

UNAUDITED FINANCIAL STATEMENTS AND DIVIDEND ANNOUNCEMENT FOR THE FOURTH QUARTER AND FINANCIAL YEAR ENDED 31 DECEMBER 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 comparative statement for the corresponding period of the immediately preceding financial year.

CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

| | Group | | | | | |
|--|--|--|-------------------------|---|---|-------------------------|
| | Unaudited 4Q-2018 ⁽¹⁾ S\$'000 | Unaudited 4Q-2017 ⁽²⁾ S\$'000 | Change % | Unaudited FY2018 ⁽³⁾ S\$'000 | Audited FY2017 ⁽⁴⁾ S\$'000 | Change |
| Revenue | 39,268 | 43,248 | (9.2) | 146,507 | 156,401 | (6.3) |
| Other Items of Income | | | | | | |
| Other Gains | 304 | 978 | (68.9) | 1,036 | 1,574 | (34.2) |
| Other Items of Expense | | | | | | |
| Material Costs | (27,462) | (31,180) | (11.9) | (99,614) | (111,853) | (10.9) |
| Employee Benefits Expense | (4,419) | (4,326) | 2.1 | (16,101) | (14,477) | 11.2 |
| Depreciation and Amortisation Expenses | (610) | (729) | (16.3) | (2,602) | (2,430) | 7.1 |
| Finance Costs | (1,662) | (1,432) | 16.1 | (6,341) | (5,253) | 20.7 |
| Other Losses | (142) | - | NM ⁽⁵⁾ | (224) | (90) | NM ⁽⁵⁾ |
| Other Expenses | (4,455) | (3,792) | 17.5 | (15,728) | (14,836) | 6.0 |
| Profit Before Tax | 822 | 2,767 | (70.3) | 6,933 | 9,036 | (23.3) |
| Income Tax Expense | (162) | (464) | (65.1) | (1,443) | (1,748) | (17.4) |
| Profit Net of Tax | 660 | 2,303 | (71.3) | 5,490 | 7,288 | (24.7) |
| Other Comprehensive (Loss)/Income Items that may be reclassified subsequently to profit or loss: | | | | | | |
| Exchange differences on translating foreign operations, net of tax | - | 33 | (100.0) | 18 | 28 | (35.7) |
| Cash flow hedges, net of tax | (503) | - | NM ⁽⁵⁾ | (503) | - | NM ⁽⁵⁾ |
| Other comprehensive (loss)/ income for the year, net of tax | (503) | 33 | NM⁽⁵⁾ | (485) | 28 | NM⁽⁵⁾ |
| Total Comprehensive Income | 157 | 2,336 | (93.3) | 5,005 | 7,316 | (31.6) |
| Attributable to: | | | | | | |
| Owners of the Company | 143 | 2,249 | (93.6) | 4,980 | 6,830 | (27.1) |
| Non-controlling Interests | 517 | 54 | NM ⁽⁵⁾ | 510 | 458 | 11.4 |
| Profit Net of Tax | 660 | 2,303 | (71.3) | 5,490 | 7,288 | (24.7) |
| Attributable to: | | | | | | |
| Owners of the Company | (360) | 2,282 | NM ⁽⁵⁾ | 4,495 | 6,858 | (34.5) |
| Non-controlling Interests | 517 | 54 | NM ⁽⁵⁾ | 510 | 458 | 11.4 |
| Total Comprehensive Income | 157 | 2,336 | (93.3) | 5,005 | 7,316 | (31.6) |

Notes:-

- (1) "4Q-2018" refers to the fourth quarter ended 31 December 2018.
- (2) "4Q-2017" refers to the fourth quarter ended 31 December 2017.
- (3) "FY2018" refers to the financial year ended 31 December 2018.
- (4) "FY2017" refers to the financial year ended 31 December 2017.
- (5) NM: Not meaningful.

1(a)(ii) Notes to consolidated statements of profit or loss and other comprehensive income

The Group's profit after tax was arrived at after charging / (crediting) the following:

| | Group | | | | | |
|--|---------------------------------|---------------------------------|-------------|--------------------------------|------------------------------|-------------|
| | Unaudited 4Q-2018 S\$'000 | Unaudited 4Q-2017 S\$'000 | Change % | Unaudited FY2018 S\$'000 | Audited FY2017 S\$'000 | Change % |
| Rental Income | (129) | (128) | 0.8 | (516) | (532) | (3.0) |
| Government Grants | (55) | (17) | NM | (300) | (189) | 58.7 |
| Depreciation of Plant and Equipment | 546 | 690 | (20.9) | 2,411 | 2,288 | 5.4 |
| Amortisation expenses | 65 | 39 | 66.7 | 191 | 142 | 34.5 |
| Foreign Exchange Loss/(Gain) | 46 | (238) | NM | 67 | (183) | NM |
| Inventory write down | - | - | NM | - | 18 | (100.0) |
| Collateral loss | 3 | 2 | 50.0 | 5 | 6 | (16.7) |
| Over adjustment to tax in respect of prior years | (227) | (176) | 29.0 | (235) | (25) | NM |
| Loss /(Gain) on Disposal of Plant and Equipment | 72 | (1) | NM | 147 | 66 | NM |
| Fair Value Gain | - | (279) | (100.0) | - | (279) | (100.0) |

