

UNAUDITED FIRST QUARTER FINANCIAL STATEMENTS AND DIVIDEND ANNOUNCEMENT FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2019

TABLE OF CONTENTS

1. CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
2. STATEMENTS OF FINANCIAL POSITION
3. CONSOLIDATED STATEMENT OF CASH FLOWS
4. STATEMENTS OF CHANGES IN EQUITY
5. CHANGES IN SHARE CAPITAL
6. CHANGES IN TREASURY SHARES
7. CHANGES IN SUBSIDIARY HOLDINGS
8. GROUP BORROWINGS AND DEBT SECURITIES
9. AUDITOR'S REPORT
10. ACCOUNTING POLICIES
11. CHANGES IN THE ACCOUNTING POLICIES
12. EARNINGS PER SHARE
13. NET ASSET VALUE PER SHARE
14. VARIANCE FROM FORECAST STATEMENT
15. REVIEW OF CORPORATE PERFORMANCE
16. BUSINESS OUTLOOK
17. INTERESTED PERSON TRANSACTIONS
18. DIVIDEND
19. NEGATIVE CONFIRMATION BY THE BOARD PURSUANT TO RULE 705 (5) OF THE SGX-ST LISTING MANUAL SECTION B: RULES OF CATALIST ("CATALIST RULES")
20. PROCURED UNDERTAKINGS BY THE BOARD AND EXECUTIVE OFFICERS PURSUANT TO RULE 720 (1) OF THE CATALIST RULES

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.

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 STATEMENT OF COMPREHENSIVE INCOME

Consolidated Statement of Comprehensive Income For The Financial Period Ended 31 March 2019 ("1Q FY2019")

	Group		Change %
	1Q 2019 \$'000	1Q 2018 \$'000	
Revenue	46,608	53,872	-13%
Material costs	(28,462)	(35,596)	-20%
Employee benefits	(5,049)	(4,804)	5%
Depreciation and amortisation	(2,675)	(486)	450%
Finance costs	(3,063)	(2,504)	22%
Other operating expenses	(4,594)	(8,762)	-48%
Interest income from investment securities	394	680	-42%
Rental income	42	88	-52%
Other income	196	235	-17%
Share of results of joint venture	(1)	(137)	-99%
Profit before tax	3,396	2,586	31%
Taxation	(571)	(753)	-24%
Profit for the period	2,825	1,833	54%
Other comprehensive income			
Net fair value changes on debt and equity instruments at fair value through other comprehensive income	710	(850)	n.m.
Foreign currency translation	-	(1)	n.m.
Other comprehensive income for the period, net of tax	710	(851)	n.m.
Total comprehensive income for the period	3,535	982	260%
Profit attributable to:			
Owners of the Company	2,802	1,805	55%
Non-controlling interests	23	28	-18%
	2,825	1,833	54%
Total comprehensive income attributable to:			
Owners of the Company	3,512	954	268%
Non-controlling interests	23	28	-18%
	3,535	982	260%
Earnings per ordinary share (cents)			
-Basic	0.27	0.18	50%
-Diluted	0.27	0.18	50%

Other information :-

	Group		Change %
	1Q 2019 \$'000	1Q 2018 \$'000	
Amortisation of prepaid rent	1	-	n.m.
Depreciation of property, plant and equipment	549	486	13%
Financial losses on items not fully covered by insurance	12	5	140%
Foreign currency exchange loss, net	208	2,247	-91%
Loss on disposal of plant and equipment, net	1	1	0%

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 1Q 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.
- 1d - Higher employee benefits for 1Q 2019 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 1Q 2019 were mainly due to the recognition of right-of-use assets following the adoption of SFRS(I) 16 Leases.
- 1f - Increase in finance costs for 1Q 2019 was mainly due to higher interest rate charged on interest-bearing loans and recognition of lease liabilities following the adoption of SFRS(I) 16 Leases.
- 1g - Lower other operating expenses in 1Q 2019 were mainly due to decrease in foreign currency exchange loss and rental expenses following the adoption of SFRS(I) 16 Leases.
- 1h - Lower interest income for 1Q 2019 was mainly from investment securities.
- 1i - Decrease in other income for 1Q 2019 was mainly due to lower government grants received such as the Wage Credit Scheme.

