	218,840	(184,142)	459,850
Investment in Joint venture	-	-	-	141	-	141
Unallocated assets	-	-	-	-	-	685
Total assets						460,676
Segment liabilities	263,084	56,781	58,129	127,501	(184,237)	321,258
Unallocated liabilities	-	-	-	-	-	(1,729)
Total liabilities						319,529
Other segment information						
Capital expenditure	1,922	-	131	7,117	-	9,170
Depreciation and amortisation	1,652	-	140	324	-	2,116
Other significant non-cash expenses	116	-	-	169	-	285

2017						
Business Segment	Pawnbroking \$'000	Money Lending \$'000	Retail and trading of jewellery and branded merchandise business \$'000	Others \$'000	Elimination \$'000	Group \$'000
Revenue	39,225	1,878	151,769	-	-	192,872
Intersegment revenue	47,192	-	18	-	(47,210)	-
	86,417	1,878	151,788	-	(47,210)	192,872
Results :						
Segment result	13,484	1,923	4,925	13,474	(13,120)	20,686
Share of results of a joint venture	-	-	-	(215)	-	(215)
Interest income	-	1	-	3,163	(1,201)	1,963
Finance costs	(4,647)	(938)	(410)	(2,683)	1,201	(7,477)
Profit from operations before taxation	8,837	986	4,515	13,739	(13,120)	14,957
Tax expense	(971)	(78)	(583)	37	-	(1,595)
Profit for the year	7,866	908	3,932	13,776	(13,120)	13,362
Assets and liabilities						
Segment assets	296,755	59,830	60,200	195,160	(165,981)	445,964
Investment in joint venture	-	-	-	282	-	282
Unallocated assets	-	-	-	-	-	295
Total assets						446,541
Segment liabilities	257,739	58,765	49,200	119,070	(166,039)	318,735
Unallocated liabilities	-	-	-	-	-	(1,536)
Total liabilities						317,199
Other segment information						
Capital expenditure	3,308	-	225	10,588	-	14,121
Depreciation and amortisation	1,439	-	66	99	-	1,604
Other significant non-cash expenses	447	-	4	-	-	451

17. BREAKDOWN OF REVENUE AND RESULTS

	Group		
	2018 \$'000	2017 \$'000	Change %
Sales reported for first half year	107,368	93,427	15%
Operating profit after tax before deducting non-controlling interest for first half year	5,352	5,235	2%
Sales reported for second half year	96,283	99,445	-3%
Operating profit after tax before deducting non-controlling interest for second half year	5,133	8,127	-37%

18. INTERESTED PERSON TRANSACTIONS

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

19. DISCLOSURE OF PERSON OCCUPYING A MANAGERIAL POSITION WHO IS A RELATIVE OF A DIRECTOR OR CHIEF EXECUTIVE OFFICER OR SUBSTANTIAL SHAREHOLDERS

Pursuant to Rule 704(13) of the Catalist Rules, the Company confirms that there is no person occupying a managerial position in the Company or in any of its principal subsidiaries who is a relative of a director, chief executive officer or substantial shareholder of the Company.

20. DIVIDEND

(i) Proposed Dividend

Name of dividend	2018	2017
Name of dividend	Final	Final
Dividend Type	Cash/Scrip	Cash/Scrip
Dividend Rate	\$0.0035 per ordinary share	\$0.007 per ordinary share
Tax Rate	One-tier tax exempt	One-tier tax exempt
Books closure date	To be announced later	24 May 2018
Payment date	To be announced later	12 July 2018

* The proposed final one-tier tax exempt dividend in respect of FY2018 is subject to shareholders' approval at the forthcoming Annual General Meeting of the Company.

(ii) Total Annual Dividend

Total dividend proposed and paid for the financial year ended 31 December 2018 will be \$0.0095 per share (2017: \$0.012 per share).

Name of dividend	2018 \$	2017 \$
Ordinary Dividend		
Interim dividend	6,210,938	4,434,265
Final dividend	3,623,046	6,983,912
Total annual dividend	9,833,984	11,418,177

21. PROCURED UNDERTAKINGS BY THE BOARD AND EXECUTIVE OFFICERS PURSUANT TO RULE 720 (1) OF THE CATALIST RULES

The Company confirms that all the required undertakings under Rule 720 (1) of the Catalist Rules have been obtained from all its directors and executive officers in the format set out in Appendix 7H of the Catalist Rules.

On behalf of the Board of Directors,

Ng Leok Cheng
CEO

Koh Wee Seng
Non-Executive Chairman

22 February 2019