Notes:

NM: 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 | |
|--|---|---|---|---|
| | Unaudited 31 December 2018 S\$'000 | Audited 31 December 2017 S\$'000 | Unaudited 31 December 2018 S\$'000 | Audited 31 December 2017 S\$'000 |
| ASSETS | | | | |
| <u>Non-Current Assets</u> | | | | |
| Plant and Equipment | 4,467 | 5,032 | - | - |
| Intangible Assets | 4,464 | 3,010 | - | - |
| Investment in Subsidiaries | - | - | 57,930 | 51,405 |
| Other Financial Assets | 5,471 | 5,471 | 5,471 | 5,471 |
| Trade and Other Receivables, Non-Current | 48 | - | - | - |
| Deferred Tax Assets | 163 | 62 | - | - |
| Total Non-Current Assets | 14,613 | 13,575 | 63,401 | 56,876 |
| <u>Current Assets</u> | | | | |
| Inventories | 34,808 | 30,003 | - | - |
| Trade and Other Receivables, Current | 205,588 | 192,949 | 20,877 | 20,003 |
| Other Assets | 4,355 | 4,086 | 66 | 72 |
| Cash and Cash Equivalents | 11,153 | 11,850 | 48 | 159 |
| Total Current Assets | 255,904 | 238,888 | 20,991 | 20,234 |
| Total Assets | 270,517 | 252,463 | 84,392 | 77,110 |
| EQUITY AND LIABILITIES | | | | |
| <u>Equity Attributable to Owners of the Company</u> | | | | |
| Share Capital | 56,144 | 56,144 | 56,144 | 56,144 |
| Retained Earnings | 16,364 | 13,153 | 4,183 | 5,020 |
| Reserves | (446) | 39 | - | - |
| | 72,062 | 69,336 | 60,327 | 61,164 |
| Non-controlling Interests | 3,609 | 2,668 | - | - |
| Total Equity | 75,671 | 72,004 | 60,327 | 61,164 |
| <u>Non-Current Liabilities</u> | | | | |
| Other Financial Liabilities, Non-Current | 800 | 2,924 | - | - |
| Deferred Tax Liabilities | 30 | 167 | - | - |
| Total Non-Current Liabilities | 830 | 3,091 | - | - |
| <u>Current Liabilities</u> | | | | |
| Income Tax Payable | 1,506 | 1,470 | 52 | 19 |
| Trade and Other Payables | 21,868 | 13,837 | 21,013 | 12,927 |
| Other Financial Liabilities, Current | 168,419 | 160,914 | 3,000 | 3,000 |
| Derivative Financial Instruments | 606 | - | - | - |
| Other Liabilities | 1,617 | 1,147 | - | - |
| Total Current Liabilities | 194,016 | 177,368 | 24,065 | 15,946 |
| Total Liabilities | 194,846 | 180,459 | 24,065 | 15,946 |
| Total Equity and Liabilities | 270,517 | 252,463 | 84,392 | 77,110 |

1(b)(ii) Aggregate amount of group's borrowings and debt securities

Amount repayable by the Group in one year or less, or on demand

| As at 31 December 2018 | | As at 31 December 2017 | |
|------------------------|----------------------|------------------------|----------------------|
| Secured S\$'000 | Unsecured S\$'000 | Secured S\$'000 | Unsecured S\$'000 |
| 168,419 | - | 160,914 | - |

Amount repayable by the Group after one year

| As at 31 December 2018 | | As at 31 December 2017 | |
|------------------------|----------------------|------------------------|----------------------|
| Secured S\$'000 | Unsecured S\$'000 | Secured S\$'000 | Unsecured S\$'000 |
| 800 | - | 2,924 | - |

Details of collaterals

The Group's borrowings and debt securities are secured by the following:

- i) Deeds of debentures, a charge on all sums in the current account of certain subsidiaries and a fixed and floating charge over all present and future assets of certain subsidiaries;
- ii) Corporate guarantee by MoneyMax Financial Services Ltd. and certain subsidiaries;
- iii) Deeds of assignment of all rights, interests and benefits from insurance policies for pledged articles;
- iv) All monies charged on the facility agreement of a subsidiary;
- v) Subordination of advances from a subsidiary and a director of certain subsidiaries; and
- vi) Personal guarantee by a director of certain subsidiaries.

- 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.

