



Maxi-Cash Financial Services Corporation Ltd

(Company Registration No: 200806968Z)
(Incorporated in the Republic of Singapore)

Unaudited Third Quarter and Nine Months Financial Statements For The Financial Period Ended 30 September 2015

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

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

The contact person for the Sponsor is Ms Alice Ng, Director and Head of Continuing Sponsorship, Canaccord Genuity Singapore Pte. Ltd., at 77 Robinson Road #21-02 Singapore 068896, telephone (65) 6854-6160.

1. Consolidated Statements of Comprehensive Income

1(i) Consolidated Statements of Comprehensive Income For The Financial Period Ended 30 September 2015 ("9M 2015")

	Group		Change %
	9M 2015 \$'000	9M 2014 \$'000	
Revenue	90,490	83,453	8%
Material costs	(63,195)	(59,498)	6%
Employee benefits	(9,825)	(8,789)	12%
Depreciation and amortisation	(1,262)	(1,374)	-8%
Finance costs	(2,840)	(2,084)	36%
Other operating expenses	(10,872)	(11,566)	-6%
Operating profit	2,496	142	n.m.
Rental income	137	529	-74%
Other income	397	365	9%
Profit before tax from continuing operation	3,030	1,036	192%
Taxation	(263)	51	n.m.
Profit for the period	2,767	1,087	155%
Profit attributable to:			
Shareholders of the Company	2,714	1,042	160%
Non-controlling interests	53	45	18%
	2,767	1,087	155%
Profit for the period	2,767	1,087	155%
Other comprehensive income for the period, net of tax	-	-	-
Total comprehensive income for the period	2,767	1,087	155%
Total comprehensive income attributable to:			
Shareholders of the Company	2,714	1,042	160%
Non-controlling interests	53	45	18%
	2,767	1,087	155%
Earnings per ordinary share (cents)			
-Basic	0.48	0.19	153%
-Diluted	0.48	0.19	153%

Other information :-

	Group		Change %
	9M 2015 \$'000	9M 2014 \$'000	
Amortisation of prepaid rent	172	290	-41%
Depreciation of property, plant and equipment	1,090	1,084	1%
Financial losses on pledged items not fully covered by insurance	(51)	112	-146%
Recovery of doubtful debts	-	(46)	-100%
Foreign currency exchange gain	(49)	(76)	-36%

n.m. - Not meaningful

1. Consolidated Statements of Comprehensive Income (Con't)

1(ii) Consolidated Statements of Comprehensive Income For The Financial Period from 1 July 2015 to 30 September 2015 ("3Q 2015")

	Group		Change %
	3Q 2015 \$'000	3Q 2014 \$'000	
Revenue	31,913	27,915	14%
Material costs	(22,821)	(19,387)	18%
Employee benefits	(3,062)	(2,995)	2%
Depreciation and amortisation	(386)	(483)	-20%
Finance costs	(1,049)	(722)	45%
Other operating expenses	(3,647)	(3,745)	-3%
Operating profit	948	583	63%
Rental income	28	132	-79%
Other income	100	41	144%
Profit before tax from continuing operation	1,076	756	42%
Taxation	(51)	(33)	55%
Profit for the period	1,025	723	42%
Profit attributable to:			
Shareholders of the Company	1,005	703	43%
Non-controlling interests	20	20	0%
	1,025	723	42%
Profit for the period	1,025	723	42%
Other comprehensive income for the period, net of tax	-	-	-
Total comprehensive income for the period	1,025	723	42%
Total comprehensive income attributable to:			
Shareholders of the Company	1,005	703	43%
Non-controlling interests	20	20	0%
	1,025	723	42%

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 2015 and 3Q 2015 were generally in line with the increase in revenue from the retail and trading of pre-owned jewellery and watches business.
- 1d - Employee benefits expenses for 9M 2015 and 3Q 2015 increased mainly due to the increase in number of employees, as the Group has more pawnshops and retail outlets as at 30 September 2015 as compared to 30 September 2014.
- 1e - Lower depreciation and amortisation charges in 9M 2015 and 3Q 2015 were due to the decrease in amortisation of assignment fees.
- 1f - Finance costs for 9M 2015 and 3Q 2015 increased mainly due to more loan drawdown and higher interest rate charged.
- 1g - Lower other operating expenses in 9M 2015 and 3Q 2015 were mainly due to lower rental expenses, insurance premium, branding expenses and recovery of doubtful debts.
- 1h - Lower rental income for 9M 2015 and 3Q 2015 as compared to 9M 2014 and 3Q 2014 were due to fewer sub-leasing properties.

