



**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 2019**

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*This announcement has been reviewed by the Company's sponsor, SAC Capital Private Limited ("Sponsor"). This announcement has not been examined or approved by the Singapore Exchange Securities Trading Limited ("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) 6232 3210) at 1 Robinson Road, #21-00 AIA Tower, Singapore 048542.*

**1. CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME**
**Consolidated Statements of Comprehensive Income For The Financial Period Ended 30 September 2019 ("9M 2019")**

	Group		Change %
	9M 2019 \$'000	9M 2018 \$'000	
<b>Revenue</b>	<b>157,064</b>	<b>161,756</b>	<b>-3%</b>
Material costs	(98,016)	(106,348)	-8%
Employee benefits	(14,851)	(14,734)	1%
Depreciation and amortisation	(7,803)	(1,560)	n.m.
Finance costs	(9,652)	(8,127)	19%
Other operating expenses	(15,722)	(24,424)	-36%
Interest income from investment securities	749	2,334	-68%
Rental income	175	219	-20%
Other income	1,379	505	173%
Share of results of joint venture	(2)	(136)	-99%
<b>Profit before tax</b>	<b>13,321</b>	<b>9,485</b>	<b>40%</b>
Taxation	(2,016)	(1,358)	48%
<b>Profit for the period</b>	<b>11,305</b>	<b>8,127</b>	<b>39%</b>
<b>Other comprehensive income</b>			
Net fair value changes on debt and equity instruments at fair value through other comprehensive ("FVOCI")	969	(2,103)	n.m.
Foreign currency translation	24	3	n.m.
<b>Other comprehensive income for the period, net of tax</b>	<b>993</b>	<b>(2,100)</b>	<b>n.m.</b>
<b>Total comprehensive income for the period</b>	<b>12,298</b>	<b>6,027</b>	<b>104%</b>
<b>Profit attributable to:</b>			
Owners of the Company	11,239	8,045	40%
Non-controlling interests	66	82	-20%
	<b>11,305</b>	<b>8,127</b>	<b>39%</b>
<b>Total comprehensive income attributable to:</b>			
Owners of the Company	12,232	5,945	106%
Non-controlling interests	66	82	-20%
	<b>12,298</b>	<b>6,027</b>	<b>104%</b>
<b>Earnings per ordinary share (cents)</b>			
-Basic	1.09	0.80	36%
-Diluted	1.09	0.80	36%

**Other information :-**

	Group		Change %
	9M 2019 \$'000	9M 2018 \$'000	
Amortisation of prepaid rent	3	2	50%
Depreciation of property, plant and equipment	1,719	1,558	10%
Financial losses on items not fully covered by insurance	21	13	62%
Foreign currency exchange loss, net	1,456	3,477	-58%
Loss on disposal of plant and equipment, net	3	129	-98%

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 2019 to 30 September 2019 ("3Q 2019")**

	Group		Change %
	3Q 2019 \$'000	3Q 2018 \$'000	
<b>Revenue</b>	<b>65,095</b>	<b>52,214</b>	<b>25%</b>
Material costs	(43,162)	(33,495)	29%
Employee benefits	(4,825)	(4,846)	0%
Depreciation and amortisation	(2,899)	(549)	n.m.
Finance costs	(3,433)	(2,889)	19%
Other operating expenses	(5,597)	(8,848)	-37%
Interest income from investment securities	105	809	-87%
Rental income	83	62	34%
Other income	1,109	162	n.m.
Share of results of joint venture	(1)	170	n.m.
<b>Profit before tax</b>	<b>6,475</b>	<b>2,790</b>	<b>132%</b>
Taxation	(813)	(15)	n.m.
<b>Profit for the period</b>	<b>5,662</b>	<b>2,775</b>	<b>104%</b>
<b>Other comprehensive income</b>			
Net fair value changes on debt and equity instruments at FVOCI	(37)	(267)	-86%
Foreign currency translation	13	4	225%
<b>Other comprehensive income for the period, net of tax</b>	<b>(24)</b>	<b>(263)</b>	<b>-91%</b>
<b>Total comprehensive income for the period</b>	<b>5,638</b>	<b>2,512</b>	<b>124%</b>
<b>Profit attributable to:</b>			
Owners of the Company	5,639	2,749	105%
Non-controlling interests	23	26	-12%
	<b>5,662</b>	<b>2,775</b>	<b>104%</b>
<b>Total comprehensive income attributable to:</b>			
Owners of the Company	5,615	2,486	126%
Non-controlling interests	23	26	-12%
	<b>5,638</b>	<b>2,512</b>	<b>124%</b>

