

**UNAUDITED FIRST QUARTER AND THREE-MONTH FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD  
ENDED 31 MARCH 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		
	1Q2018	1Q2017	Change
	\$'000	\$'000	%
<b>Revenue</b>	57,159	61,118	(6.5)
Cost of sales	(44,943)	(51,054)	(12.0)
<b>Gross profit</b>	12,216	10,064	21.4
<b>Other item of income</b>			
Other operating income	1,265	753	68.0
<b>Other items of expense</b>			
Marketing and distribution expenses	(207)	(309)	(33.0)
Administrative expenses	(5,611)	(4,731)	18.6
Finance costs	(934)	(904)	3.3
Other operating expenses	(502)	(153)	228.1
Share of results of associates	816	652	25.2
<b>Profit before tax</b>	<b>7,043</b>	<b>5,372</b>	<b>31.1</b>
Income tax expense	(687)	(335)	105.1
<b>Profit for the period</b>	<b>6,356</b>	<b>5,037</b>	<b>26.2</b>
<b>Other comprehensive income:</b>			
<b>Items that may be reclassified subsequently to profit or loss</b>			
Foreign currency translation	171	(117)	n.m.
<b>Total comprehensive income for the period</b>	<b>6,527</b>	<b>4,920</b>	<b>32.7</b>
<b>Profit for the period attributable to:</b>			
Owners of the Company	6,185	4,937	25.3
Non-controlling interests	171	100	71.0
	<b>6,356</b>	<b>5,037</b>	<b>26.2</b>
<b>Total comprehensive income for the period attributable to:</b>			
Owners of the Company	6,356	4,820	31.9
Non-controlling interests	171	100	71.0
	<b>6,527</b>	<b>4,920</b>	<b>32.7</b>

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		
	1Q2018	1Q2017	Change
	\$'000	\$'000	%
Depreciation of property, plant and equipment	444	369	20.3
Inventories recognised as an expense in cost of sales	43,923	50,473	(13.0)
Operating lease expense	1,056	924	14.3
Interest expense on loans and borrowings	1,943	1,484	30.9
Allowance for doubtful trade receivables	94	146	(35.6)
Goodwill written off	408	–	n.m.
Gain on disposal of property, plant and equipment	–	(5)	n.m.
Net fair value loss on loan from an unrelated party	10	59	(83.1)
Net exchange (gain)/loss	(149)	7	n.m.
Increase in fair value of inventories less point-of-sale costs	14	104	(86.5)
Amortisation of intangible assets	95	–	n.m.
Write back of allowance for write-down of inventories	(150)	–	n.m.
Rental income from leasehold property	(255)	(229)	11.4
Interest income	(161)	(147)	9.5

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	
	31.03.2018 \$'000	31.12.2017 \$'000	31.03.2018 \$'000	31.12.2017 \$'000
<b><u>Non-current assets</u></b>				
Property, plant and equipment	29,690	29,984	133	142
Intangible asset	75	578	–	–
Investment in subsidiaries	–	–	64,807	60,807
Investment in associates	15,003	13,870	1,002	1,002
Other investments	688	688	688	688
Trade and other receivables	67,160	58,552	4,868	4,743
	112,616	103,672	71,498	67,382
<b><u>Current assets</u></b>				
Inventories	51,382	57,662	–	–
Trade and other receivables	266,325	252,063	124,097	127,983
Prepaid operating expenses	567	1,210	64	24
Cash and bank balances	5,442	7,464	58	689
	323,716	318,399	124,219	128,696
<b>Total assets</b>	436,332	422,071	195,717	196,078
<b><u>Current liabilities</u></b>				
Trade and other payables	3,838	4,451	5,036	6,091
Other liabilities	2,973	3,713	1,366	1,394
Interest-bearing loans and borrowings	221,642	212,381	50,089	49,899
Income tax payable	2,533	2,434	147	185
	230,986	222,979	56,638	57,569
<b>Net current assets</b>	92,730	95,420	67,581	71,127
<b><u>Non-current liabilities</u></b>				
Other payables	42	48	–	–
Provisions	347	332	–	–
Deferred tax liabilities	1,957	1,972	19	19
Interest-bearing loans and borrowings	12,666	12,933	–	–
	15,012	15,285	19	19
<b>Total liabilities</b>	245,998	238,264	56,657	57,588
<b>Net assets</b>	190,334	183,807	139,060	138,490
<b><u>Equity attributable to owners of the Company</u></b>				
Share capital	78,313	78,313	78,313	78,313
Treasury shares	(26)	(26)	(26)	(26)
Retained earnings	113,681	107,496	60,773	60,203
Other reserves	(6,328)	(6,499)	–	–
	185,640	179,284	139,060	138,490
Non-controlling interests	4,694	4,523	–	–
<b>Total equity</b>	190,334	183,807	139,060	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 31 March 18		As at 31 December 17	
	Secured \$'000	Unsecured \$'000	Secured \$'000	Unsecured \$'000
Included in trade and other payables	–	3,286	–	3,322
Included in interest-bearing loans and borrowings	163,368	58,274	154,201	58,180
<b>Total</b>	<b>163,368</b>	<b>61,560</b>	<b>154,201</b>	<b>61,502</b>

