



MAXI-CASH FINANCIAL SERVICES CORPORATION LTD

(Company Registration No: 200806968Z)

(Incorporated in the Republic of Singapore)

UNAUDITED THIRD QUARTER AND NINE MONTHS FINANCIAL STATEMENTS AND DIVIDEND ANNOUNCEMENT FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2016

TABLE OF CONTENTS

1. CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
2. STATEMENTS OF FINANCIAL POSITION
3. CONSOLIDATED STATEMENTS OF CASH FLOWS
4. STATEMENTS OF CHANGES IN EQUITY
5. CHANGES IN SHARE CAPITAL
6. CHANGES IN TREASURY SHARES
7. GROUP BORROWINGS AND DEBT SECURITIES
8. AUDITOR'S REPORT
9. ACCOUNTING POLICIES
10. EARNINGS PER SHARE
11. NET ASSET VALUE PER SHARE
12. VARIANCE FROM FORECAST STATEMENT
13. REVIEW OF CORPORATE PERFORMANCE
14. BUSINESS OUTLOOK
15. INTERESTED PERSON TRANSACTIONS
16. DIVIDEND
17. NEGATIVE CONFIRMATION BY THE BOARD PURSUANT TO RULE 705 (5) OF THE SGX-ST LISTING MANUAL
SECTION B: RULES OF CATALIST ("CATALIST RULES")
18. PROCURED UNDERTAKINGS BY THE BOARD AND EXECUTIVE OFFICERS PURSUANT TO RULE 720 (1) OF THE
CATALIST RULES

This announcement has been prepared by the Company and its contents have been reviewed by the Company's sponsor, SAC Advisors Private Limited ("Sponsor"), for compliance with the relevant rules of the Singapore Exchange Securities Trading Limited ("SGX-ST"). The Sponsor has not independently verified the contents of this announcement.

This announcement has not been examined or approved by the SGX-ST and the SGX-ST assumes no responsibility for the contents of this announcement, including the correctness of any of the statements or opinions made, or reports contained in this announcement.

The contact person for the Sponsor is Mr Ong Hwee Li (Tel: (65) 6532 3829) at 1 Robinson Road, #21-02 AIA Tower, Singapore 048542.

SAC Advisors Private Limited is a wholly-owned subsidiary of SAC Capital Private Limited.

1. CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

1(i) Consolidated Statements of Comprehensive Income For The Financial Period Ended 30 September 2016 ("9M 2016")

	Group		Change %
	9M 2016 \$'000	9M 2015 \$'000	
Revenue	117,268	90,490	30%
Material costs	(81,634)	(63,195)	29%
Employee benefits	(10,398)	(9,825)	6%
Depreciation and amortisation	(1,034)	(1,262)	-18%
Finance costs	(3,404)	(2,840)	20%
Other operating expenses	(11,668)	(10,872)	7%
Rental income	111	137	-19%
Other income	619	397	56%
Profit before tax	9,860	3,030	225%
Taxation	(1,333)	(263)	407%
Profit for the period	8,527	2,767	208%
Profit attributable to:			
Owners of the Company	8,447	2,714	211%
Non-controlling interests	80	53	51%
	8,527	2,767	208%
Profit for the period	8,527	2,767	208%
Other comprehensive income for the period, net of tax	-	-	-
Total comprehensive income for the period	8,527	2,767	208%
Total comprehensive income attributable to:			
Owners of the Company	8,447	2,714	211%
Non-controlling interests	80	53	51%
	8,527	2,767	208%
Earnings per ordinary share (cents)			
-Basic	1.48	0.48	208%
-Diluted	1.48	0.48	208%

Other information :-

	Group		Change %
	9M 2016 \$'000	9M 2015 \$'000	
Amortisation of prepaid rent	41	172	-76%
Depreciation of plant and equipment	993	1,090	-9%
Financial losses on pledged items not fully covered/(recovered) by insurance	22	(51)	n.m.
Foreign currency exchange gain	(102)	(49)	108%
Plant and equipment written off	267	241	11%

n.m. - Not meaningful

1. CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (CON'T)

1(ii) Consolidated Statements of Comprehensive Income For The Financial Period from 1 July 2016 to 30 September 2016 ("3Q 2016")

