

UNAUDITED FINANCIAL STATEMENTS AND DIVIDEND ANNOUNCEMENT FOR THE THIRD QUARTER AND NINE-MONTH PERIOD ENDED 30 SEPTEMBER 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 3Q-2018 ⁽¹⁾ S\$'000	Unaudited 3Q-2017 ⁽²⁾ S\$'000	Change %	Unaudited 9M-2018 ⁽³⁾ S\$'000	Unaudited 9M-2017 ⁽⁴⁾ S\$'000	Change %
Revenue	35,520	38,742	(8.3)	107,239	113,153	(5.2)
Other Items of Income						
Other Gains	202	165	22.4	732	651	12.4
Other Items of Expense						
Material Costs	(24,080)	(27,214)	(11.5)	(72,152)	(80,673)	(10.6)
Employee Benefits Expense	(3,868)	(3,457)	11.9	(11,682)	(10,151)	15.1
Depreciation and Amortisation Expenses	(611)	(619)	(1.3)	(1,992)	(1,701)	17.1
Finance Costs	(1,808)	(1,355)	33.4	(4,679)	(3,821)	22.5
Other Losses	(319)	-	NM ⁽⁵⁾	(82)	(145)	(43.4)
Other Expenses	(3,792)	(3,736)	1.5	(11,273)	(11,044)	2.1
Profit Before Tax	1,244	2,526	(50.8)	6,111	6,269	(2.5)
Income Tax Expense	(435)	(545)	(20.2)	(1,281)	(1,284)	(0.2)
Profit Net of Tax	809	1,981	(59.2)	4,830	4,985	(3.1)
Other Comprehensive Income	(43)	3	NM ⁽⁵⁾	18	(5)	NM ⁽⁵⁾
Total Comprehensive Income	766	1,984	(61.4)	4,848	4,980	(2.7)
Attributable to:						
Owners of the Company	990	1,811	(45.3)	4,837	4,581	5.6
Non-controlling Interests	(181)	170	NM ⁽⁵⁾	(7)	404	NM ⁽⁵⁾
Profit Net of Tax	809	1,981	(59.2)	4,830	4,985	(3.1)
Attributable to:						
Owners of the Company	947	1,814	(47.8)	4,855	4,576	6.1
Non-controlling Interests	(181)	170	NM ⁽⁵⁾	(7)	404	NM ⁽⁵⁾
Total Comprehensive Income	766	1,984	(61.4)	4,848	4,980	(2.7)

Notes:-

- (1) "3Q-2018" refers to the third quarter ended 30 September 2018.
- (2) "3Q-2017" refers to the third quarter ended 30 September 2017.
- (3) "9M-2018" refers to the nine-month period ended 30 September 2018.
- (4) "9M-2017" refers to the nine-month period ended 30 September 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 3Q-2018 S\$'000	Unaudited 3Q-2017 S\$'000	Change %	Unaudited 9M-2018 S\$'000	Unaudited 9M-2017 S\$'000	Change %
Rental Income	(129)	(128)	0.8	(387)	(404)	(4.2)
Government Grants	(41)	(11)	NM	(245)	(172)	42.4
Depreciation of Plant and Equipment	557	585	(4.8)	1,865	1,598	16.7
Amortisation of Lease Assignment Fees	20	-	NM	20	-	NM
Amortisation of Other Intangible Assets	33	34	(2.9)	106	103	2.9
Foreign Exchange Loss/(Gain)	293	(29)	NM	21	55	(61.8)
Inventory write down	-	-	NM	-	18	(100.0)
Collateral loss	1	4	(75.0)	2	4	(50.0)
(Over)/Under adjustment to tax in respect of prior years	(8)	151	NM	(8)	151	NM
Loss on Disposal of Plant and Equipment	21	24	(12.5)	75	67	11.9
Plant and equipment written off	-	3	(100.0)	-	10	(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 30 September 2018 S\$'000	Audited 31 December 2017 S\$'000	Unaudited 30 September 2018 S\$'000	Audited 31 December 2017 S\$'000
ASSETS				
<u>Non-Current Assets</u>				
Plant and Equipment	4,696	5,032	-	-
Intangible Assets	4,543	3,010	-	-
Investment in Subsidiaries	-	-	56,605	51,405
Financial Assets at FVPL	5,471	5,471	5,471	5,471
Deferred Tax Assets	57	62	-	-
Total Non-Current Assets	14,767	13,575	62,076	56,876
<u>Current Assets</u>				
Inventories	33,324	30,003	-	-
Trade and Other Receivables	210,505	192,949	19,705	20,003
Other Assets	3,652	4,086	87	72
Cash and Cash Equivalents	7,737	11,850	23	159
Total Current Assets	255,218	238,888	19,815	20,234
Total Assets	269,985	252,463	81,891	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	16,221	13,153	3,346	5,020
Reserves	57	39	-	-
	72,422	69,336	59,490	61,164
Non-controlling Interests	2,447	2,668	-	-
Total Equity	74,869	72,004	59,490	61,164
<u>Non-Current Liabilities</u>				
Other Financial Liabilities, Non-Current	1,302	2,924	-	-
Deferred Tax Liabilities	167	167	-	-
Total Non-Current Liabilities	1,469	3,091	-	-
<u>Current Liabilities</u>				
Income Tax Payable	1,338	1,470	25	19
Trade and Other Payables	21,278	13,837	19,376	12,927
Other Financial Liabilities, Current	169,674	160,914	3,000	3,000
Other Liabilities	1,357	1,147	-	-
Total Current Liabilities	193,647	177,368	22,401	15,946
Total Liabilities	195,116	180,459	22,401	15,946
Total Equity and Liabilities	269,985	252,463	81,891	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 30 September 2018		As at 31 December 2017	
Secured S\$'000	Unsecured S\$'000	Secured S\$'000	Unsecured S\$'000
169,674	-	160,914	-