2. STATEMENTS OF FINANCIAL POSITION

	Group		Company	
	31-Mar-19 \$'000	31-Dec-18 \$'000	31-Mar-19 \$'000	31-Dec-18 \$'000
NON-CURRENT ASSETS				
Property, plant and equipment	23,083	23,150	145	158
Right-of-use assets	30,257	-	-	-
Trade and other receivables	24,481	15,123	-	-
Investment in subsidiaries	-	-	47,928	47,928
Investment in joint venture	139	141	500	500
Investment securities	25,065	24,249	-	-
Prepaid rent	-	1	-	-
Deferred tax assets	578	685	-	-
	103,603	63,349	48,573	48,586
CURRENT ASSETS				
Inventories	67,377	61,469	-	-
Trade and other receivables	303,337	303,543	29	29
Prepaid rent	4	4	-	-
Prepayments	1,805	1,726	338	421
Due from subsidiaries (non-trade)	-	-	154,153	161,889
Due from a related company (non-trade)	-	1	-	-
Due from a related company (trade)	904	-	-	-
Due from a joint venture (non-trade)	6,915	5,215	6,915	5,215
Derivative financial instruments	1,067	1,058	-	-
Investment securities	2,479	2,466	-	-
Cash and bank balances	15,261	21,845	1,333	941
	399,149	397,327	162,768	168,495
TOTAL ASSETS	502,752	460,676	211,341	217,081
CURRENT LIABILITIES				
Trade and other payables	9,648	9,089	3,748	2,776
Due to a related company (trade)	116	-	-	-
Due to a related company (non-trade)	706	706	-	-
Lease liabilities	8,871	-	-	-
Provision for taxation	2,300	1,986	117	50
Dividends payable	-	3,105	-	3,105
Interest-bearing loans	236,090	222,668	-	-
	257,731	237,554	3,865	5,931
Net current assets	141,418	159,773	158,903	162,564
NON-CURRENT LIABILITIES				
Other payables	42	74	14	16
Interest-bearing loans	12,518	12,644	-	-
Term notes	66,000	69,000	66,000	70,000
Lease liabilities	21,520	-	-	-
Deferred tax liabilities	259	257	5	-
	100,339	81,975	66,019	70,016
TOTAL LIABILITIES	358,070	319,529	69,884	75,947
Net assets	144,682	141,147	141,457	141,134
EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY				
Share capital	137,286	137,286	137,286	137,286
Treasury shares	(15)	(15)	(15)	(15)
Other reserves	(2,547)	(3,257)	(23)	(23)
Revenue reserves	8,915	6,113	4,209	3,886
	143,639	140,127	141,457	141,134
Non-controlling interests	1,043	1,020	-	-
Total equity	144,682	141,147	141,457	141,134
Net asset value per ordinary share (cents)	13.88	13.54	13.67	13.63

2a. - Review of Financial Position

The equity attributable to owners of the Company was \$143.6 million as at 31 March 2019 as compared to \$140.1 million as at 31 December 2018. The increase was mainly attributable to the increase in revenue reserves. The decrease in other reserves was mainly due to net gain in fair value change of available-for-sale financial assets.

The Group's total assets of \$502.8 million as at 31 March 2019 was \$42.1 million higher than that as at 31 December 2018 mainly due to the recognition of right-of-use assets arising from the adoption of SFRS(I) 16, increase in trade and other receivables (non-current), inventories, amount due from a joint venture (non-trade), amount due from a related company (trade) and investment securities, partially offset by the decrease in cash and bank balances and trade and other receivables (current). The increase in non-current trade and other receivables was mainly due to provision of secured loans.

The Group's total liabilities of \$358.1 million as at 31 March 2019 was \$38.6 million higher than that as at 31 December 2018. This was mainly due to the increase in interest-bearing loans and recognition of lease liabilities arising from the adoption of SFRS(I) 16, partially offset by dividends payable and term notes.