CONSOLIDATED STATEMENT OF CASH FLOWS

| | Unaudited 4Q-2018 S\$'000 | Unaudited 4Q-2017 S\$'000 | Unaudited FY2018 S\$'000 | Audited FY2017 S\$'000 |
|---|---------------------------------|---------------------------------|--------------------------------|------------------------------|
| <u>Cash Flows From Operating Activities</u> | | | | |
| Profit Before Tax | 822 | 2,767 | 6,933 | 9,036 |
| Adjustments for: | | | | |
| Finance Costs | 1,662 | 1,432 | 6,341 | 5,253 |
| Fair Value Gain | - | (279) | - | (279) |
| Depreciation of Plant and Equipment | 546 | 690 | 2,411 | 2,288 |
| Amortisation of Intangible Assets | 65 | 39 | 191 | 142 |
| Loss/(Gain) on Disposal of Plant and Equipment | 72 | (1) | 147 | 66 |
| Provisions | 1 | - | 1 | - |
| Inventories Written Off | - | - | - | 18 |
| Foreign Currency Translation | (182) | 65 | 77 | (21) |
| Operating Cash Flows before Changes in Working Capital | 2,986 | 4,713 | 16,101 | 16,503 |
| Inventories | (1,484) | 1,538 | (4,805) | (6,982) |
| Trade and Other Receivables | 4,869 | 10,035 | (10,056) | (494) |
| Other Assets | (703) | (46) | (91) | 44 |
| Trade and Other Payables | 1,228 | (8,818) | 6,581 | (6,208) |
| Other Liabilities | 239 | (53) | 409 | 22 |
| Net Cash Flows From Operations | 7,135 | 7,369 | 8,139 | 2,885 |
| Income Taxes Paid | 54 | (175) | (1,525) | (1,738) |
| Net Cash Flows From Operating Activities | 7,189 | 7,194 | 6,614 | 1,147 |
| <u>Cash Flows From Investing Activities</u> | | | | |
| Purchase of Plant and Equipment | (374) | (314) | (1,592) | (3,210) |
| Purchase of Other Financial Assets | - | - | - | (5,192) |
| Purchase of Intangible Assets | - | - | (360) | - |
| Proceeds from Disposal of Plant and Equipment | - | 2 | - | 2 |
| Acquisition of Subsidiaries (Net of Cash Acquired) | - | (119) | (2,881) | (471) |
| Net Cash Flows Used in Investing Activities | (374) | (431) | (4,833) | (8,871) |
| <u>Cash Flows From Financing Activities</u> | | | | |
| Issue of Shares to Non-Controlling Interest | - | 133 | 257 | 153 |
| Increase in New Borrowings | 1,947 | 1,364 | 14,378 | 17,938 |
| Decrease in Other Financial Liabilities | (1,392) | (1,140) | (7,599) | (3,630) |
| Finance Lease Repayments | (3) | (3) | (10) | (12) |
| Interest Paid | (1,662) | (1,432) | (6,341) | (5,253) |
| Dividends Paid | - | - | (1,769) | (1,769) |
| Net Cash Flows (Used in)/From Financing Activities | (1,110) | (1,078) | (1,084) | 7,427 |
| <u>Net Increase/(Decrease) in Cash and Cash Equivalents</u> | 5,705 | 5,685 | 697 | (297) |
| Cash and Cash Equivalents, Statement of Cash Flows, Beginning Balance | (481) | (1,149) | 4,526 | 4,834 |
| Effects of Exchange Rate Changes on Cash and Cash Equivalents | (1) | (10) | - | (11) |
| Cash and Cash Equivalents, Statement of Cash Flows, Ending Balance | 5,223 | 4,526 | 5,223 | 4,526 |

Cash and cash equivalents

Cash and cash equivalents included in the Group's consolidated cash flow statements comprise the following amounts:

| | As at 31 December 2018 S\$'000 | As at 31 December 2017 S\$'000 |
|--|---|---|
| Cash at bank and in hand | 11,153 | 11,850 |
| Bank overdrafts | (5,930) | (7,324) |
| Cash and cash equivalents for statements of cash flows purposes | 5,223 | 4,526 |

Acquisition of subsidiaries, net of cash acquired

Acquisition of subsidiaries, net of cash acquired, included in the Group's consolidated cash flow statements comprises the following amounts:

| | As at 31 December 2018 S\$'000 | As at 31 December 2017 S\$'000 |
|--|---|---|
| Total purchase consideration fully paid in cash | 3,705 | 531 |
| Less: Cash and cash equivalents | (824) | (60) |
| Acquisition of subsidiaries, net of cash acquired | 2,881 | 471 |

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 of the immediately preceding financial year.