Amount repayable after one year

	As at 31 March 18		As at 31 December 17	
	Secured \$'000	Unsecured \$'000	Secured \$'000	Unsecured \$'000
Included in interest-bearing loans and borrowings	12,666	–	12,933	–
<b>Total</b>	<b>12,666</b>	<b>–</b>	<b>12,933</b>	<b>–</b>

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.**

<b>CONSOLIDATED STATEMENTS OF CASH FLOWS</b>	<b>1Q2018 \$'000</b>	<b>1Q2017 \$'000</b>
<b>Operating activities</b>		
Profit before tax	7,043	5,372
Adjustments for:		
Depreciation of property, plant and equipment	444	369
Amortisation of intangible assets	95	–
Goodwill written off	408	–
Gain on disposal of property, plant and equipment	–	(5)
Allowance for doubtful trade receivables	94	146
Interest income	(161)	(147)
Finance costs	1,943	1,484
Increase in fair value of inventories less point-of-sale costs	(14)	(104)
Write back of allowance for write-down of inventories	(150)	–
Net fair value loss on loan from an unrelated party	10	59
Share of results of associates	(816)	(652)
Unrealised exchange (gain)/loss	(149)	61
<b>Operating cash flows before changes in working capital</b>	<b>8,747</b>	<b>6,583</b>
<u>Changes in working capital</u>		
Decrease/(increase) in inventories	6,445	(3,338)
(Increase)/decrease in trade and other receivables	(22,971)	42,219
Decrease in prepaid operating expenses	643	836
(Decrease)/increase in trade and other payables	(614)	15
Decrease in other liabilities	(737)	(502)
<b>Cash flows (used in)/generated from operations</b>	<b>(8,487)</b>	<b>45,813</b>
Interest received	161	147
Finance costs paid	(1,886)	(1,426)
Income taxes paid	(603)	(447)
<b>Net cash flows (used in)/generated from operating activities</b>	<b>(10,815)</b>	<b>44,087</b>
<b>Investing activities</b>		
Purchase of property, plant and equipment	(135)	(166)
Purchase of investment securities	–	(50)
<b>Net cash flows used in investing activities</b>	<b>(135)</b>	<b>(216)</b>
<b>Financing activities</b>		
Proceeds from interest-bearing loans and borrowings	9,586	4,131
Repayment of interest-bearing loans and borrowings	(1,167)	(42,048)
Purchase of treasury shares	–	(26)
<b>Net cash flows generated from/(used in) financing activities</b>	<b>8,419</b>	<b>(37,943)</b>
<b>Net (decrease)/increase in cash and cash equivalents</b>	<b>(2,531)</b>	<b>5,928</b>
<b>Cash and cash equivalents at beginning of period</b>	<b>3,292</b>	<b>5,072</b>
<b>Cash and cash equivalents at end of period</b>	<b>761</b>	<b>11,000</b>

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						Total	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
<b>At 1 January 2018</b>	78,313	(26)	1,984	(7,599)	(884)	107,496	179,284	4,523	183,807
Profit for the period	—	—	—	—	—	6,185	6,185	171	6,356
Foreign currency translation	—	—	—	—	171	—	171	—	171
Total comprehensive income for the period	—	—	—	—	171	6,185	6,356	171	6,527
<b>At 31 March 2018</b>	78,313	(26)	1,984	(7,599)	(713)	113,681	185,640	4,694	190,334