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 9M 2019 was generally in line with the lower revenue and mainly due to lower cost from the retail and trading of jewellery and branded merchandise business, while the increase in material costs in 3Q 2019 was generally in line with the higher revenue.
- 1d - Higher depreciation and amortisation charges in 9M 2019 and 3Q 2019 were mainly due to the recognition of right-of-use assets following the adoption of SFRS(I) 16 Leases.
- 1e - Increase in finance costs for 9M 2019 and 3Q 2019 were mainly due to higher interest rate charged on higher interest-bearing loans and recognition of lease liabilities following the adoption of SFRS(I) 16 Leases.
- 1f - Lower other operating expenses in 9M 2019 and 3Q 2019 were mainly due to the decrease in foreign currency exchange loss and rental expenses following the adoption of SFRS(I) 16 Leases.
- 1g - Lower interest income for 9M 2019 and 3Q 2019 was mainly due to the reduction in investment securities.
- 1h - Increase in other income for 9M 2019 and 3Q 2019 was mainly due to derivatives gain.

## 2. STATEMENTS OF FINANCIAL POSITION

	Group		Company	
	30-Sep-19 \$'000	31-Dec-18 \$'000	30-Sep-19 \$'000	31-Dec-18 \$'000
<b>NON-CURRENT ASSETS</b>				
Property, plant and equipment	52,827	23,150	129	158
Right-of-use assets	34,645	-	-	-
Trade and other receivables	11,298	15,123	-	-
Investment in subsidiaries	-	-	52,242	47,928
Investment in joint venture	6,638	141	7,000	500
Investment securities	4,564	24,249	-	-
Prepaid rent	-	1	-	-
Deferred tax assets	677	685	-	-
	<b>110,649</b>	<b>63,349</b>	<b>59,371</b>	<b>48,586</b>
<b>CURRENT ASSETS</b>				
Inventories	77,763	61,469	-	-
Trade and other receivables	330,004	303,543	29	29
Prepaid rent	2	4	-	-
Prepayments	1,461	1,726	588	421
Due from subsidiaries (non-trade)	-	-	153,668	161,889
Due from a related company (non-trade)	-	1	-	-
Due from a related company (trade)	526	-	-	-
Due from a immediate holding company (non-trade)	58	-	58	-
Due from a joint venture (non-trade)	2,040	5,215	2,040	5,215
Derivative financial instruments	2,212	1,058	-	-
Investment securities	994	2,466	-	-
Cash and bank balances	11,704	21,845	488	941
	<b>426,764</b>	<b>397,327</b>	<b>156,871</b>	<b>168,495</b>
<b>TOTAL ASSETS</b>	<b>537,413</b>	<b>460,676</b>	<b>216,242</b>	<b>217,081</b>
<b>CURRENT LIABILITIES</b>				
Trade and other payables	8,959	9,089	2,926	2,776
Due to a related company (non-trade)	707	706	-	-
Due to a related company (loan)	50	-	-	-
Due to an immediate holding company (non-trade)	481	-	-	-
Due to immediate holding company (loan)	7,065	-	-	-
Lease liabilities	8,842	-	-	-
Provision for taxation	2,658	1,986	121	50
Dividends payables	5,176	3,105	5,176	3,105
Term notes	25,500	-	75,500	-
Interest-bearing loans	233,211	222,668	-	-
	<b>292,649</b>	<b>237,554</b>	<b>83,723</b>	<b>5,931</b>
<b>Net current assets</b>	<b>134,115</b>	<b>159,773</b>	<b>73,148</b>	<b>162,564</b>
<b>NON-CURRENT LIABILITIES</b>				
Other payables	-	74	-	16
Interest-bearing loans	27,942	12,644	-	-
Term notes	50,000	69,000	-	70,000
Lease liabilities	26,127	-	-	-
Deferred tax liabilities	257	257	5	-
	<b>104,326</b>	<b>81,975</b>	<b>5</b>	<b>70,016</b>
<b>TOTAL LIABILITIES</b>	<b>396,975</b>	<b>319,529</b>	<b>83,728</b>	<b>75,947</b>
<b>Net assets</b>	<b>140,438</b>	<b>141,147</b>	<b>132,514</b>	<b>141,134</b>
<b>EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY</b>				
Share capital	137,286	137,286	137,286	137,286
Treasury shares	(8)	(15)	(8)	(15)
Other reserves	(5,972)	(3,257)	(1,026)	(23)
Revenue reserves	8,345	6,113	(3,738)	3,886
	<b>139,651</b>	<b>140,127</b>	<b>132,514</b>	<b>141,134</b>
Non-controlling interests	787	1,020	-	-
<b>Total equity</b>	<b>140,438</b>	<b>141,147</b>	<b>132,514</b>	<b>141,134</b>
<b>Net asset value per ordinary share (cents)</b>	<b>13.49</b>	<b>13.54</b>	<b>12.80</b>	<b>13.63</b>