Amount repayable by the Group after one year

As at 30 September 2018		As at 31 December 2017	
Secured S\$'000	Unsecured S\$'000	Secured S\$'000	Unsecured S\$'000
1,302	-	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 charge 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 3Q-2018 S\$'000	Unaudited 3Q-2017 S\$'000	Unaudited 9M-2018 S\$'000	Unaudited 9M-2017 S\$'000
<u>Cash Flows From Operating Activities</u>				
Profit Before Tax	1,788	2,526	6,111	6,269
Adjustments for:				
Finance Costs	1,808	1,355	4,679	3,821
Depreciation of Plant and Equipment	557	585	1,865	1,598
Amortisation of Intangible Assets	53	34	126	103
Loss on Disposal of Plant and Equipment	21	24	75	67
Inventories Written Off	-	18	-	18
Foreign Currency Translation	(109)	(5)	259	(86)
Operating Cash Flows before Changes in Working Capital	4,118	4,537	13,115	11,790
Inventories	(1,346)	(2,722)	(3,321)	(8,520)
Trade and Other Receivables	(5,590)	(3,325)	(14,925)	(10,529)
Other Assets	196	130	612	90
Trade and Other Payables	3,493	(168)	5,353	2,610
Other Liabilities	58	29	170	75
Net Cash Flows From/(Used in) Operations	929	(1,519)	1,004	(4,484)
Income Taxes Paid	(560)	(855)	(1,579)	(1,563)
Net Cash Flows From/(Used in) Operating Activities	369	(2,374)	(575)	(6,047)
<u>Cash Flows From Investing Activities</u>				
Purchase of Plant and Equipment	(798)	(952)	(1,218)	(2,896)
Purchase of Financial Assets at FVPL	-	-	-	(5,192)
Purchase of Intangible Assets	(360)	-	(360)	-
Acquisition of Subsidiaries (Net of Cash Acquired)	(2,656)	-	(2,881)	(352)
Net Cash Flows Used in Investing Activities	(3,814)	(952)	(4,459)	(8,440)
<u>Cash Flows From Financing Activities</u>				
Issue of Shares to Non-Controlling Interest	-	-	257	20
Increase in New Borrowings	5,702	4,111	12,431	16,574
Decrease in Other Financial Liabilities	(953)	(1,030)	(6,207)	(2,490)
Finance Lease Repayments	(3)	(3)	(7)	(9)
Interest Paid	(1,808)	(1,355)	(4,679)	(3,821)
Dividends Paid	-	-	(1,769)	(1,769)
Net Cash Flows From Financing Activities	2,938	1,723	26	8,505
Net Decrease in Cash and Cash Equivalents	(507)	(1,603)	(5,008)	(5,982)
Cash and Cash Equivalents, Statement of Cash Flows, Beginning Balance	33	454	4,526	4,834
Effects of Exchange Rate Changes on Cash and Cash Equivalents	(7)	-	1	(1)
Cash and Cash Equivalents, Statement of Cash Flows, Ending Balance	(481)	(1,149)	(481)	(1,149)