STATEMENTS OF CHANGES IN EQUITY

| Group | Attributable to Owners of the Company | | | | Non- | Total Equity S\$'000 |
|--|--|--|-----------------------------|------------------------------|--|-------------------------------------|
| | Share Capital S\$'000 | Retained Earnings S\$'000 | Reserves S\$'000 | Sub-total S\$'000 | controlling Interests S\$'000 | |
| | | | | | | |
| Current Year: | | | | | | |
| Opening balance at 1 January 2018 | 56,144 | 13,153 | 39 | 69,336 | 2,668 | 72,004 |
| Movements in equity: | | | | | | |
| Total comprehensive income for the year | - | 4,980 | (485) | 4,495 | 510 | 5,005 |
| Dividends paid | - | (1,769) | - | (1,769) | - | (1,769) |
| Issue of share capital | - | - | - | - | 903 | 903 |
| Acquisition of interest in subsidiaries | - | - | - | - | (472) | (472) |
| Closing balance at 31 December 2018 | 56,144 | 16,364 | (446) | 72,062 | 3,609 | 75,671 |
| Previous Year: | | | | | | |
| Opening balance at 1 January 2017 | 56,144 | 8,092 | 11 | 64,247 | 2,375 | 66,622 |
| Movements in equity: | | | | | | |
| Total comprehensive income for the year | - | 6,830 | 28 | 6,858 | 458 | 7,316 |
| Dividends paid | - | (1,769) | - | (1,769) | - | (1,769) |
| Issue of share capital | - | - | - | - | 153 | 153 |
| Acquisition of interest in subsidiaries | - | - | - | - | (318) | (318) |
| Closing balance at 31 December 2017 | 56,144 | 13,153 | 39 | 69,336 | 2,668 | 72,004 |

| Company | Share Capital S\$'000 | Retained Earnings S\$'000 | Total Equity S\$'000 |
|--|--------------------------------------|--|-------------------------------------|
| Current Year: | | | |
| Opening balance at 1 January 2018 | 56,144 | 5,020 | 61,164 |
| Movements in equity: | | | |
| Total comprehensive income for the year | - | 932 | 932 |
| Dividends paid | - | (1,769) | (1,769) |
| Closing Balance at 31 December 2018 | 56,144 | 4,183 | 60,327 |
| Previous Year: | | | |
| Opening balance at 1 January 2017 | 56,144 | 3,534 | 59,678 |
| Movements in equity: | | | |
| Total comprehensive income for the year | - | 3,255 | 3,255 |
| Dividends paid | - | (1,769) | (1,769) |
| Closing Balance at 31 December 2017 | 56,144 | 5,020 | 61,164 |

- 1(d)(ii) Details of any changes in the company's share capital arising from rights issue, bonus issue, share buy-backs, exercise 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 the number of shares that may be issued on conversion of all the outstanding convertibles, if any, against the total number of issued shares excluding treasury shares and subsidiary holdings 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. State also the number of shares held as treasury shares and the number of subsidiary holdings, if any, and the percentage of the aggregate number of treasury shares and subsidiary holdings held against the total number of shares outstanding in a class that is listed as at the end of the current financial period reported on and as at the corresponding period of the immediately preceding financial year.**

| | | Company |
|--|--------------------------|---------------------------------------|
| Issued and fully paid-up share capital | Number of shares '000 | Issued and paid-up capital S\$'000 |
| Balance as at 31 December 2018 and 30 September 2018 | 353,800 | 56,144 |

During 4Q-2018, there was no change in the Company's issued and paid-up share capital. There were no outstanding convertibles or treasury shares held by the Company or subsidiary holdings as at 31 December 2018 and 31 December 2017.

- 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.**

| | As at 31 December 2018 '000 | As at 31 December 2017 '000 |
|---|-----------------------------------|-----------------------------------|
| Total number of issued shares (excluding treasury shares) | 353,800 | 353,800 |

- 1(d)(iv) A statement showing all sales, transfers, cancellation and/or use of treasury share as at the end of the current financial period reported on.**

Not applicable. The Company did not have any treasury shares during and as at the end of the current financial period reported on.

- 1(d)(v) A statement showing all sales, transfers, cancellation and/or use of subsidiary holdings as at the end of the current financial period reported on.**

Not applicable. The Company did not have any subsidiary holdings during and as at the end of the current financial period reported on.

- 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 auditors of the Company.

- 3. Where the figures have been audited or reviewed, the auditors' report (including any qualifications or emphasis of 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.**

Other than the adoption of Singapore Financial Reporting Standards (International) ("SFRS(I)") as mentioned in paragraph 5 below, there were no changes in the accounting policies and methods of computation adopted in the financial statements of the Group for the current reporting period as compared to the most recently audited financial statements for the reporting year ended 31 December 2017.

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.**

On 1 January 2018, the Group adopted SFRS(I), the equivalent to the International Financial Reporting Standards, as required by the listing requirements of the Singapore Exchange. Accordingly the financial statements have been prepared based on this new reporting framework. The adoption of SFRS(I) did not result in any substantial change to the Group's accounting policies as the accounting policies adopted by the Group under the previous accounting framework are consistent with SFRS(I).

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.**

EARNINGS PER SHARE ("EPS")

| | Group | | | |
|--|---------|---------|--------|--------|
| | 4Q-2018 | 4Q-2017 | FY2018 | FY2017 |
| Profit net of tax attributable to owners of the Company (S\$'000) | 143 | 2,249 | 4,980 | 6,830 |
| Basic and diluted EPS based on the weighted average number of shares (cents) | 0.04 | 0.64 | 1.41 | 1.93 |

EPS of the Group for FY2018 and FY2017 have been computed based on the weighted average number of shares of 353,800,000 shares. The basic and diluted EPS are the same for FY2018 and FY2017 as the Company had no dilutive equity instruments.