### 2a. - Review of Financial Position

The equity attributable to owners of the Company was \$139.7 million as at 30 September 2019 as compared to \$140.1 million as at 31 December 2018. The decrease was mainly attributable to the decrease in the total reserves. The decrease in other reserves was mainly due to acquisition of a subsidiary.

The Group's total assets of \$537.4 million as at 30 September 2019 was \$76.7 million higher than that as at 31 December 2018 mainly due to the increase in property, plant and equipment arising from the acquisition of a subsidiary, the recognition of right-of-use assets arising from the adoption of SFRS(I) 16 Leases, increase in trade and other receivables, inventories, derivative financial instruments and investment in joint venture, partially offset by the decrease in cash and bank balances, prepayments, amount due from a joint venture and investment securities. The increase in trade and other receivables was mainly due to the increase in pledge book for the Group's pawnbroking business and the provision of secured loans.

The Group's total liabilities of \$397.0 million as at 30 September 2019 was \$77.4 million higher than that as at 31 December 2018. This was mainly due to the increase in interest-bearing loans, amount due to immediate holding company (loan), recognition of lease liabilities arising from the adoption of SFRS(I) 16 Leases, dividends payables and term notes.

**3. CONSOLIDATED STATEMENT OF CASH FLOWS**

	Group			
	3Q 2019 \$'000	3Q 2018 \$'000	9M 2019 \$'000	9M 2018 \$'000
<b>OPERATING ACTIVITIES</b>				
Profit before tax	6,475	2,790	13,321	9,485
Adjustments for:				
Write back for doubtful receivables, net	-	-	-	(26)
Depreciation of property, plant and equipment	612	547	1,719	1,558
Employee Share Award Scheme expenses	120	169	120	169
Interest expense	3,342	2,833	9,448	7,947
Interest income from investment securities	(105)	(809)	(749)	(2,334)
Amortisation of prepaid commitment fee	106	71	247	221
Amortisation of premium on term notes	(15)	(14)	(43)	(41)
Financial losses on pledged items not fully covered by insurance	-	8	21	13
Loss on disposal of property, plant and equipment	3	12	201	129
Gain on purchase of term notes	-	-	(16)	-
Loss on disposal of investment securities	-	502	249	509
Net fair value gain on derivatives	(875)	-	(1,153)	-
Amortisation of prepaid rent	1	2	3	2
Depreciation of right-of-use assets	-	-	6,081	-
Unrealised foreign exchange differences	2,286	1,342	1,568	3,350
Realised foreign exchange differences	915	-	-	-
Share of results of joint venture	1	(146)	2	136
<b>Operating profit before changes in working capital</b>	<b>12,866</b>	<b>7,307</b>	<b>31,019</b>	<b>21,118</b>
(Increase)/decrease in:				
Inventories	367	1,908	(16,294)	(1,069)
Trade and other receivables	(7,994)	(11,897)	(24,927)	(22,885)
Prepayments	(562)	118	21	950
Due from a related company (non-trade)	(526)	(27)	(525)	(28)
Due from a joint venture (non-trade)	-	1	-	-
Increase/(decrease) in:				
Trade and other payables	(2,990)	1,804	(492)	1,947
<b>Cash flows generated from/(used in) operations</b>	<b>1,161</b>	<b>(786)</b>	<b>(11,198)</b>	<b>33</b>
Interest paid	(3,114)	(2,833)	(8,842)	(7,947)
Interest received	105	13	749	47
Income taxes paid	(628)	(642)	(1,593)	(1,487)
<b>Net cash flows used in operating activities</b>	<b>(2,476)</b>	<b>(4,248)</b>	<b>(20,884)</b>	<b>(9,354)</b>
<b>INVESTING ACTIVITIES</b>				
Purchase of property, plant and equipment	(256)	(252)	(1,562)	(8,134)
Interest received	-	750	995	2,241
Investment in a subsidiary	(5,419)	-	(5,419)	(1,610)
Purchase of investment securities	-	(500)	-	(42,830)
Due from a immediate holding company (non-trade)	(58)	-	(58)	-
Investment in joint venture	-	-	(6,500)	-
Proceeds from disposal of plant and equipment	-	-	11	14
Due from a related company (non-trade)	-	-	-	2,618
Due from immediate holding company (non-trade)	(58)	-	-	-
Due from a joint venture (non-trade)	(525)	(925)	3,175	(4,115)
Proceeds from disposal of investment securities	-	19,919	22,066	30,900
<b>Net cash flows (used in)/generated from investing activities</b>	<b>(6,316)</b>	<b>18,992</b>	<b>12,708</b>	<b>(20,916)</b>
<b>FINANCING ACTIVITIES</b>				
Repayment of term notes	(14,000)	-	(17,000)	-
Proceeds from/(Repayment of) short-term bank borrowings, net	1,652	(3,975)	5,515	16,851
Proceeds from term loans	-	-	-	5,678
Repayment of term loans	(212)	(132)	(470)	(339)
Repayment of lease liabilities	(2,410)	-	(6,363)	-
Purchase of treasury shares	(116)	(42)	(116)	(42)
Repayment of advances from immediate holding company (non-trade), net	(23)	-	(23)	-
Proceeds from issuance of term notes	23,500	-	23,500	-
Proceeds from issuance of ordinary shares by subsidiaries to non-controlling interests	1	-	1	-
Repayment of advances from related companies (non-trade), net	(193)	-	51	(214)
Proceeds from rights issue, net	-	-	-	13,802
Dividends paid on ordinary shares	(518)	(4,972)	(7,029)	(4,972)
<b>Net cash flows generated from/(used in) financing activities</b>	<b>7,681</b>	<b>(9,121)</b>	<b>(1,934)</b>	<b>30,764</b>
Net (decrease)/increase in cash and cash equivalents	(1,053)	5,623	(10,110)	494
Effect of exchange rate changes on cash and cash equivalents	(5)	(44)	(31)	(103)
Cash and cash equivalents at the beginning of the financial period	12,762	12,506	21,845	17,694
<b>Cash and cash equivalents at the end of the financial period</b>	<b>11,704</b>	<b>18,085</b>	<b>11,704</b>	<b>18,085</b>