	Group		Change %
	3Q 2016 \$'000	3Q 2015 \$'000	
Revenue	40,958	31,913	28%
Material costs	(28,086)	(22,821)	23%
Employee benefits	(3,541)	(3,062)	16%
Depreciation and amortisation	(337)	(386)	-13%
Finance costs	(1,115)	(1,049)	6%
Other operating expenses	(4,219)	(3,647)	16%
Rental income	60	28	114%
Other income	137	100	37%
Profit before tax	3,857	1,076	258%
Taxation	(547)	(51)	n.m.
Profit for the period	3,310	1,025	223%
Profit attributable to:			
Owners of the Company	3,278	1,005	226%
Non-controlling interests	32	20	60%
	3,310	1,025	223%
Profit for the period	3,310	1,025	223%
Other comprehensive income for the period, net of tax	-	-	-
Total comprehensive income for the period	3,310	1,025	223%
Total comprehensive income attributable to:			
Owners of the Company	3,278	1,005	226%
Non-controlling interests	32	20	60%
	3,310	1,025	223%

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 increase in material costs in 9M 2016 and 3Q 2016 were generally in line with the increase in revenue from the retail and trading of jewellery and watches business.
- 1d - Employee benefits expenses for 9M 2016 and 3Q 2016 increased mainly due to the increase in performance bonus.
- 1e - Lower depreciation and amortisation charges in 9M 2016 and 3Q 2016 were mainly due to the decrease in amortisation of assignment fees.
- 1f - Increase in finance costs in 9M 2016 and 3Q 2016 were mainly due to more loan drawdown.
- 1g - Higher other operating expenses in 9M 2016 and 3Q 2016 were mainly due to higher branding expenses, corporate charges, SGX and CDP charges, insurance expenses and overseas travelling expenses incurred.
- 1h - Lower rental income for 9M 2016 as compared to 9M 2015 was due to fewer sub-leasing properties. However, rental income for 3Q 2016 was higher than 3Q 2015 mainly due to a new sub-lease commencing in July 2016.
- 1i - Other income for 9M 2016 and 3Q 2016 increased mainly due to government grants such as the Wage Credit Scheme, Temporary Employment Credit and Special Employment Credit received from CPF Board and Inland Revenue Authority of Singapore respectively.

2. STATEMENTS OF FINANCIAL POSITION

	Group		Company	
	30-Sep-16 \$'000	31-Dec-15 \$'000	30-Sep-16 \$'000	31-Dec-15 \$'000
NON-CURRENT ASSETS				
Plant and equipment	3,485	3,299	69	63
Other receivables	1,716	2,046	52	554
Investments in subsidiaries	-	-	45,000	45,000
Prepaid rent	4	42	-	-
Deferred tax assets	626	948	166	28
	5,831	6,335	45,287	45,645
CURRENT ASSETS				
Inventories	42,606	29,027	-	-
Trade and other receivables	242,699	215,520	581	401
Prepaid rent	50	53	-	-
Prepayments	344	627	62	27
Due from subsidiaries (non-trade)	-	-	25,537	26,195
Due from a related company (trade)	119	-	-	-
Cash and bank balances	8,189	9,472	1,174	903
	294,007	254,699	27,354	27,526
TOTAL ASSETS	299,838	261,034	72,641	73,171
CURRENT LIABILITIES				
Trade and other payables	3,994	3,217	1,451	914
Due to a related company (non-trade)	41,990	51,660	-	-
Due to immediate holding company (non-trade)	8,095	8,178	8,095	8,178
Provision for taxation	1,686	790	-	29
Interest-bearing loans	171,170	129,610	-	-
	226,935	193,455	9,546	9,121
Net current assets	67,072	61,244	17,808	18,405
NON-CURRENT LIABILITIES				
Other payables	56	23	-	23
Deferred tax liabilities	70	65	-	-
	126	88	-	23
TOTAL LIABILITIES	227,061	193,543	9,546	9,144
Net assets	72,777	67,491	63,095	64,027
EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY				
Share capital	66,517	64,035	66,517	64,035
Revenue reserves	5,471	2,747	(3,422)	(8)
	71,988	66,782	63,095	64,027
Non-controlling interests	789	709	-	-
Total equity	72,777	67,491	63,095	64,027
Net asset value per ordinary share (cents)	12.37	11.87	10.84	11.38