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.

NET ASSET VALUE ("NAV")

| | Group | | Company | |
|-----------------------|------------------|------------------|------------------|------------------|
| | 31 December 2018 | 31 December 2017 | 31 December 2018 | 31 December 2017 |
| NAV per share (cents) | 20.37 | 19.60 | 17.05 | 17.29 |

NAV per share as at 31 December 2018 and as at 31 December 2017 have been computed based on the issued share capital of 353,800,000 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

Revenue

Revenue decreased by S\$9.9 million or 6.3% from S\$156.4 million in FY2017 to S\$146.5 million in FY2018, and decreased by S\$3.9 million or 9.2% from S\$43.2 million in 4Q-2017 to S\$39.3 million in 4Q-2018. This was due mainly to decrease in revenue in the retail and trading of pre-owned items segment, partially offset by an increase in revenue from the pawn broking segment.

Other Gains

Other gains decreased by approximately S\$0.6 million or 34.2% from S\$1.6 million in FY2017 to S\$1.0 million in FY2018, and decreased by S\$0.7 million or 68.9%, from S\$1.0 million in 4Q-2017 to S\$0.3 million in 4Q-2018 due mainly to the absence of (i) fair value gain on investment in other financial assets of S\$0.3 million and (ii) foreign exchange gains of S\$0.3 million attributable to the strengthening of the Malaysian Ringgit in FY2017.

Material Costs

Material costs decreased by S\$12.3 million or 10.9% from S\$111.9 million in FY2017 to S\$99.6 million in FY2018, and decreased by S\$3.7 million or 11.9% from S\$31.2 million in 4Q-2017 to S\$27.5 million in 4Q-2018. The decrease in material costs was generally in line with the decrease in revenue from the retail and trading of pre-owned items segment in FY2018 and 4Q-2018.

Employee Benefits Expense

Employee benefits expense increased by S\$1.6 million or 11.2% from S\$14.5 million in FY2017 to S\$16.1 million in FY2018, and increased by S\$0.1 million or 2.1% from S\$4.3 million in 4Q-2017 to S\$4.4 million in 4Q-2018. The increase in employee benefits expense was mainly due to the annual salary increments and increased headcount arising from the expansion of operations in Singapore and Malaysia.

Depreciation and Amortisation Expenses

Depreciation and amortisation expenses increased by S\$0.2 million or 7.1% from S\$2.4 million in FY2017 to S\$2.6 million in FY2018 due mainly to the increase in plant and equipment in line with the expansion of our network of outlets.

Depreciation and amortisation expenses decreased by S\$0.1 million or 16.3% from S\$0.7 million in 4Q-2017 to S\$0.6 million in 4Q-2018, due mainly to assets being fully depreciated during the quarter.

Finance Costs

Finance costs increased by S\$1.0 million or 20.7% from S\$5.3 million in FY2017 to S\$6.3 million in FY2018, and increased by S\$0.3 million or 16.1% from S\$1.4 million in 4Q-2017 to S\$1.7 million in 4Q-2018. The increase was due to a general growth in interest rates alongside the increase in bank facilities utilised for funding of the Group's operational cash requirements as well as expansion of operations in Malaysia.

Other Losses

Other losses increased by approximately S\$0.1 million from S\$0.1 million in FY2017 to S\$0.2 million in FY2018, and increased by S\$0.1 million in 4Q-2018 due mainly to an increase in loss on disposal of plant and equipment.

Other Expenses

Other expenses increased by S\$0.9 million or 6.0% from S\$14.8 million in FY2017 to S\$15.7 million in FY2018, and increased by S\$0.7 million or 17.5% from S\$3.8 million in 4Q-2017 to S\$4.5 million in 4Q-2018. This is due mainly to an increase in rental expenses for outlet premises, professional fees, and licensing fees for new outlets in Singapore and Malaysia.

Profit Before Tax

As a result of the above, profit before tax decreased by S\$2.1 million or 23.3% from S\$9.0 million in FY2017 to S\$6.9 million in FY2018, and decreased by S\$2.0 million or 70.3% from S\$2.8 million in 4Q-2017 to S\$0.8 million in 4Q-2018.

Income Tax Expense

Income tax expense decreased by S\$0.3 million or 17.4% from S\$1.7 million in FY2017 to S\$1.4 million in FY2018, and decreased by S\$0.3 million or 65.1% from S\$0.5 million in 4Q-2017 to S\$0.2 million in 4Q-2018. The decrease is due to the decrease in taxable profits for the period and over adjustment of prior year tax expense.

