



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 2018**

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This announcement has been prepared by the Company and its contents have been reviewed by the Company's sponsor, SAC Capital 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.

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1. CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

1(i) Consolidated Statement of Comprehensive Income For The Financial Period Ended 30 September 2018 ("9M 2018")

	Group		Change %
	9M 2018 \$'000	9M 2017 \$'000	
Revenue	158,468	138,972	14%
Material costs	(106,348)	(97,415)	9%
Employee benefits	(14,734)	(12,450)	18%
Depreciation and amortisation	(1,560)	(1,150)	36%
Finance costs	(8,127)	(4,891)	66%
Other operating expenses	(21,136)	(14,880)	42%
Interest income	2,334	1,193	96%
Rental income	219	233	-6%
Other income	505	1,234	-59%
Share of results of joint venture	(136)	(24)	n.m.
Profit before tax	9,485	10,822	-12%
Taxation	(1,358)	(1,225)	11%
Profit for the period	8,127	9,597	-15%
Other comprehensive income			
Net fair value change of available-for-sale financial assets	(2,103)	1,052	n.m.
Foreign currency translation	3	-	n.m.
Other comprehensive income for the period, net of tax	(2,100)	1,052	n.m.
Total comprehensive income for the period	6,027	10,649	-43%
Profit attributable to:			
Owners of the Company	8,045	9,519	-15%
Non-controlling interests	82	78	5%
	8,127	9,597	-15%
Total comprehensive income attributable to:			
Owners of the Company	5,945	10,571	-44%
Non-controlling interests	82	78	5%
	6,027	10,649	-43%
Earnings per ordinary share (cents)			
-Basic	0.80	1.22	-34%
-Diluted	0.80	1.22	-34%

Other information :-

	Group		Change %
	9M 2018 \$'000	9M 2017 \$'000	
Amortisation of prepaid rent	2	38	-95%
Depreciation of property, plant and equipment	1,558	1,113	40%
Financial losses on items not fully covered by insurance	13	37	-65%
Foreign currency exchange loss/(gain), net	3,477	(460)	n.m.
Loss on disposal of plant and equipment, net	129	388	-67%

n.m. - Not meaningful

1. CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (CONTINUED)
1(ii) Consolidated Statements of Comprehensive Income For The Financial Period from 1 July 2018 to 30 September 2018 ("3Q 2018")

	Group		Change %
	3Q 2018 \$'000	3Q 2017 \$'000	
Revenue	51,100	45,545	12%
Material costs	(33,495)	(31,065)	8%
Employee benefits	(4,846)	(4,269)	14%
Depreciation and amortisation	(549)	(413)	33%
Finance costs	(2,889)	(2,055)	41%
Other operating expenses	(7,734)	(4,856)	59%
Interest income	809	931	-13%
Rental income	62	92	-33%
Other income	162	930	-83%
Share of results of joint venture	170	(24)	n.m.
Profit before tax	2,790	4,816	-42%
Taxation	(15)	(454)	-97%
Profit for the period	2,775	4,362	-36%
Other comprehensive income			
Net fair value change of available-for-sale financial assets	(267)	970	n.m.
Foreign currency translation	4	-	n.m.
Other comprehensive income for the period, net of tax	(263)	970	n.m.
Total comprehensive income for the period	2,512	5,332	-53%
Profit attributable to:			
Owners of the Company	2,749	4,329	-36%
Non-controlling interests	26	33	-21%
	2,775	4,362	-36%
Total comprehensive income attributable to:			
Owners of the Company	2,486	5,299	-53%
Non-controlling interests	26	33	-21%
	2,512	5,332	-53%

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 2018 and 3Q 2018 were generally in line with the increase in revenue from the retail and trading of jewellery and branded merchandise business.
- 1d - Higher employee benefits expenses for 9M 2018 and 3Q 2018 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 9M 2018 and 3Q 2018 were mainly due to the increase in depreciation of property, plant and equipment.
- 1f - Increase in finance costs for 9M 2018 and 3Q 2018 were 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 financial year 2017.
- 1g - Higher other operating expenses in 9M 2018 and 3Q 2018 were mainly due to higher other professional fee for secured loans, rental expenses and foreign currency exchange loss (mainly unrealised).
- 1h - Interest income for 9M 2018 and 3Q 2018 were mainly from investment securities.
- 1i - Decrease in rental income for 9M 2018 and 3Q 2018 were mainly due to the expiration of a lease in March 2018.
- 1j - Decrease in other income for 9M 2018 and 3Q 2018 were mainly due to loss on disposal of investment securities.