2. Statements of Financial Position

	Group		Company	
	30-Sep-15 \$'000	31-Dec-14 \$'000	30-Sep-15 \$'000	31-Dec-14 \$'000
NON-CURRENT ASSETS				
Property, plant and equipment	3,423	4,287	69	88
Other receivables	1,532	909	654	909
Investments in subsidiaries	-	-	45,000	45,000
Prepaid rent	54	95	-	-
Deferred tax assets	980	1,150	52	30
	5,989	6,441	45,775	46,027
CURRENT ASSETS				
Inventories	30,023	30,618	-	-
Trade and other receivables	213,000	199,957	632	1,291
Prepaid rent	82	212	-	47
Prepayments	260	728	41	26
Due from subsidiaries (non-trade)	-	-	24,969	28,804
Due from a related company (trade)	344	-	-	-
Cash and bank balances	7,037	9,264	1,246	1,444
	250,746	240,779	26,888	31,612
TOTAL ASSETS	256,735	247,220	72,663	77,639
CURRENT LIABILITIES				
Trade and other payables	3,169	3,539	803	923
Due to a related company (non-trade)	85,890	-	-	-
Due to immediate holding company (non-trade)	22,440	114,196	7,970	12,685
Provision for taxation	667	1,033	2	16
Interest-bearing loans	78,180	63,710	-	-
	190,346	182,478	8,775	13,624
Net current assets	60,400	58,301	18,113	17,988
NON-CURRENT LIABILITIES				
Deferred tax liabilities	41	36	-	-
	41	36	-	-
TOTAL LIABILITIES	190,387	182,514	8,775	13,624
Net assets	66,348	64,706	63,888	64,015
EQUITY ATTRIBUTABLE TO SHAREHOLDERS OF THE COMPANY				
Share capital	64,035	64,035	64,035	64,035
Revenue reserves	1,618	29	(147)	(20)
	65,653	64,064	63,888	64,015
Non-controlling interests	695	642	-	-
Total equity	66,348	64,706	63,888	64,015
Net asset value per ordinary share (cents)	11.67	11.39	11.36	11.38

2. Statements of Financial Position (Con't)

2a. - Review of Financial Position

The equity attributable to shareholders of the Company was \$65.7 million as at 30 September 2015 as compared to \$64.1 million as at 31 December 2014. The increase was mainly attributable to the profit for the period.

The Group's total assets of \$256.7 million as at 30 September 2015 was \$9.5 million higher than that as at 31 December 2014 mainly due to the increase in trade and other receivables, partially offset by the decrease in inventories, prepayments as well as cash and bank balances. The increase in trade and other receivables was due to the increase in pledge book for the Group's pawnbroking business.

The Group's total liabilities of \$190.4 million as at 30 September 2015 was \$7.9 million higher than that as at 31 December 2014. This was mainly due to the increase in interest-bearing loans and amount due to a related company (non-trade). These proceeds were used mainly as working capital for the Group's pawnbroking business. The increase was partially offset by the decrease in amount due to immediate holding company (non-trade) as a result of the repayments of certain short-term advances.

3. Consolidated Statements of Cash Flows For The Financial Period Ended 30 September 2015

	Group			
	3Q 2015 \$'000	3Q 2014 \$'000	9M 2015 \$'000	9M 2014 \$'000
OPERATING ACTIVITIES				
Profit before taxation	1,076	756	3,030	1,036
Adjustments for:				
Recovery of doubtful debts	-	-	-	(46)
Depreciation of property, plant and equipment	344	382	1,090	1,084
Interest expense	1,049	722	2,840	2,084
Loss on disposal of property, plant and equipment	157	33	241	34
Amortisation of prepaid rent	42	101	172	290
Operating profit before working capital changes	2,668	1,994	7,373	4,482
(Increase)/decrease in:				
Inventories	2,854	(431)	595	(6,278)
Trade and other receivables	(7,033)	(4,131)	(13,666)	(9,456)
Prepayments	245	172	468	(37)
Due from a related company (trade)	(344)	-	(344)	-
Decrease in:				
Trade and other payables	(429)	(481)	(370)	(382)
Net cash used in operations	(2,039)	(2,877)	(5,944)	(11,671)
Interest paid	(1,048)	(722)	(2,839)	(2,084)
Income taxes refund	-	5	-	65
Income taxes paid	(176)	(35)	(454)	(190)
Net cash used in operating activities	(3,263)	(3,629)	(9,237)	(13,880)
INVESTING ACTIVITIES				
Proceeds from plant and equipment	-	58	-	58
Purchase of property, plant and equipment	(150)	(565)	(469)	(1,819)
Increase in prepaid rent	-	(150)	-	(186)
Net cash used in investing activities	(150)	(657)	(469)	(1,947)
FINANCING ACTIVITIES				
Repayments of short-term notes, net	-	-	-	- *
(Repayments of)/proceeds from short-term bank borrowings, net	(79,090)	44,867	14,470	40,547
Repayments of finance lease obligations	-	-	-	(10)
Repayments to immediate holding company (non-trade), net	(4,298)	(41,409)	(91,756)	(28,563)
Advances from a related company	85,890	-	85,890	-
Dividend paid on ordinary shares	-	-	(1,125)	(1,172)
Net cash generated from financing activities	2,502	3,458	7,479	10,802
Net decrease in cash and cash equivalents	(911)	(828)	(2,227)	(5,025)
Cash and cash equivalents at beginning of period	7,948	7,404	9,264	11,601
Cash and cash equivalents at end of period	7,037	6,576	7,037	6,576