REVIEW OF THE GROUP'S FINANCIAL POSITION

Non-Current Assets

Non-current assets increased by S\$1.0 million or 7.6% from S\$13.6 million as at 31 December 2017 to S\$14.6 million as at 31 December 2018. The increase was mainly attributable to (i) an increase in deferred tax assets of S\$0.1 million, (ii) an increase in intangible assets due to goodwill of S\$1.3 million arising from the investment in pawnshops in Malaysia (the "**Malaysia Investment**")¹ and S\$0.4 million arising from assignment fees relating to the transfer of the lease for an outlet premise to our Group, and (iii) an increase in fixed assets, including the fixed assets arising from the Malaysia Investment, of S\$1.8 million. The above was partially offset by the depreciation and amortisation charge for the period of S\$2.6 million.

Current Assets

Current assets increased by S\$17.0 million or 7.1% from S\$238.9 million as at 31 December 2017 to S\$255.9 million as at 31 December 2018. This was mainly due to an increase in trade and other receivables of S\$12.6 million mainly arising from an increase in pledged loans extended to customers (including the pledged loans from acquired entities during the year), an increase in inventories of S\$4.8 million mainly due to the buildup of inventory, and increase in other assets of S\$0.3 million, partially offset by a decrease in cash and cash equivalents of S\$0.7 million.

Non-Current Liabilities

Non-current liabilities decreased by S\$2.3 million or 73.1% from S\$3.1 million as at 31 December 2017 to S\$0.8 million as at 31 December 2018. This was due to reclassification of a portion of term loans from non-current liabilities to current liabilities.

Current Liabilities

Current liabilities increased by S\$16.6 million or 9.4% from S\$177.4 million as at 31 December 2017 to S\$194.0 million as at 31 December 2018. This was mainly due to an increase in other financial liabilities, current of S\$7.5 million resulting from increased drawdown of facilities and reclassification of a portion of term loans from non-current liabilities to current liabilities, an increase in other liabilities of S\$0.5 million due to provision for reinstatement of outlet premises, an increase in trade and other payables of S\$8.0 million (inclusive of an increase in advances from directors amounting to S\$6.2 million) as well as the derivative financial instrument of S\$0.6 million.

Equity Attributable to Owners of the Company

Equity attributable to owners of the Company increased by S\$2.7 million or 3.9% from S\$69.3 million as at 31 December 2017 to S\$72.1 million as at 31 December 2018. The increase was mainly due to total comprehensive income attributable to owners of the Company of S\$4.5 million for FY2018, offset by dividends paid in relation to FY2017 of \$1.8 million.

¹ As announced on 14 November 2017, the Group had entered into sale and purchase agreements to invest in 13 entities in the pawn broking business in Malaysia. On 28 March 2018, the Company announced the completion of the investments of the entities.

REVIEW OF THE GROUP'S STATEMENT OF CASH FLOWS

Net cash generated from operating activities before changes in working capital in FY2018 was S\$16.1 million. Net cash used in working capital amounted to S\$8.0 million. This was mainly due to (i) an increase in inventories of S\$4.8 million due to the buildup of inventory for the retail and trading of luxury items, (ii) an increase in trade and other receivables of S\$10.1 million, and partially offset by (iii) an increase in trade and other payables of S\$6.6 million, and (iv) an increase in other liabilities of S\$0.4 million. Net cash generated from operating activities amounted to S\$6.6 million after deducting income tax paid of S\$1.5 million.

Net cash used in investing activities amounted to S\$4.8 million, mainly due to (i) purchase of plant and equipment in relation to our business expansion in Singapore and Malaysia of S\$1.6 million, (ii) assignment fees of S\$0.4 million in relation to the transfer of the lease for an outlet premise to our Group and (iii) net cash paid for the purchase of shares in Ban Joo Pawnshop Pte. Ltd², and the Malaysia Investment of S\$2.9 million.

Net cash used in financing activities of S\$1.1 million was mainly due to dividends paid, interest paid and repayment of bank borrowings of S\$1.8 million, S\$6.3 million and S\$7.6 million respectively, partially offset by an increase in new bank borrowings of S\$14.4 million and issue of shares to non-controlling interest of S\$0.3 million³.

As a result of the above, there was a net increase of S\$0.7 million in cash and cash equivalents from a net cash balance of S\$4.5 million as at 31 December 2017 to S\$5.2 million as at 31 December 2018.

9. Where a forecast, or a prospect statement, has been previously disclosed to shareholders, any variance between it and the actual results.

Not applicable. No forecast or prospect statement has been previously disclosed to shareholders.

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 event that may affect the group in the next reporting period and the next 12 months.

Singapore's economy is projected to expand at a slower pace in 2019 due to economic uncertainties arising from global headwinds of the US China trade war, Brexit as well as China's slowing economy. Consumer sentiment is expected to remain weak. Together with rising wages as well as the impending interest rate hikes, these are expected to pose challenges to the Group's business particularly the retail and trading business segments.

The Group will continue to explore opportunities as and when they arise.

11. Dividend

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

No dividend has been declared or recommended for 4Q-2018.

² As announced on 18 June 2018, the Group had entered into a share purchase agreement in relation to the proposed acquisition of the entire issued and paid-up share capital of Ban Joo Pawnshop Pte. Ltd., which carries on a licensed pawn broking business in Singapore. The acquisition was completed on 26 July 2018.