Cash and cash equivalents

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

	As at 30 September 2018 S\$'000	As at 30 September 2017 S\$'000
Cash at bank and in hand	7,737	7,453
Bank overdrafts	(8,218)	(8,602)
Cash and cash equivalents for statements of cash flows purposes	(481)	(1,149)

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 30 September 2018 S\$'000	As at 30 September 2017 S\$'000
Total purchase consideration fully paid in cash	3,705	365
Less: Cash and cash equivalents	(824)	(13)
Acquisition of subsidiaries, net of cash acquired	2,881	352

- 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-controlling Interests	Total Equity
	Share Capital	Retained Earnings	Reserves	Sub-total	Interests	Equity
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	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 period	-	4,837	18	4,855	(7)	4,848
Dividends paid	-	(1,769)	-	(1,769)	-	(1,769)
Issue of share capital	-	-	-	-	257	257
Acquisition of interest in subsidiaries	-	-	-	-	(471)	(471)
Closing balance at 30 September 2018	56,144	16,221	57	72,422	2,447	74,869
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 period	-	4,581	(5)	4,576	404	4,980
Dividends paid	-	(1,769)	-	(1,769)	-	(1,769)
Issue of share capital	-	-	-	-	20	20
Acquisition of interest in subsidiaries	-	-	-	-	(139)	(139)
Closing balance at 30 September 2017	56,144	10,904	6	67,054	2,660	69,714

Company	Share Capital	Retained Earnings	Total Equity
	S\$'000	S\$'000	S\$'000
Current Year:			
Opening balance at 1 January 2018	56,144	5,020	61,164
Movements in Equity:			
Total comprehensive income for the period	-	95	95
Dividends paid	-	(1,769)	(1,769)
Closing Balance at 30 September 2018	56,144	3,346	59,490
Previous Year:			
Opening balance at 1 January 2017	56,144	3,534	59,678
Movements in Equity:			
Total comprehensive income for the period	-	6	6
Dividends paid	-	(1,769)	(1,769)
Closing Balance at 30 September 2017	56,144	1,771	57,915

- 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 30 September 2018 and 30 June 2018	353,800	56,144

During 3Q-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 30 September 2018 and 30 September 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 30 September 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			
	3Q-2018	3Q-2017	9M-2018	9M-2017
Profit net of tax attributable to owners of the Company (S\$'000)	990	1,811	4,837	4,581
Basic and diluted EPS based on the weighted average number of shares (cents)	0.28	0.51	1.37	1.29

EPS of the Group for 9M-2018 and 9M-2017 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 9M-2018 and 9M-2017 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	
	30 September 2018	31 December 2017	30 September 2018	31 December 2017
NAV per share (cents)	20.47	19.60	16.81	17.29

NAV per share as at 30 September 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\$5.9 million or 5.2% from S\$113.2 million in 9M-2017 to S\$107.2 million in 9M-2018, and decreased by S\$3.2 million or 8.3% from S\$38.7 million in 3Q-2017 to S\$35.5 million in 3Q-2018. This was due mainly to decrease in revenue in the retail and trading of pre-owned items segment.

Other Gains

Other gains increased by approximately S\$81,000 or 12.4% from approximately S\$651,000 in 9M-2017 to approximately S\$732,000 in 9M-2018, and increased by S\$37,000 or 22.4%, from approximately S\$165,000 in 3Q-2017 to approximately S\$202,000 in 3Q-2018, due mainly to increase in government grants and other income received.

Material Costs

Material costs decreased by S\$8.5 million or 10.6% from S\$80.7 million in 9M-2017 to S\$72.2 million in 9M-2018, and decreased by S\$3.1 million or 11.5% from S\$27.2 million in 3Q-2017 to S\$24.1 million in 3Q-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 9M-2018 and 3Q-2018.