	Attributable to owners of the Company						Total	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
<b>At 1 January 2017</b>	78,313	—	1,984	(7,599)	(1,074)	94,164	165,788	5,499	171,287
Profit for the period	—	—	—	—	—	4,937	4,937	100	5,037
Foreign currency translation	—	—	—	—	(117)	—	(117)	—	(117)
Total comprehensive income for the period	—	—	—	—	(117)	4,937	4,820	100	4,920
<u>Contributions by and distributions to owners</u>									
Purchase of treasury shares	—	(26)	—	—	—	—	(26)	—	(26)
Total contributions by and distributions to owners	—	(26)	—	—	—	—	(26)	—	(26)
<b>At 31 March 2017</b>	78,313	(26)	1,984	(7,599)	(1,191)	99,101	170,582	5,599	176,181

Company	Attributable to owners of the Company			
	Share capital \$'000	Treasury shares \$'000	Retained earnings \$'000	Total equity \$'000
<b>At 1 January 2018</b>	78,313	(26)	60,203	138,490
Profit for the period, representing total comprehensive income for the period	–	–	570	570
<b>At 31 March 2018</b>	78,313	(26)	60,773	139,060
<b>At 1 January 2017</b>	78,313	–	56,201	134,514
Profit for the period, representing total comprehensive income for the period	–	–	428	428
<u>Contributions by and distributions to owners</u>				
Purchase of treasury shares	–	(26)	–	(26)
<b>At 31 March 2017</b>	78,313	(26)	56,629	134,916

**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 31 March 2018 comprised 533,397,960 (31 March 2017: 533,397,960) ordinary shares and 100,000 (31 March 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.**

	<b>31.03.2018</b>	<b>31.03.2017</b>
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.**

<b>Treasury Shares</b>	<b>No. of shares</b>	<b>S\$'000</b>
Balance as at 31/12/2017	100,000	26
No. of shares purchased	–	–
Balance as at 31/03/2018	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	
	1Q2018	1Q2017
	Cents	Cents
i) Basic earnings per share	1.16	0.93
ii) Diluted earnings per share	1.16	0.93
- Weighted average number of shares ('000)	533,398	533,480

The calculation of basic earnings per share for 1Q ended 31 March 2018 is based on the net profits attributable to shareholders for the 1Q ended 31 March 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	
	31.03.2018	31.12.2017	31.03.2018	31.12.2017
Net asset value per ordinary share (cents)	34.80	33.61	26.07	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 31 March 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

##### 1Q2018 vs 1Q2017

##### Revenue

The Group's revenue decreased from \$61.1 million in 1Q2017 to \$57.2 million in 1Q2018. Revenue from retail and trading of jewellery and gold business decreased by \$6.0 million while revenue from pawnbroking and the moneylending business increased by \$1.1 million and \$1.0 million respectively in 1Q2018.

##### Cost of sales

The Group's cost of sales decreased from \$51.1 million in 1Q2017 to \$44.9 million in 1Q2018, in line with the decrease in revenue from the retail and trading of jewellery and gold business. This is partially offset by the increase in interest expenses from the pawnbroking and moneylending business.

##### Gross profit

Overall gross profit increased by \$2.2 million in 1Q2018 compared with the same period in 1Q2017. Gross profit increased despite the decline in revenue due the increase in contribution from higher margin business segments of pawnbroking and moneylending, resulting in improved margin from 16.5% in 1Q2017 to 21.4% in 1Q2018.

##### Other operating income

Other operating income was \$1.3 million in 1Q2018 compared with \$0.8 million in 1Q2017. The higher other operating income was due to the increase in facility fees income from the moneylending business of \$0.2 million, the write-back of allowance for inventories of \$0.2 million and unrealised exchange gain of \$0.1 million.

##### Administrative expenses

Administrative expenses comprise mainly employee benefits expense, rental expenses, depreciation and amortisation expenses, legal and professional fees and insurance premiums. The increase in administrative expenses from \$4.7 million in 1Q2017 to \$5.6 million in 1Q2018 was mainly due to the increases in depreciation and amortisation expenses of \$0.2 million, as well as employee benefits expense and rental expenses of \$0.4 million and \$0.3 million each respectively.