³ As announced on 8 March 2018, the Group and Aucnet Inc. had increased their respective investments in SG e-Auction Pte Ltd by USD204,000 and USD196,000 respectively.

- (b) **Any dividend declared for the corresponding period of the immediately preceding financial year?**

| | |
|---------------------------|------------------------|
| Name of Dividend | Ordinary cash dividend |
| Dividend Type | Final |
| Dividend Amount per Share | 0.5 cent per share |
| Tax Rate | Tax exempt one-tier |

- (c) **Whether the dividend is before tax, net of tax or tax exempt. If before tax or net of tax, state the tax rate and the country where the dividend is derived. (If the dividend is not taxable in the hands of shareholders, this must be stated).**

Not applicable.

- (d) **Date payable**

Not applicable.

- (e) **Date on which Registrable Transfers received by the company (up to 5.00 p.m.) will be registered before entitlements to the dividend are determined.**

Not applicable.

12. **If no dividend has been declared/ recommended, a statement to the effect and the reason(s) for the decision.**

The Group intends to use its existing funds to finance the new and existing business. As such, no dividend has been declared or recommended for FY2018.

13. 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 Listing Manual Section B: Rules of Catalist of the Singapore Exchange Securities Trading Limited ("**Catalist Rules**"). However, pursuant to Rule 905 of the Catalist Rules, the following is disclosed:

| | Aggregate value of all Interested Person Transactions during the year under review (excluding transactions less than S\$100,000 and transactions conducted under Shareholders' Mandate pursuant to Rule 920 of the Catalist Rules) | |
|--|---|---------------------------|
| Name of Interested Person | FY2018 S\$'000 | FY2017 S\$'000 |
| Purchases of products | | |
| SK Jewellery Group Ltd. and its subsidiaries (the " SK Group of Companies ") | 53 | 394 |
| Sin Lian Pawnshop Pte. Ltd. | 107 | - |
| Sales of products | | |
| SK Group of Companies | 56 | 65 |
| Purchase of fixed assets | | |
| SK Group of Companies | 12 | 7 |
| Central support services | | |
| SK Group of Companies | 255 | 199 |
| Rental expenses | | |
| SK Group of Companies | 311 | 230 |
| SK Properties Pte Ltd | 676 | 516 |
| Soo Kee Investment Pte Ltd | 554 | 554 |
| Rental income | | |
| Sin Lian Pawnshop Pte. Ltd. | 2 | - |
| Interest payable/paid | | |
| Soo Kee Capital Pte Ltd | 41 | 40 |
| Money Farm Pte Ltd | 50 | 33 |
| Lim Yong Guan | 171 | 31 |
| Lim Yong Sheng | 79 | 22 |
| | 2,367 | 2,091 |

14. Confirmation by the issuer pursuant to Rule 720(1)

The Company confirms that it has procured undertakings from all of its directors and executive officers as required under Rule 720(1) of the Catalist Rules.

15. **Segmented revenue and results for the business or geographical segments (of the group) in the form presented in the issuer's most recently audited annual financial statements, with comparative information for the immediately preceding year.**

(a) Business Segment Information

| FY2018 | Pawn- broking S\$'000 | Retail and Trading of pre-owned Jewellery and Watches S\$'000 | Others S\$'000 | Elimination S\$'000 | Group S\$'000 |
|---|-----------------------------|--|-------------------|------------------------|------------------|
| Revenue by segment | | | | | |
| Revenue from external customers | 37,826 | 108,635 | 46 | - | 146,507 |
| Inter-segment sales | 31,659 | 4 | 12 | (31,675) | - |
| Results | | | | | |
| Segment results | 14,604 | (924) | 582 | (988) | 13,274 |
| Finance costs | (5,489) | (437) | (415) | - | (6,341) |
| Profit before tax | 9,115 | (1,361) | 167 | (988) | 6,933 |
| Income tax expenses | (1,508) | 141 | (76) | - | (1,443) |
| Profit net of tax | 7,607 | (1,220) | 91 | (988) | 5,490 |
| Segment assets | 193,889 | 48,128 | 67,145 | (38,808) | 270,354 |
| Unallocated assets | | | | | 163 |
| Total group assets | | | | | 270,517 |
| Segment liabilities | 152,076 | 44,342 | 35,716 | (38,824) | 193,310 |
| Unallocated liabilities | | | | | 1,536 |
| Total group liabilities | | | | | 194,846 |
| Purchase of plant and equipment | 304 | 1,050 | 299 | - | 1,653 |
| Depreciation and amortisation expenses | 1,330 | 1,078 | 194 | - | 2,602 |
| Loss on disposal of plant and equipment | 85 | 62 | - | - | 147 |
| Loss on collateral loan services | 5 | - | - | - | 5 |