Employee Benefits Expense

Employee benefits expense increased by S\$1.5 million or 15.1% from S\$10.2 million in 9M-2017 to S\$11.7 million in 9M-2018, and increased by S\$0.4 million or 11.9% from S\$3.5 million in 3Q-2017 to S\$3.9 million in 3Q-2018. This year-on-year increase in employee benefits expense was 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\$0.3 million or 17.1% from S\$1.7 million in 9M-2017 to S\$2.0 million in 9M-2018. The increase was mainly due to the increase in plant and equipment in line with the expansion of our network of outlets.

Depreciation and amortisation expenses remained stable in 3Q-2018.

Finance Costs

Finance costs increased by S\$0.9 million or 22.5% from S\$3.8 million in 9M-2017 to S\$4.7 million in 9M-2018, and increased by S\$0.4 million or 33.4% from S\$1.4 million in 3Q-2017 to S\$1.8 million in 3Q-2018. The increase was due to an 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 decreased by approximately S\$63,000 or 43.4%, from approximately S\$145,000 in 9M-2017 to approximately S\$82,000 in 9M-2018, due mainly to a decrease in foreign exchange losses and the absence of inventory write-down which was recorded in 9M-2017.

Other losses of S\$0.3 million in 3Q-2018 was due mainly to foreign exchange losses attributable to the weakening of the Malaysian Ringgit against the Singapore Dollar during 3Q-2018.

Other Expenses

Other expenses increased by S\$0.2 million or 2.1% from S\$11.0 million in 9M-2017 to S\$11.3 million in 9M-2018, due mainly to an increase in rental expenses for outlet premises, professional fees, licensing fees for new outlets in Singapore and Malaysia and other expenses.

Other expenses remained stable in 3Q-2018

Profit Before Tax

As a result of the above, profit before tax decreased by S\$0.2 million or 2.5% from S\$6.3 million in 9M-2017 to S\$6.1 million in 9M-2018, and decreased by S\$1.3 million or 50.8% from S\$2.5 million in 3Q-2017 to S\$1.2 million in 3Q-2018.

Income Tax Expense

Income tax expense remained stable in 9M-2017 and 9M-2018.

Income tax expense decreased by S\$0.1 million or 20.2% from S\$0.5 million in 3Q-2017 to S\$0.4 million in 3Q-2018, in line with the decrease in taxable profits for the period. The decrease in taxable profits was due to a decrease in profit before tax, partially offset by an increase in certain non-deductible expenses.

REVIEW OF THE GROUP'S FINANCIAL POSITION

Non-Current Assets

Non-current assets increased by S\$1.2 million or 8.8% from S\$13.6 million as at 31 December 2017 to S\$14.8 million as at 30 September 2018. The increase was mainly attributable to 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 increase in fixed assets, including the fixed assets arising from Malaysia Investment, of \$1.6 million, offset by the depreciation and amortisation charge for the period of \$2.0 million.

Current Assets

Current assets increased by S\$16.3 million or 6.8% from S\$238.9 million as at 31 December 2017 to S\$255.2 million as at 30 September 2018. This was mainly due to an increase in trade and other receivables of S\$17.6 million mainly arising from an increase in pledged loans extended to customers (including the pledged loans of our Group's newly acquired pawnshop, Ban Joo Pawnshop Pte. Ltd.²), an increase in inventories of S\$3.3 million mainly due to the buildup of inventory for the retail and trading of pre-owned items segment, partially offset by a decrease in cash and cash equivalents of S\$4.1 million and a decrease in other assets of S\$0.4 million.

Non-Current Liabilities

Non-current liabilities decreased by S\$1.6 million or 52.5% from S\$3.1 million as at 31 December 2017 to S\$1.5 million as at 30 September 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\$16.3 million or 9.2% from S\$177.4 million as at 31 December 2017 to S\$193.7 million as at 30 September 2018. This was mainly due to an increase in other financial liabilities, current of S\$8.8 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\$0.2 million due to provision for reinstatement of outlet premises as well as an increase in trade and other payables of S\$7.4 million, due mainly to an increase in advances from directors amounting to S\$6.0 million and an increase in purchase of inventories.