### 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 2019 \$'000	9M 2018 \$'000
Cash at banks and on hand	11,704	18,085
<b>Cash and cash equivalents</b>	<b>11,704</b>	<b>18,085</b>

#### 3a. - Cashflow Analysis

##### 3Q 2019

Net cash used in operating activities for 3Q 2019 was \$2.5 million. This was due to the increase in trade and other receivables, prepayments, amount due from a related company (non-trade), amount due from a joint venture (non-trade), interest paid and income taxes paid and a decrease in trade and other payables, but partially offset by higher operating profit, decrease in inventories and interest received.

Net cash used in investing activities was \$6.3 million in 3Q 2019. The net cash used in investing activities in 3Q 2019 was mainly due to the purchase of property, plant and equipment, investment in a subsidiary, amount due from a immediate holding company (non-trade) and amount due from a joint venture (non-trade).

Net cash generated from financing activities was \$7.7 million in 3Q 2019. The net cash generated from financing activities was mainly due to proceeds from short-term bank borrowings, proceeds from issuance of term notes, partially offset by repayment of term notes and repayment of lease liabilities.

##### 9M 2019

Net cash used in operating activities for 9M 2019 was \$20.9 million. This was due to the increase in inventories, trade and other receivables, amount due from a related company (trade), interest paid and income taxes paid and a decrease in trade and other payables, but partially offset by higher operating profit, decrease in prepayments and interest received.

Net cash generated from investing activities was \$12.7 million in 9M 2019. The net cash generated from investing activities in 9M 2019 was mainly due to amount due from a joint venture (non-trade), proceeds from disposal of investment securities and interest received, partially offset by purchase of property, plant and equipment, investment in a subsidiary and investment in joint venture.

Net cash used in financing activities was \$1.9 million in 9M 2019. The net cash used in financing activities was mainly due to dividend payment, repayment of lease liabilities, repayment of term notes and repayment of term loans, partially offset by repayment of advances from related companies (non-trade), proceeds from short-term bank borrowings and proceeds from issuance of term notes.

As a result of the above, cash and cash equivalents was \$11.7 million as at 30 September 2019.