| FY2017 | Retail and Trading of pre-owned Pawn- Jewellery and broking | | Others | Elimination | Group |
|---|---|-----------------|--------------|----------------|----------------|
| | S\$'000 | Watches S\$'000 | | | |
| Revenue by segment | | | | | |
| Revenue from external customers | 34,478 | 121,923 | - | - | 156,401 |
| Inter-segment sales | 34,228 | - | - | (34,228) | - |
| Results | | | | | |
| Segment results | 11,371 | 2,470 | 3,073 | (2,625) | 14,289 |
| Finance costs | (4,653) | (360) | (240) | - | (5,253) |
| Profit before tax | 6,718 | 2,110 | 2,833 | (2,625) | 9,036 |
| Income tax expenses | (1,474) | (245) | (29) | - | (1,748) |
| Profit net of tax | 5,244 | 1,865 | 2,804 | (2,625) | 7,288 |
| Segment assets | 229,478 | 42,373 | 32,025 | (51,475) | 252,401 |
| Unallocated assets | | | | | 62 |
| Total group assets | | | | | 252,463 |
| Segment liabilities | 159,163 | 35,950 | 35,199 | (51,490) | 178,822 |
| Unallocated liabilities | | | | | 1,637 |
| Total group liabilities | | | | | 180,459 |
| Purchase of plant and equipment | 1,023 | 2,486 | 71 | - | 3,580 |
| Depreciation and amortisation expenses | 1,550 | 734 | 146 | - | 2,430 |
| Loss on disposal of plant and equipment | 12 | 53 | 1 | - | 66 |
| Loss on collateral loan services | 6 | - | - | - | 6 |

(b) Geographical Segment Information

| | Revenue | | Non-Current Assets ⁽¹⁾ | |
|--------------|-------------------|-------------------|-----------------------------------|-----------------------------------|
| | FY2018 S\$'000 | FY2017 S\$'000 | As at 31 December 2018 S\$'000 | As at 31 December 2017 S\$'000 |
| Singapore | 136,801 | 148,959 | 9,236 | 9,331 |
| Malaysia | 9,706 | 7,442 | 5,214 | 4,182 |
| Total | 146,507 | 156,401 | 14,450 | 13,513 |

Note:

(1) Non-current assets presented in the table above exclude deferred tax assets.

16. In the review of performance, the factors leading to any material changes in contributions to turnover and earnings by operating segments.

Please refer to paragraph 8.

17. Breakdown of revenue and results

| Group | FY2018 S\$'000 | FY2017 S\$'000 | Change % |
|---|-------------------|-------------------|-------------|
| Sales reported for first half year | 71,719 | 74,411 | (3.6%) |
| Operating profit after tax before deducting non-controlling interest for first half year | 4,021 | 3,004 | 33.9% |
| Sales reported for second half year | 74,788 | 81,990 | (8.8%) |
| Operating profit after tax before deducting non-controlling interest for second half year | 1,469 | 4,284 | (65.7%) |

18. Breakdown of the total annual dividend (in dollar value) for the issuer's latest full year and its previous full year as follows:

| | Company | |
|---------------------|-------------------|-------------------|
| | FY2018 S\$'000 | FY2017 S\$'000 |
| Ordinary Preference | - | 1,769 |
| | - | - |
| Total | - | 1,769 |

19. Disclosure of person occupying managerial position who is a relative of a director or chief executive officer or substantial shareholder

| Name | Age | Family relationship with any director and/or substantial shareholder | Current position and duties, and the year the position was first held | Details of changes in duties and position held, if any, during the year |
|---------------|-----|--|--|---|
| Tan Yang Hong | 53 | Spouse of Lim Yong Guan | Chief Operating Officer of the Group with effect from 1 October 2010. Oversees the Group's operations, including dealings with financial institutions, relevant government authorities, management integrated systems, human resources, management and general administration. | N.A. |
| Lim Liang Soh | 52 | Sister of Lim Yong Guan, Lim Yong Sheng | Head of Retail Operations with effect from 1 October 2010. Manages the overall brand strategy and activities for the Group's financial services. She is also responsible for, <i>inter alia</i> , overseeing the Group's operations, day-to-day business processes, controls, talent management and recruitment. | N.A. |
| Lau Wan Lin | 33 | Niece of Lim Yong Guan, Lim Yong Sheng | Senior Marketing Manager with effect from 1 April 2016. Manages the brand strategy and activities for the Group's financial services. She is responsible for ensuring the consistency in brand perception and developing integrated brand campaigns across various media platforms. | N.A. |

N.A.: Not applicable

ON BEHALF OF THE BOARD OF DIRECTORS

Lim Yong Guan
Executive Chairman and CEO

Lim Yong Sheng
Non-Executive Director

1 March 2019

*This announcement has been prepared by MoneyMax Financial Services Ltd. (the "**Company**") and its contents have been reviewed by the Company's sponsor, United Overseas Bank Limited (the "**Sponsor**"), for compliance with the relevant rules of the Singapore Exchange Securities Trading Limited (the "**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 Chia Beng Kwan, Senior Director, Equity Capital Markets, who can be contacted at 80 Raffles Place, #03-03 UOB Plaza 1, Singapore 048624, telephone: +65 6533 9898.