3. CONSOLIDATED STATEMENT OF CASH FLOWS

	Group	
	1Q 2019 \$'000	1Q 2018 \$'000
OPERATING ACTIVITIES		
Profit before tax	3,396	2,586
Adjustments for:		
Depreciation of property, plant and equipment	549	486
Interest expense	3,007	2,446
Interest income from investment securities	(394)	(680)
Amortisation of prepaid commitment fee	71	71
Amortisation of premium on term notes	(14)	(13)
Financial losses on pledged items not fully covered by insurance	12	5
Loss on disposal of property, plant and equipment	1	1
Gain on purchase of term notes	(12)	(5)
Net fair value gain on derivatives	(8)	-
Amortisation of prepaid rent	1	-
Depreciation of right-of-use assets	2,125	-
Unrealised foreign exchange differences	348	2,073
Share of results of joint venture	1	137
Operating profit before changes in working capital	9,083	7,107
(Increase)/decrease in:		
Inventories	(5,908)	(1,447)
Trade and other receivables	(9,794)	3,845
Prepayments	(150)	671
Due from a related company (trade)	(903)	(46)
Increase in:		
Trade and other payables	517	1,171
Cash flows (used in)/generated from operations	(7,155)	11,301
Interest paid	(2,813)	(2,446)
Interest received	394	11
Income taxes paid	(293)	(133)
Net cash flows (used in)/generated from operating activities	(9,867)	8,733
INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(482)	(7,126)
Interest received	331	669
Purchase of investment securities	-	(32,162)
Due from a joint venture (non-trade)	(1,700)	(275)
Proceeds from disposal of investment securities	-	8,995
Net cash flows used in investing activities	(1,851)	(29,899)
FINANCING ACTIVITIES		
Purchase of term notes	(2,988)	-
Proceeds from short-term bank borrowings, net	13,426	10,401
Proceeds from term loans	-	5,678
Repayment of term loans	(130)	(63)
Repayment of lease liability	(2,184)	-
Repayment of advances from related companies (non-trade), net	116	(42)
Proceeds from rights issue, net	-	13,802
Dividends paid on ordinary shares	(3,105)	-
Net cash flows generated from financing activities	5,135	29,776
Net (decrease)/increase in cash and cash equivalents	(6,583)	8,610
Cash and cash equivalents at the beginning of the financial period	21,845	17,694
Cash and cash equivalents at the end of the financial period	15,262	26,304

Cash and cash equivalents

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

	1Q 2019 \$'000	1Q 2018 \$'000
Cash at banks and on hand	15,262	26,304
Cash and cash equivalents	15,262	26,304

3. CONSOLIDATED STATEMENT OF CASH FLOWS (CONTINUED)

3a. - Cashflow Analysis

1Q 2019

Net cash used in operating activities for 1Q 2019 was \$9.9 million. This was due to the increase inventories, trade and other receivables, amount due from a related company (trade), prepayments, interest paid and income tax paid, but partially offset by higher operating profit, increase in trade and other payables and interest received.

Net cash used in investing activities was \$1.9 million in 1Q 2019. The net cash used in investing activities in 1Q 2019 was mainly due to amount due from a joint venture company and purchase of property, plant and equipment, partially offset by interest received.

Net cash generated from financing activities was \$5.0 million in 1Q 2019. The net cash generated from financing activities was mainly due to proceeds from short-term bank borrowings, partially offset by dividend payment, purchase of term notes, repayment of lease liability and repayment of term loans.

As a result of the above, cash and cash equivalents was \$15.3 million as at 31 March 2019.

4. STATEMENTS OF CHANGES IN EQUITY

	Attributable to owners of the Company				Non-controlling interests	Total
	Share capital	Treasury shares	Other reserves	Revenue reserves		
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Group						
Balance as at 1 January 2019	137,286	(15)	(3,257)	6,113	1,020	141,147
Total comprehensive income for the period	-	-	-	2,802	23	2,825
Foreign Currency Translation	-	-	-	-	-	-
Net fair value changes on debt and equity instruments at fair value through other comprehensive income ("FVOCI")	-	-	710	-	-	710
Balance as at 31 March 2019	137,286	(15)	(2,547)	8,915	1,043	144,682
Balance as at 1 January 2018						
Balance as at 1 January 2018	118,367	(165)	305	9,918	917	129,342
Total comprehensive income for the period	-	-	-	1,805	28	1,833
Ordinary shares issued under rights issue	13,940	-	-	-	-	13,940
Net fair value changes on debt and equity instruments at FVOCI	-	-	(850)	-	-	(850)
Share issuance expenses	(138)	-	-	-	-	(138)
Balance as at 31 March 2018	132,169	(165)	(545)	11,723	945	144,127
Company						
Balance as at 1 January 2019	137,286	(15)	(23)	3,886	-	141,134
Total comprehensive income for the period	-	-	-	323	-	323
Balance as at 31 March 2019	137,286	(15)	(23)	4,209	-	141,457
Balance as at 1 January 2018						
Balance as at 1 January 2018	118,202	(165)	-	2,198	-	120,235
Total comprehensive income for the period	-	-	-	(154)	-	(154)
Ordinary shares issued under rights issue	13,940	-	-	-	-	13,940
Share issuance expenses	(138)	-	-	-	-	(138)
Balance as at 31 March 2018	132,004	(165)	-	2,044	-	133,883