#### 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		
<b>Group</b>						
<b>Balance as at 1 January 2019</b>	<b>137,286</b>	<b>(15)</b>	<b>(3,257)</b>	<b>6,113</b>	<b>1,020</b>	<b>141,147</b>
Total comprehensive income for the period	-	-	-	11,239	66	11,305
Purchase of treasury shares	-	(116)	-	-	-	(116)
Treasury shares reissued pursuant to Maxi-Cash Performance Share Plan	-	123	(3)	-	-	120
Dividends on ordinary shares - Cash	-	-	-	(8,799)	(300)	(9,099)
Foreign Currency Translation	-	-	24	-	-	24
Net fair value changes on debt and equity instruments at fair value through other comprehensive income ("FVOCI")	-	-	969	-	-	969
Capital reserve from acquisition of a subsidiary	-	-	(3,913)	-	-	(3,913)
Capital contribution from non-controlling interests	-	-	-	-	1	1
Transfer of fair value reserves of equity instruments at FVOCI upon disposal	-	-	208	(208)	-	-
<b>Balance as at 30 September 2019</b>	<b>137,286</b>	<b>(8)</b>	<b>(5,972)</b>	<b>8,345</b>	<b>787</b>	<b>140,438</b>
<b>Balance as at 1 January 2018</b>	<b>118,367</b>	<b>(165)</b>	<b>305</b>	<b>9,918</b>	<b>917</b>	<b>129,342</b>
Total comprehensive income for the period	-	-	-	8,045	82	8,127
Dividends on ordinary shares-Cash	-	-	-	(4,972)	-	(4,972)
Dividends on ordinary shares-Scrip	-	-	-	(5,117)	-	(5,117)
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)
Share issuance expenses	(138)	-	-	-	-	(138)
<b>Balance as at 30 September 2018</b>	<b>137,286</b>	<b>(15)</b>	<b>(3,319)</b>	<b>7,874</b>	<b>999</b>	<b>142,825</b>
<b>Company</b>						
<b>Balance as at 1 January 2019</b>	<b>137,286</b>	<b>(15)</b>	<b>(23)</b>	<b>3,886</b>	<b>-</b>	<b>141,134</b>
Total comprehensive income for the period	-	-	-	1,175	-	1,175
Reserve attributable to amalgamation	-	-	(1,000)	-	-	(1,000)
Purchase of treasury shares	-	(116)	-	-	-	(116)
Treasury shares reissued pursuant to Maxi-Cash Performance Share Plan	-	123	(3)	-	-	120
Dividends on ordinary shares-Cash	-	-	-	(8,799)	-	(8,799)
<b>Balance as at 30 September 2019</b>	<b>137,286</b>	<b>(8)</b>	<b>(1,026)</b>	<b>(3,738)</b>	<b>-</b>	<b>132,514</b>
<b>Balance as at 1 January 2018</b>	<b>118,367</b>	<b>(165)</b>	<b>-</b>	<b>2,198</b>	<b>-</b>	<b>120,400</b>
Total comprehensive income for the period	-	-	-	4,899	-	4,899
Dividends on ordinary shares-Cash	-	-	-	(4,972)	-	(4,972)
Dividends on ordinary shares-Scrip	-	-	-	(5,117)	-	(5,117)
Ordinary shares issued under scrip dividend scheme	5,117	-	-	-	-	5,117
Ordinary shares issued under rights issue	13,940	-	-	-	-	13,940
Treasury shares reissued pursuant to Maxi-Cash Performance Share Plan	-	192	(23)	-	-	169
Purchase of treasury shares	-	(42)	-	-	-	(42)
Share issuance expenses	(138)	-	-	-	-	(138)
<b>Balance as at 30 September 2018</b>	<b>137,286</b>	<b>(15)</b>	<b>(23)</b>	<b>(2,992)</b>	<b>-</b>	<b>134,256</b>

#### 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 2018, 31 March 2019 and 30 June 2019	1,035,156	137,271
Share buyback (Note 1)	(911)	(116)
Treasury Shares reissued pursuant to Maxi-Cash Performance Share Plan (Note 2)	941	123
Balance as at 30 September 2019	1,035,186	137,278

Note 1 - On 22 August 2019, 23 August 2019 and 26 August 2019, the Company purchased an aggregate of 911,000 shares, which are held as treasury shares.  
Note 2 - On 30 August 2019, the Company transferred 941,178 treasury shares to eligible employees under the Maxi-Cash Performance Share Plan.