2a. - Review of Financial Position

The equity attributable to owners of the Company was \$72.0 million as at 30 September 2016 as compared to \$66.8 million as at 31 December 2015. The increase was mainly attributable to the increase in share capital and profit for the period. The increase in share capital was due to ordinary shares issued under the Scrip Dividend Scheme in June 2016.

The Group's total assets of \$299.8 million as at 30 September 2016 was \$38.8 million higher than that as at 31 December 2015 mainly due to the increase in trade and other receivables (current) and inventories, partially offset by the decrease in cash and bank balances, other receivables (non-current), deferred tax assets and prepayments. The increase in trade and other receivables was due to the increase in pledge book for the Group's pawnbroking business.

The Group's total liabilities of \$227.1 million as at 30 September 2016 was \$33.5 million higher than that as at 31 December 2015. This was mainly due to the increase in interest-bearing loans and trade and other payables. The proceeds from interest-bearing loans were used mainly as working capital for the Group's pawnbroking business and the retail and trading of jewellery and watches business. The increase was partially offset by the decrease in amount due to a related company (non-trade) as a result of the repayments of certain advances from a related company (non-trade).

3. CONSOLIDATED STATEMENTS OF CASH FLOWS

	Group			
	3Q 2016 \$'000	3Q 2015 \$'000	9M 2016 \$'000	9M 2015 \$'000
OPERATING ACTIVITIES				
Profit before taxation	3,857	1,076	9,860	3,030
Adjustments for:				
Plant and equipment written off	69	157	267	241
Depreciation of plant and equipment	325	344	993	1,090
Write down of inventories	2	-	2	-
Interest expense	1,115	1,049	3,404	2,840
Financial losses on pledged items not fully covered by insurance	8	-	25	-
Amortisation of prepaid rent	13	42	41	172
Operating profit before working capital changes	5,389	2,668	14,592	7,373
(Increase)/decrease in:				
Inventories	(9,056)	2,854	(13,581)	595
Trade and other receivables	(10,387)	(7,033)	(26,873)	(13,666)
Prepayments	(3)	245	283	468
Due from a related company (trade)	121	(344)	(119)	(344)
Increase in:				
Trade and other payables	499	(429)	810	(370)
Net cash used in operations	(13,437)	(2,039)	(24,888)	(5,944)
Interest paid	(1,115)	(1,048)	(3,404)	(2,839)
Income taxes refund	-	-	1	-
Income taxes paid	(183)	(176)	(474)	(454)
Net cash used in operating activities	(14,735)	(3,263)	(28,765)	(9,237)
INVESTING ACTIVITY				
Purchase of plant and equipment	(615)	(150)	(1,446)	(469)
Net cash used in investing activity	(615)	(150)	(1,446)	(469)
FINANCING ACTIVITIES				
Proceeds from/(repayments of) short-term bank borrowings, net	104,420	(79,090)	41,560	14,470
Advances/(repayment of advances) from immediate holding company (non-trade), net	2	(4,298)	(83)	(91,756)
(Repayment of advances)/advances from a related company (non-trade), net	(84,700)	85,890	(9,307)	85,890
Dividends paid on ordinary shares	(2,910)	-	(3,242)	(1,125)
Net cash generated from financing activities	16,812	2,502	28,928	7,479
Net increase/(decrease) in cash and cash equivalents	1,462	(911)	(1,283)	(2,227)
Cash and cash equivalents at beginning of period	6,727	7,948	9,472	9,264
Cash and cash equivalents at end of period	8,189	7,037	8,189	7,037