* Short term notes of S\$20 million issued on 5 February 2014 and fully repaid on 5 May 2014.

3. Consolidated Statements of Cash Flows For The Financial Period Ended 30 September 2015 (Con't)

Cash and cash equivalents

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

	9M 2015 \$'000	9M 2014 \$'000
Cash at banks and on hand	7,037	6,576
Cash and cash equivalents	7,037	6,576

3a. - Cashflow Analysis

3Q 2015

Net cash used in operating activities for 3Q 2015 was \$3.3 million compared to \$3.6 million in 3Q 2014. This was due to the increase in profit before taxation and the decrease in prepayments and inventories, partially offset by the increase in trade and other receivables and interest paid in the quarter.

Net cash used in investing activities of \$0.2 million in 3Q 2015 was due to renovation of pawnshops and retail outlets.

Net cash generated from financing activities was \$2.5 million in 3Q 2015 compared to \$3.5 million generated in 3Q 2014. The lower net cash generated from financing activities in 3Q 2015 was due to repayment of advances from immediate holding company (non-trade) and short-term bank borrowings, partially offset by advances from a related company.

9M 2015

Net cash used in the operating activities for 9M 2015 was \$9.2 million compared to \$13.9 million for the corresponding period in the previous year. This was due to the increase in profit before taxation and the decrease in prepayments and inventories, partially offset by the increase in trade and other receivables and interest paid.

Net cash used in investing activities was \$0.5 million in 9M 2015 as compared to \$1.9 million in 9M 2014. The lower net cash used in investing activities in 9M 2015 was due to the decrease in renovation for pawnshops and retail outlets.

Net cash generated from financing activities was \$7.5 million in 9M 2015 as compared to \$10.8 million in 9M 2014. The lower net cash generated from financing activities in 9M 2015 was mainly due to repayment of advances from immediate holding company (non-trade), partially offset by proceeds from short-term bank borrowings and advances from a related company.

As a result of the above, there was a net decrease of \$2.2 million in the cash and cash equivalents, resulting in a cash and cash equivalents of \$7.0 million as at 30 September 2015.

4. Statements of Changes in Equity

	Attributable to shareholders of the Company		Non-controlling interests \$'000	Total \$'000
	Share Capital \$'000	Revenue reserves \$'000		
Group				
Balance as at 1 January 2015	64,035	29	642	64,706
Total comprehensive income for the period	-	2,714	53	2,767
Dividends on ordinary shares	-	(1,125)	-	(1,125)
Balance as at 30 September 2015	64,035	1,618	695	66,348
Balance as at 1 January 2014				
Balance as at 1 January 2014	64,035	(611)	598	64,022
Total comprehensive income for the period	-	1,042	45	1,087
Dividends on ordinary shares	-	(1,172)	-	(1,172)
Balance as at 30 September 2014	64,035	(741)	643	63,937
Company				
Balance as at 1 January 2015	64,035	(20)	-	64,015
Total comprehensive income for the period	-	998	-	998
Dividends on ordinary shares	-	(1,125)	-	(1,125)
Balance as at 30 September 2015	64,035	(147)	-	63,888
Balance as at 1 January 2014				
Balance as at 1 January 2014	64,035	39	-	64,074
Total comprehensive income for the period	-	744	-	744
Dividends on ordinary shares	-	(1,172)	-	(1,172)
Balance as at 30 September 2014	64,035	(389)	-	63,646

5. Changes in Share Capital

	No. of shares '000	Issued and fully paid-up share capital (\$) '000
As at 31 December 2014, 30 June 2015 and 30 September 2015	562,637	64,035

The Company has no outstanding convertibles or treasury shares as at 30 September 2015 and 30 September 2014.