2. STATEMENTS OF FINANCIAL POSITION

	Group		Company	
	30-Sep-18 \$'000	31-Dec-17 \$'000	30-Sep-18 \$'000	31-Dec-17 \$'000
NON-CURRENT ASSETS				
Property, plant and equipment	22,668	16,191	170	178
Trade and other receivables	52,047	45,891	-	16
Investment in subsidiaries	-	-	47,928	46,100
Investment in joint venture	145	282	500	500
Prepaid rent	2	-	-	-
Deferred tax assets	960	295	194	110
	75,822	62,659	48,792	46,904
CURRENT ASSETS				
Inventories	52,928	51,807	-	-
Trade and other receivables	287,822	273,361	29	12
Prepaid rent	4	-	-	-
Prepayments	1,276	2,325	489	699
Due from subsidiaries (non-trade)	-	-	152,516	142,568
Due from a related company (non-trade)	28	-	-	-
Due from joint venture (non-trade)	4,115	2,590	4,115	2,590
Investment securities	45,086	36,105	-	-
Cash and bank balances	18,085	17,694	1,877	740
	409,344	383,882	159,026	146,609
TOTAL ASSETS	485,166	446,541	207,818	193,513
CURRENT LIABILITIES				
Trade and other payables	8,364	6,769	3,536	2,997
Due to a related company (non-trade)	705	42	-	42
Provision for taxation	2,016	1,843	-	-
Interest-bearing loans	247,465	230,375	-	-
	258,550	239,029	3,536	3,039
Net current assets	150,794	144,853	155,490	143,570
NON-CURRENT LIABILITIES				
Other payables	835	239	26	74
Interest-bearing loans	12,724	7,624	-	-
Term notes	70,000	70,000	70,000	70,000
Deferred tax liabilities	232	307	-	-
	83,791	78,170	70,026	70,074
TOTAL LIABILITIES	342,341	317,199	73,562	73,113
Net assets	142,825	129,342	134,256	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	(3,319)	305	(23)	-
Revenue reserves	7,874	9,918	(2,992)	2,198
	141,826	128,425	134,256	120,400
Non-controlling interests	999	917	-	-
Total equity	142,825	129,342	134,256	120,400
Net asset value per ordinary share (cents)	13.70	14.10	12.97	13.22

2a. - Review of Financial Position

The equity attributable to owners of the Company was \$141.8 million as at 30 September 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 capital reserve from purchase of a new subsidiary and net loss in fair value change of available-for-sale financial assets.

The Group's total assets of \$485.2 million as at 30 September 2018 was \$38.7 million higher than that as at 31 December 2017 mainly due to the increase in trade and other receivables, investment securities, property, plant and equipment, inventories, amount due from joint venture (non-trade) and cash and bank balances, partially offset by the decrease in prepayments. The increase in trade and other receivables was mainly due 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 increase in property, plant and equipment was mainly due to the acquisition of leasehold property. The investment securities were pertaining to the bonds acquired by the Group.

The Group's total liabilities of \$342.3 million as at 30 September 2018 was \$25.1 million higher than that as at 31 December 2017. This was mainly due to the increase in interest-bearing loans and trade and other payables.