5. CHANGES IN SHARE CAPITAL

	No. of ordinary shares (excluding treasury shares)	Issued and fully paid-up share capital
	'000	\$'000
Balance as at 31 December 2018 and 31 March 2019	1,035,156	137,271

The Company has no outstanding convertibles or subsidiary holdings as at 31 March 2018 and 31 March 2019.

6. CHANGES IN TREASURY SHARES

	As at 31 March 2019 ('000)	As at 31 March 2018 ('000)
Total number of treasury shares	96	1,000
Total number of ordinary shares (excluding treasury shares)	1,035,156	997,702
% of treasury shares over total number of ordinary shares	0.01%	0.10%

There were no sales, transfers, 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 31-Mar-19		As at 31-Dec-18	
Secured \$'000	Unsecured \$'000	Secured \$'000	Unsecured \$'000
236,090	-	222,668	-

Amount repayable after one year

As at 31-Mar-19		As at 31-Dec-18	
Secured \$'000	Unsecured \$'000	Secured \$'000	Unsecured \$'000
12,518	66,000	12,644	69,000

Details of collateral

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

- i) corporate guarantees by the Company; and
- ii) 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 31 March 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	
	1Q 2019	1Q 2018
i) Basic earnings per share (cents)	0.27	0.18
ii) Diluted earnings per share (cents)	0.27	0.18
- Weighted average number of shares ('000)	1,035,156	987,053

13. NET ASSET VALUE PER SHARE

	Group		Company	
	31-Mar-19	31-Dec-18	31-Mar-19	31-Dec-18
Net asset value per ordinary share (cents)	13.88	13.54	13.67	13.63
Number of ordinary shares in issue ('000)	1,035,156	1,035,156	1,035,156	1,035,156

14. VARIANCE FROM FORECAST STATEMENT

No forecast for the financial period ended 31 March 2019 was previously provided.

15. REVIEW OF CORPORATE PERFORMANCE

The Group's revenue decreased by 13.5% to \$46.6 million in 1Q 2019 and was \$7.3 million lower than 1Q 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 3.6% in 1Q 2019 as compared to 1Q 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 13.4% decrease in revenue in 1Q 2019 as compared to 1Q 2018. The secured lending business reported a 15.2% increase in revenue in 1Q 2019 as compared to 1Q 2018.

The increase in depreciation and amortisation costs in 1Q 2019 as compared to 1Q 2018 was mainly due to the recognition of right-of-use assets following the adoption of SFRS(I) 16. The increase in finance costs and staff costs in 1Q 2019 as compared to 1Q 2018 was largely due to higher interest rate charged on interest-bearing loan and increase in number of shops in operation in 1Q 2019 respectively. The decrease in material costs were due to lower sales from the retail and trading of jewellery and branded merchandise business.

The lower revenue and gross profit were offset by the decrease in other operating expenses such as foreign exchange loss. As a result, the pre-tax profit of the Group increased to \$3.4 million in 1Q 2019 as compared to \$2.6 million in 1Q 2018.

16. BUSINESS OUTLOOK

With slowing global growth, the Singapore economy is projected to expand at a slower pace in 2019 which in turn will further impact consumer sentiment. This coupled with keen competition, rising interest rates, higher operating costs, volatile gold prices and foreign currency exchange rates continue to pose challenges to our lending and retail businesses.

In view of these challenges the Group will continue to explore new business opportunities and manage operating costs.

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	1Q 2019
Name of dividend	Interim
Dividend Type	Cash
Dividend Amount per share	\$0.0025 per ordinary share
Tax Rate	One-tier tax exempt
Books closure date	To be announced later
Payment date	To be announced later

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

No

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 first quarter ended 31 March 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

9th May 2019