3. CONSOLIDATED STATEMENTS OF CASH FLOWS (CON'T)

Cash and cash equivalents

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

	9M 2016 \$'000	9M 2015 \$'000
Cash at banks and on hand	8,189	7,037
Cash and cash equivalents	8,189	7,037

3a. - Cashflow Analysis

3Q 2016

Net cash used in operating activities for 3Q 2016 was \$14.7 million as compared to \$3.3 million in 3Q 2015, mainly due to the increase in trade and other receivables, inventories and interest paid in 3Q 2016, partially offset by the increase in trade and other payables and profit for the period.

Net cash used in investing activity of \$0.6 million in 3Q 2016 was due to renovation of pawnshops and retail outlets.

Net cash generated from financing activities was \$16.8 million in 3Q 2016 as compared to \$2.5 million in 3Q 2015. This was due to higher proceeds from short-term bank borrowings in 3Q 2016, partially offset by repayment of certain advances from a related company (non-trade).

9M 2016

Net cash used in operating activities for 9M 2016 was \$28.8 million as compared to \$9.2 million for the corresponding period in the previous year. This was due to the increase in trade and other receivables, inventories, amount due from a related company (trade), interest and income taxes paid, partially offset by the profit for the period and increase in trade and other payables.

Net cash used in investing activity was \$1.4 million in 9M 2016 as compared to \$0.5 million in 9M 2015. The higher net cash used in investing activity in 9M 2016 was due to the increase in renovation for pawnshops and retail outlets.

Net cash generated from financing activities was \$28.9 million in 9M 2016 as compared to \$7.5 million in 9M 2015. The higher net cash generated from financing activities in 9M 2016 was mainly due to the proceeds from short-term bank borrowings, partially offset by repayment of certain advances from a related company (non-trade).

As a result of the above, cash and cash equivalents was \$8.2 million as at 30 September 2016.

4. STATEMENTS OF CHANGES IN EQUITY

	Attributable to shareholders of the Company		Non-controlling interests \$'000	Total \$'000
	Share Capital \$'000	Revenue reserves \$'000		
Group				
Balance as at 1 January 2016	64,035	2,747	709	67,491
Total comprehensive income for the period	-	8,447	80	8,527
Dividends on ordinary shares	2,482	(5,723)	-	(3,241)
Balance as at 30 September 2016	66,517	5,471	789	72,777
Balance as at 1 January 2015				
Balance as at 1 January 2015	64,035	29	642	64,706
Total comprehensive income for the period	-	2,714	53	2,767
Dividends on ordinary shares	-	(1,125)	-	(1,125)
Balance as at 30 September 2015	64,035	1,618	695	66,348
Company				
Balance as at 1 January 2016	64,035	(8)	-	64,027
Total comprehensive income for the period	-	2,309	-	2,309
Dividends on ordinary shares	2,482	(5,723)	-	(3,241)
Balance as at 30 September 2016	66,517	(3,422)	-	63,095
Balance as at 1 January 2015				
Balance as at 1 January 2015	64,035	(20)	-	64,015
Total comprehensive income for the period	-	998	-	998
Dividends on ordinary shares	-	(1,125)	-	(1,125)
Balance as at 30 September 2015	64,035	(147)	-	63,888

5. CHANGES IN SHARE CAPITAL

	No. of shares '000	Issued and fully paid-up share capital (S\$) '000
Balance at 31 December 2015	562,637	64,035
Ordinary shares issued under Scrip Dividend Scheme <i>(Note 1)</i>	19,387	2,482
Balance at 30 June and 30 September 2016	582,024	66,517

Note 1 - On 27 June 2016, the Company issued 19,387,675 new shares at an issue price of \$0.128 to eligible Shareholders who have elected to participate in the Company's Scrip Dividend Scheme.