3. CONSOLIDATED STATEMENTS OF CASH FLOWS

	Group			
	3Q 2018 \$'000	3Q 2017 \$'000	9M 2018 \$'000	9M 2017 \$'000
OPERATING ACTIVITIES				
Profit before tax	2,790	4,816	9,485	10,822
Adjustments for:				
Write back for doubtful receivables	-	-	(26)	-
Depreciation of property, plant and equipment	547	401	1,558	1,113
Employee Share Award Scheme expenses	169	-	169	-
Write-down of inventories	-	(2)	-	-
Interest expense	2,833	2,055	7,947	4,891
Interest income	(809)	(932)	(2,334)	(1,194)
Amortisation of prepaid commitment fee	71	47	221	86
Amortisation of premium on term notes	(14)	-	(41)	-
Financial losses on items not fully covered by insurance	8	11	13	38
Loss on disposal of property, plant and equipment	12	133	129	400
Loss/(Gain) on disposal of investment securities	502	(227)	509	(297)
Amortisation of prepaid rent	2	13	2	38
Unrealised foreign exchange differences	1,342	50	3,350	175
Share of results of joint venture	(146)	24	136	24
Operating profit before changes in working capital	7,307	6,389	21,118	16,096
(Increase)/decrease in:				
Inventories	1,908	(3,102)	(1,069)	(5,754)
Trade and other receivables	(11,897)	(3,086)	(22,885)	(21,798)
Prepayments	118	1,187	950	(213)
Due from a related company (trade)	(27)	-	(28)	97
Due from a joint venture (non-trade)	1	-	-	-
Increase/(decrease) in:				
Trade and other payables	1,804	805	1,947	1,423
Cash flows (used in)/generated from operations	(786)	2,193	33	(10,149)
Interest paid	(2,833)	(2,055)	(7,947)	(4,891)
Interest received	13	-	47	-
Income taxes paid	(642)	(702)	(1,487)	(1,442)
Net cash flows used in operating activities	(4,248)	(564)	(9,354)	(16,482)
INVESTING ACTIVITIES				
Purchase of property, plant and equipment	(252)	(522)	(8,134)	(6,259)
Interest received	750	407	2,241	427
Investment in subsidiary	-	-	(1,610)	-
Purchase of investment securities	(500)	(61,007)	(42,830)	(116,556)
Proceeds from disposal of plant and equipment	-	-	14	-
Due from a related company (non-trade)	-	-	2,618	-
Due from a joint venture (non-trade)	(925)	(3,687)	(4,115)	(3,687)
Proceeds from disposal of investment securities	19,919	30,392	30,900	48,956
Net cash flows generated from/ (used in) investing activities	18,992	(34,417)	(20,916)	(77,119)
FINANCING ACTIVITIES				
Proceeds from issuance of term notes	-	-	-	50,000
(Repayment of)/ proceeds from short-term bank borrowings, net	(3,975)	41,358	16,851	72,833
Proceeds from term loans	-	(21)	5,678	2,764
Repayment of term loans	(132)	-	(339)	-
Purchase of treasury shares	(42)	-	(42)	-
Repayment of advances from immediate holding company (non-trade), net	-	-	-	(11)
Term notes commitment fee paid	-	-	-	(631)
Repayment of advances from related companies (non-trade), net	-	(5,000)	(214)	(29,570)
Proceeds from rights issue, net	-	20,463	13,802	20,463
Dividends paid on ordinary shares	(4,972)	-	(4,972)	(766)
Net cash flows (used in)/ generated from financing activities	(9,121)	56,800	30,764	115,082
Net increase in cash and cash equivalents	5,623	21,819	494	21,481
Effect of exchange rate changes on cash and cash equivalents	(44)	-	(103)	-
Cash and cash equivalents at the beginning of the financial period	12,506	10,204	17,694	10,542
Cash and cash equivalents at the end of the financial period	18,085	32,023	18,085	32,023

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:-

	9M 2018 \$'000	9M 2017 \$'000
Cash at banks and on hand	18,085	32,023
Cash and cash equivalents	18,085	32,023

3a. - Cashflow Analysis

3Q 2018

Net cash used in operating activities for 3Q 2018 was \$4.2 million. This was due to the increase in trade and other receivables and interest paid, partially offset by increase in trade and other payables, decrease in inventories and prepayments.

Net cash generated from investing activities was \$19.0 million in 3Q 2018. The net cash generated from investing activities in 3Q 2018 was mainly due to proceeds from disposal of investment securities and interest received, partially offset by amount due from a joint venture (non-trade), purchase of investment securities and purchase of property, plant and equipment.

Net cash used in financing activities was \$9.1 million in 3Q 2018. The net cash used in financing activities was mainly due to cash dividend payment, repayment of short-term bank borrowings (net), repayment of term loans and purchase of treasury shares.

9M 2018

Net cash used in operating activities for 9M 2018 was \$9.4 million. This was due to the increase in operating profit for the financial period, coupled with decrease in prepayments, but partially offset by increase in trade and other receivables, interest paid and inventories.

Net cash used in investing activities was \$20.9 million in 9M 2018. The net cash used in investing activities in 9M 2018 was mainly due to purchase of investment securities, 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, amount due from a related companies (non-trade) and interest received.

Net cash generated from financing activities was \$30.8 million in 9M 2018. The net cash generated from financing activities was mainly due to proceeds from short-term bank borrowings (net), proceeds from rights issue and proceeds from term loan, partially offset by cash dividend payment, repayment of term loans, repayment of advances from related companies (non-trade) (net) and purchase of treasury shares.