##### Other operating expense

Other operating expenses comprise mainly goodwill written off of \$0.4 million in 1Q2018.

##### Share of results of associates

The Group's share of results of associates increased from \$0.7 million in 1Q2017 to \$0.8 million in 1Q2018, due to increased contribution from Malaysian associated companies.

##### Profit before tax

As a result of the above, profit before tax increased by \$1.7 million to \$7.0 million in 1Q2018.

Income tax expense

Income tax expense increased by \$0.4 million in 1Q2018, which is in line with the increase in profit.

### **Review of the Group's Financial Position**

Non-current assets increased by \$8.9 million from \$103.7 million as at 31 December 2017 to \$112.6 million as at 31 March 2018. The increase comprises increases in trade and other receivables of \$8.6 million, investment in associates of \$1.1 million. These were offset by decreases in property, plant and equipment of \$0.3 million and intangible assets of \$0.5 million.

Current assets increased by \$5.3 million from \$318.4 million as at 31 December 2017 to \$323.7 million as at 31 March 2018. This was mainly due to an increase in trade and other receivables of \$14.3 million. This was partially offset by the decrease in inventories of \$6.3 million, cash and bank balances of \$2.0 million and prepaid operating expenses of \$0.7 million.

Current liabilities increased by \$8.0 million from \$223.0 million as at 31 December 2017 to \$231.0 million as at 31 March 2018 as a result of an increase in interest-bearing loans and borrowings of \$9.3 million. This was partially offset by the decrease in trade and other payables of \$0.6 million and other current liabilities by \$0.7 million.

Non-current liabilities decreased by \$0.3 million from \$15.3 million as at 31 December 2017 to \$15.0 million as at 31 March 2018 mainly due to the decrease in interest-bearing loans and borrowings of \$0.3 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 \$174.3 million as at 31 December 2017 to \$185.6 million as at 31 March 2018 mainly due to the increase in retained earnings.

### **Review of the Group's Cash Flows**

#### 1Q2018 vs 1Q2017

In 1Q2018, the net cash used in operating activities was \$10.8 million. This comprises operating cash inflows before working capital adjustments of \$8.7 million, adjusted by net working capital outflow of \$17.2 million. In 1Q2018, the Group received interest income of \$0.2 million, with interest expense paid of \$1.9 million and net income tax paid of \$0.6 million respectively. The net working capital outflow was a result of the increase in trade and other receivables of \$23.0 million and decreases in trade and other payables and other liabilities of \$0.6 million and \$0.7 million respectively. These were partially offset by the decreases in inventories of \$6.4 million and prepaid operating expenses of \$0.6 million.

In 1Q2018, the net cash used in investing activities amounted to \$0.1 million comprising net cash outflow from the purchase of property, plant and equipment of \$0.1 million.

The net cash generated from financing activities in 1Q2018 amounted to \$8.4 million comprising the net proceeds from interest-bearing loans and borrowings of \$8.4 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.**

Since the last results announcement on 23 February 2018, gold price has remained relatively stable at above USD1,300. The prospect of gold price is expected to remain volatile in FY2018 given the economic and geopolitical uncertainties. The pawnbroking business continues to face challenges from keen competition, rising operating costs and uncertain interest rate movements.

The Group will continue to grow its moneylending business as well as explore acquisition opportunities to expand our network of pawnbroking and retail outlets.

- 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 three-month period ended 31 March 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:

	<b>Aggregate value of all interested person transactions during the financial period under review</b>	
	<b>YTD-31 Mar 18</b>	<b>YTD-31 Mar 17</b>
	<b>\$'000</b>	<b>\$'000</b>
<b>Sales of goods to director-related companies</b>		
- Hwa Goldsmith and Jewellers	305	410
- Mei Zhi Jewellery	96	39
- Lucky Jewellery	314	69
<b>Purchase of goods from director-related companies</b>		
- Mei Zhi Jewellery	136	13
<b>Rental paid to director-related company</b>		
- Yeah Properties Pte Ltd	78	79
- Yeah Capital	44	44

	<b>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>)</b>	
	<b>YTD-31 Mar 18</b>	<b>YTD-31 Mar 17</b>
	<b>\$'000</b>	<b>\$'000</b>
<b>Interest paid/due to a director</b>		
- Yeah Hiang Nam	298	298

### 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 31 March 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