The Company has no outstanding convertibles or treasury shares as at 30 September 2016 and 30 September 2015.

6. CHANGES IN TREASURY SHARES

Not applicable. The Company does not have any treasury shares.

7. GROUP BORROWINGS AND DEBT SECURITIES

Amount repayable in one year or less, or on demand

As at 30-Sep-16		As at 31-Dec-15	
Secured \$'000	Unsecured \$'000	Secured \$'000	Unsecured \$'000
171,170	-	129,610	-

Amount repayable after one year

As at 30-Sep-16		As at 31-Dec-15	
Secured \$'000	Unsecured \$'000	Secured \$'000	Unsecured \$'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.

8. AUDITOR'S REPORT

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

9. ACCOUNTING POLICIES

The Group has applied the same accounting policies and methods of computation in the third quarter announcement for the current financial year ending 31 December 2016 as those of the audited financial statements for the financial year ended 31 December 2015, as well as all applicable new and revised Financial Reporting Standards ("FRSs") which became effective for financial years beginning on or after 1 January 2016. The adoption of these new and revised FRSs has no material effect on the third quarter announcement for the current financial year ending 31 December 2016.

10. EARNINGS PER SHARE

	Group			
	3Q 2016 cents	3Q 2015 cents	9M 2016 cents	9M 2015 cents
i) Basic earnings per share	0.56	0.18	1.48	0.48
ii) Diluted earnings per share	0.56	0.18	1.48	0.48
- Weighted average number of shares ('000)	582,024	562,637	569,429	562,637

11. NET ASSET VALUE PER SHARE

	Group		Company	
	30-Sep-16	31-Dec-15	30-Sep-16	31-Dec-15
Net asset value per ordinary share (cents)	12.37	11.87	10.84	11.38
Number of ordinary shares in issue ('000)	582,024	562,637	582,024	562,637

12. VARIANCE FROM FORECAST STATEMENT

No forecast for the financial period ended 30 September 2016 was previously provided.

13. REVIEW OF CORPORATE PERFORMANCE

The Group's revenue of \$117.3 million for 9M 2016 was higher by \$26.8 million, as compared to 9M 2015. The increase in revenue contribution was primarily attributed to the higher interest income from the pawnbroking business and higher sales from the retail and trading of jewellery and watches business.

The Group's 3Q 2016 revenue of \$41.0 million was 28.3% higher than 3Q 2015 due to higher revenue recorded by both the pawnbroking business and the retail and trading of jewellery and watches business.

At the pre-tax level, the Group's 9M 2016 profit of \$9.9 million was \$6.8 million higher than that of 9M 2015. For 3Q 2016, the Group reported a pre-tax profit of \$3.9 million as compared to \$1.1 million in 3Q 2015.

14. BUSINESS OUTLOOK

In August 2016, the Group launched a national television commercial to promote the sales of new 916 and new 999 gold jewellery under the LeGold brand in all its stores. The Group will leverage off its existing infrastructure and customer base for its entry into the new jewellery business. The Group also opened 2 new stores in Sembawang MRT station and Pasir Ris Drive to grow its pawnbroking and retail business.

The environment that the Group is operating in continues to be challenging with keen competition, volatile gold prices and weak retail sentiment. To meet these challenges, the Group will continue to review its store network, merchandise and improve staff and operational efficiencies.

15. 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.

16. DIVIDEND

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

No

(ii) Any dividend declared for the previous corresponding financial period?

No

**17. NEGATIVE CONFIRMATION BY THE BOARD PURSUANT TO RULE 705 (5) OF THE SGX-ST LISTING MANUAL
SECTION B: RULES OF CATALIST ("CATALIST RULES")**

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 third quarter and nine months ended 30 September 2016 to be false or misleading in any material aspect.

**18. 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

9th November 2016