As a result of the above, cash and cash equivalents was \$18.1 million as at 30 September 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 period	-	-	-	8,045	82	8,127
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	-	-	3	-	-	3
Net fair value change of available-for-sale financial assets	-	-	(2,103)	-	-	(2,103)
Capital reserve from acquisition of a subsidiary	-	-	(1,501)	-	-	(1,501)
Dividends on ordinary shares-Cash	-	-	-	(4,972)	-	(4,972)
Dividends on ordinary shares-Scrip	-	-	-	(5,117)	-	(5,117)
Share issuance expenses	(138)	-	-	-	-	(138)
Balance as at 30 September 2018	137,286	(15)	(3,319)	7,874	999	142,825
Balance as at 1 January 2017	87,439	-	-	8,373	810	96,622
Total comprehensive income for the period	-	-	-	9,519	78	9,597
Dividends on ordinary shares - Cash	-	-	-	(767)	-	(767)
Dividends on ordinary shares - Scrip	-	-	-	(6,509)	-	(6,509)
Ordinary shares issued under scrip dividend scheme	6,509	-	-	-	-	6,509
Ordinary shares issued under rights issue	20,613	-	-	-	-	20,613
Net fair value change of available-for-sale financial assets	-	1,052	-	-	-	1,052
Share issuance expenses	(150)	-	-	-	-	(150)
Balance as at 30 September 2017	114,411	1,052	-	10,616	888	126,967
Company						
Balance as at 1 January 2018	118,367	(165)	-	2,198	-	120,400
Total comprehensive income for the period	-	-	-	4,899	-	4,899
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	-	-	-	(4,972)	-	(4,972)
Dividends on ordinary shares-Scrip	-	-	-	(5,117)	-	(5,117)
Share issuance expenses	(138)	-	-	-	-	(138)
Balance as at 30 September 2018	137,286	(15)	(23)	(2,992)	-	134,256
Balance as at 1 January 2017	87,439	-	-	923	-	88,362
Total comprehensive income for the period	-	-	-	6,197	-	6,197
Dividends on ordinary shares - Cash	-	-	-	(767)	-	(767)
Dividends on ordinary shares - Scrip	-	-	-	(6,509)	-	(6,509)
Ordinary shares issued under scrip dividend scheme	6,509	-	-	-	-	6,509
Ordinary shares issued under rights issue	20,613	-	-	-	-	20,613
Share issuance expenses	(150)	-	-	-	-	(150)
Balance as at 30 September 2017	114,411	-	-	(156)	-	114,255

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	1,035,156	137,271

Note 1 - On 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 convertible as at 30 September 2018 and 30 September 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 30 September 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 30-Sep-18		As at 31-Dec-17	
Secured \$'000	Unsecured \$'000	Secured \$'000	Unsecured \$'000
247,465	-	230,375	-

Amount repayable after one year

As at 30-Sep-18		As at 31-Dec-17	
Secured \$'000	Unsecured \$'000	Secured \$'000	Unsecured \$'000
12,724	70,000	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 financial statements for the financial period ended 30 September 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. The adoption of SFRS(I) and these new and revised FRSs have no material effect on the financial statements.

11. EARNINGS PER SHARE

	Group			
	3Q 2018	3Q 2017	9M 2018	9M 2017
	cents	cents	cents	cents
i) Basic earnings per share	0.27	0.49	0.80	1.22
ii) Diluted earnings per share	0.27	0.49	0.80	1.22
- Weighted average number of shares ('000)	1,029,749	874,990	1,004,991	777,782

12. NET ASSET VALUE PER SHARE

	Group		Company	
	30-Sep-18	31-Dec-17	30-Sep-18	31-Dec-17
Net asset value per ordinary share (cents)	13.70	14.10	12.97	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 period ended 30 September 2018 was previously provided.

14. REVIEW OF CORPORATE PERFORMANCE

The Group's revenue rose 14% to \$158.5 million in 9M 2018 and was \$19.5 million higher than 9M 2017. 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 5.8% in 9M 2018 as compared to 9M 2017. 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 10.6% increase in revenue in 9M 2018 as compared to 9M 2017. The secured lending business reported a revenue of \$6.3 million in 9M 2018.

As compared to 9M 2017 and 3Q 2017, operating expenses in 9M 2018 and 3Q 2018 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 increase in material costs was generally in line with the increase in revenue 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 higher interest-bearing loan and the issuance of multicurrency medium notes. The foreign currency exchange loss of \$3.5 million in 9M 2018 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 \$9.5 million in 9M 2018 compared to \$10.8 million in 9M 2017. Excluding the foreign currency exchange loss, the pre-tax profit in 9M 2018 would have been \$13.0 million.

15. BUSINESS OUTLOOK

The Group's pawnbroking and retail business continue to face keen competition, rising operating costs and higher interest expenses. Global macroeconomic uncertainty, volatile gold prices and foreign exchange rates amid a rising interest rates environment add further challenges to our operations.

The Group will maintain its focus on further leveraging its extensive branch network and branding to better manage the above mentioned challenges.

16. 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.

17. DIVIDEND

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

Yes

Name of dividend	9M 2018
Name of dividend	Interim
Dividend Type	Cash
Dividend Rate	\$0.003 per ordinary share
Tax Rate	One-tier tax exempt
Book closure date	To be advised
Payment date	To be advised

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

No

18. NEGATIVE CONFIRMATION BY THE BOARD PURSUANT TO RULE 705 (5) OF THE 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 2018 to be false or misleading in any material aspect.

19. 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

7th November 2018