The Company has no outstanding convertibles or subsidiary holdings as at 30 September 2019 and 30 September 2018.

#### 6. CHANGES IN TREASURY SHARES

	As at 30 September 2019 ( <sup>'000</sup> )	As at 30 September 2018 ( <sup>'000</sup> )
Total number of treasury shares	66	96
Total number of ordinary shares (excluding treasury shares)	1,035,186	1,035,156
% of treasury shares over total number of ordinary shares	0.01%	0.01%

On 30 August 2019, 941,178 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-19		As at 31-Dec-18	
Secured \$'000	Unsecured \$'000	Secured \$'000	Unsecured \$'000
233,211	25,500	222,668	-

### Amount repayable after one year

As at 30-Sep-19		As at 31-Dec-18	
Secured \$'000	Unsecured \$'000	Secured \$'000	Unsecured \$'000
27,942	50,000	12,644	69,000

### Details of collateral

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

- corporate guarantees by the Company and Aspiat Corporation Limited; 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

Except as disclosed in paragraph 11 below, the Group has applied the same accounting policies and methods of computation for the current financial period ended 30 September 2019 as those of the audited financial statements for the financial year ended 31 December 2018, 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 SFRS(I) which became effective for financial years beginning on or after 1 January 2019.

## 11. CHANGES IN THE ACCOUNTING POLICIES

The Group has adopted the SFRS(I) 16 Leases with effect from 1 January 2019. The Group has applied the simplified transition approach and will not restate comparative amounts for the year prior to first adoption and has not restated comparatives for the 2018 reporting period as permitted under the specific transition provisions in the standard.

## 12. EARNINGS PER SHARE

	Group			
	3Q 2019	3Q 2018	9M 2019	9M 2018
i) Basic earnings per share (cents)	0.54	0.27	1.09	0.80
ii) Diluted earnings per share (cents)	0.54	0.27	1.09	0.80
- Weighted average number of shares ('000)	1,035,009	1,029,749	1,035,139	1,004,991

## 13. NET ASSET VALUE PER SHARE

	Group		Company	
	30-Sep-19	31-Dec-18	30-Sep-19	31-Dec-18
Net asset value per ordinary share (cents)	13.49	13.54	12.80	13.63
Number of ordinary shares in issue ('000)	1,035,186	1,035,156	1,035,186	1,035,156

## 14. VARIANCE FROM FORECAST STATEMENT

No forecast for the financial period ended 30 September 2019 was previously provided.

## 15. REVIEW OF CORPORATE PERFORMANCE

The Group's revenue decreased by 2.9% to \$157.1 million in 9M 2019 and was \$4.7 million lower than 9M 2018. The decrease in revenue was primarily attributed to lower sales from the retail and trading of jewellery and branded merchandise business.

Revenue contribution from the pawnbroking business increased by about 4.1% in 9M 2019 as compared to 9M 2018. 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 5.5% decrease in revenue in 9M 2019 as compared to 9M 2018. The secured lending business reported a 7.0% increase in revenue in 9M 2019 as compared to 9M 2018.

The increase in depreciation and amortisation costs in 9M 2019 and 3Q 2019 as compared to 9M 2018 and 3Q 2018 were mainly due to the recognition of right-of-use assets following the adoption of SFRS(I) 16 Leases. The increase in finance costs in 9M 2019 and 3Q 2019 as compared to 9M 2018 and 3Q 2018 was mainly due to higher interest rate charged on interest-bearing loans. The decrease in operating expenses in 9M 2019 and 3Q 2019 as compared to 9M 2018 and 3Q 2018 was mainly due to lower foreign exchange loss.

As a result of higher gross profit and decrease in other operating expenses such as foreign exchange loss, the pre-tax profit of the Group increased to \$13.3 million in 9M 2019 as compared to \$9.5 million in 9M 2018.



## 16. BUSINESS OUTLOOK

The global trade tension and economic uncertainties continue to impact consumer sentiments which affect our retail and pawnbroking businesses. Our operating environment continues to face challenges from keen competition, rising costs and volatile gold prices and exchange rates.

We will continue to leverage on our network, brand recognition and operating systems to mitigate the above challenges.

## 17. 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.

## 18. DIVIDEND

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

Yes

Name of dividend	9M 2019
Name of dividend	Interim
Dividend Type	Cash
Dividend Rate	\$0.005 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?

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	25 January 2019
Payment date	8 February 2019

## 19. 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 2019 to be false or misleading in any material aspect.

## 20. 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 2019