6. Changes in Treasury Shares

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

7. Group Borrowings and Debt Securities

Amount repayable in one year or less, or on demand

As at 30-Sep-15		As at 31-Dec-14	
Secured \$'000	Unsecured \$'000	Secured \$'000	Unsecured \$'000
78,180	-	63,710	-

Amount repayable after one year

As at 30-Sep-15		As at 31-Dec-14	
Secured \$'000	Unsecured \$'000	Secured \$'000	Unsecured \$'000
-	-	-	-

Details of collateral

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

- i) corporate guarantees by the Company and/or Aspiat Corporation Limited; and
- ii) fixed and floating charges on all assets of certain subsidiaries.

8. Auditor's Report

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

9. Accounting Policies

The Group has applied the same accounting policies and methods of computation in the third quarter announcement for the current financial year as those of the audited financial statements for the financial year ended 31 December 2014, as well as all applicable new and revised Financial Reporting Standards ("FRSs") which became effective for financial years beginning on or after 1 January 2015. The adoption of these new and revised FRSs has no material effect on the third quarter announcement for the current financial year.

10. Earnings per Share

	Group			
	3Q 2015 cents	3Q 2014 cents	9M 2015 cents	9M 2014 cents
i) Basic earnings per share	0.18	0.13	0.48	0.19
ii) Diluted earnings per share	0.18	0.13	0.48	0.19
- Weighted average number of shares ('000)	562,637	562,637	562,637	562,637

11. Net Asset Value per Share

	Group		Company	
	30-Sep-15	31-Dec-14	30-Sep-15	31-Dec-14
Net asset value per ordinary share (cents)	11.67	11.39	11.36	11.38
Number of ordinary shares in issue ('000)	562,637	562,637	562,637	562,637

12. Variance from Forecast Statement

No forecast for the financial period ended 30 September 2015 was previously provided.

13. Review of Corporate Performance

The Group's revenue of \$90.5 million for 9M 2015, as compared to 9M 2014, was higher by \$7.0 million. The increase in revenue was contributed by both the pawnbroking business and the retail and trading of pre-owned jewellery and watches business.

For 3Q 2015, the Group's revenue of \$31.9 million was 14.3% higher than 3Q 2014 mainly due to higher revenue recorded by both the pawnbroking business and the retail and trading of pre-owned jewellery and watches business.

The number of pawnshops and retail outlets increased from 38 stores in 9M 2014 to 40 stores in 9M 2015. The operations of the additional stores, increase in bank borrowings, advances from a related company and increase in interest rate had contributed to the increase in operating expenses such as employee benefits and finance costs in 9M 2015 as compared to 9M 2014.

At the pre-tax level, the Group's 9M 2015 profit of \$3.0 million was \$2.0 million higher than that of 9M 2014. For 3Q 2015, the Group registered a pre-tax profit of \$1.0 million as compared to \$0.7 million in 3Q 2014.

14. Business Outlook

The Group continues to operate in a challenging environment with rising operating costs, keen competition, volatile gold prices and rising interest rates.

The Group has been able to leverage on its large network, established brand and trained workforce to increase its trade and other receivables, which comprise primarily the pledge book amount of its pawnbroking business, to \$213 million as at 30 September 2015.

The Group's extensive range of pre-owned gold items, jewellery and watches, coupled with a motivated sales force also help to increase the sales of these items.

The Group will continue to focus on the training of its staff and improve its operational efficiencies in the next 12 months business plan.

15. Interested Person Transactions

The Group does not have a general mandate from shareholders for interested person transactions pursuant to Rule 920(1)(a)(ii) of the Catalist Rules.

16. Dividend

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

No

(ii) Any dividend declared for the preceding financial period?

No

17. Negative Confirmation By The Board Pursuant to Rule 705 (5) of the SGX-ST Listing Manual Section B: Rules of Catalist ("Catalist Rules")

On behalf of the Board of Directors of the Company, we hereby confirm to the best of our knowledge that nothing has come to the attention of the Board of Directors of the Company which may render the unaudited financial statements for the third quarter and nine months ended 30 September 2015 to be false or misleading in any material aspect.

18. Procured Undertakings By The Board and Executive Officers Pursuant to Rule 720 (1) of the Catalist Rules

The Company confirms that all the required undertakings under Rule 720 (1) of the Catalist Rules have been obtained from all its directors and executive officers in the format set out in Appendix 7H of the Catalist Rules.

On behalf of the Board of Directors,

Ng Leok Cheng
CEO

Koh Wee Seng
Non-Executive Chairman

6th November 2015