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 acquisitions of the entities.

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.

Equity Attributable to Owners of the Company

Equity attributable to owners of the Company increased by S\$3.1 million or 4.5% from S\$69.3 million as at 31 December 2017 to S\$72.4 million as at 30 September 2018. The increase was mainly due to profit attributable to owners of the Company of S\$4.8 million for 9M-2018, offset by dividends paid in relation to FY2017 of \$1.8 million.

REVIEW OF THE GROUP'S STATEMENT OF CASH FLOWS

Net cash generated from operating activities before changes in working capital in 9M-2018 was S\$13.1 million. Net cash used in working capital amounted to S\$12.1 million. This was mainly due to (i) an increase in inventories of S\$3.3 million due to the buildup of inventory for the retail and trading of pre-owned items segment, (ii) an increase in trade and other receivables of S\$14.9 million, and partially offset by (iii) an increase in trade and other payables of S\$5.4 million (iv) a decrease in other assets of S\$0.6 million and (v) an increase in other liabilities of S\$0.2 million. Net cash used in operating activities amounted to S\$0.6 million after deducting income tax paid of S\$1.6 million.

Net cash used in investing activities amounted to S\$4.5 million, mainly due to (i) purchase of plant and equipment in relation to our business expansion in Singapore and Malaysia of S\$1.2 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. Ltd., and Malaysia Investment of S\$2.9 million.

Net cash used in financing activities of S\$26,000 was mainly due to dividends paid, interest paid and repayment of bank borrowings of \$1.8 million, S\$4.7 million and S\$6.2 million respectively, partially offset by an increase in new bank borrowings of S\$12.4 million and issue of shares to non-controlling interest of S\$0.3 million³.

As a result of the above, there was a net decrease of S\$5.0 million in cash and cash equivalents from a net cash balance of S\$4.5 million as at 31 December 2017 to a negative cash balance of S\$0.5 million as at 30 September 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 for the rest of the year and in 2019 due to economic uncertainties. Consumer sentiment remains weak due to uncertain economic outlook. This poses significant challenges to the Group's retail and trading business. Rising wages as well as interest rate hikes are expected to affect the Group's operating environment.

In view of the challenges, the Group will continue to focus on its commitment to drive new service innovations to generate new revenue streams and deliver sustainable growth. The Group is considering the possibility of diversification into other financial services or expanding its services to overseas markets.

Barring any unforeseen circumstances, the Group remains cautiously optimistic of its performance for the financial year ending 31 December 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.

11. Dividend

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

No dividend has been declared or recommended for 3Q-2018.

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

No dividend was declared or recommended for 3Q-2017.

(c) Date payable

Not applicable.

(d) Books closure date

Not applicable.

12. If no dividend has been declared/ recommended, a statement to the effect.

No dividend has been declared or recommended for 3Q-2018.

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 Catalyst of the Singapore Exchange Securities Trading Limited ("**Catalist Rules**"). However, pursuant to Rule 905 of the Catalyst 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 Catalyst Rules)	
Name of Interested Person	9M-2018 S\$'000	9M-2017 S\$'000
Purchases of products		
SK Jewellery Group Ltd. and its subsidiaries (the " SK Group of Companies ")	7	352
Sin Lian Pawnshop Pte. Ltd.	51	-
Sales of products	52	38
SK Group of Companies		
Central support services		
SK Group of Companies	177	149
Rental expenses		
SK Group of Companies	233	171
SK Properties Pte Ltd	457	387
Soo Kee Investment Pte Ltd	416	416
Interest payable/paid		
Soo Kee Capital Pte Ltd	37	28
Money Farm Pte Ltd	39	23
Lim Yong Guan	100	14
Lim Yong Sheng	54	11
	1,623	1,589

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. Negative confirmation by the Board pursuant to Rule 705(5)

The board of directors of the Company (the “**Board**”) confirms that, to the best of its knowledge, nothing has come to the attention of the Board which may render the unaudited financial statements for 3Q-2018 and 9M-2018 of the Group to be false or misleading in any material aspect.

ON BEHALF OF THE BOARD OF DIRECTORS

Lim Yong Guan
Executive Chairman and CEO

Lim Yong Sheng
Non-Executive Director

7 November 2018

*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.