

UNAUDITED SECOND QUARTER AND HALF YEAR FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2019
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 comprehensive statement for the corresponding period of the immediately preceding financial year.

CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	Group					
	2Q2019	2Q2018	Change	1H2019	1H2018	Change
	\$'000	\$'000	%	\$'000	\$'000	%
Revenue	55,388	55,014	0.7	105,590	112,173	(5.9)
Cost of sales	(41,932)	(43,272)	(3.1)	(80,356)	(88,215)	(8.9)
Gross profit	13,456	11,742	14.6	25,234	23,958	5.3
Other item of income						
Other operating income	1,244	918	35.5	2,163	2,183	(0.9)
Other items of expense						
Marketing and distribution expenses	(334)	(159)	110.1	(497)	(366)	35.8
Administrative expenses	(6,146)	(5,811)	5.8	(12,400)	(11,422)	8.6
Finance costs	(935)	(1,194)	(21.7)	(1,858)	(2,128)	(12.7)
Other operating expenses	(162)	(1,293)	(87.5)	(234)	(1,795)	(87.0)
Share of results of associates	866	782	10.7	1,904	1,598	19.1
Profit before tax	7,989	4,985	60.3	14,312	12,028	19.0
Income tax expense	(1,169)	(610)	91.6	(1,759)	(1,297)	35.6
Profit for the period	6,820	4,375	55.9	12,553	10,731	17.0
Other comprehensive income:						
Items that may be reclassified subsequently to profit or loss						
Foreign currency translation	(170)	(30)	466.7	(79)	141	n.m.
Total comprehensive income for the period	6,650	4,345	53.0	12,474	10,872	14.7
Profit for the period attributable to:						
Owners of the Company	6,674	4,229	57.8	12,245	10,414	17.6
Non-controlling interests	146	146	–	308	317	(2.8)
	6,820	4,375	55.9	12,553	10,731	17.0
Total comprehensive income for the period attributable to:						
Owners of the Company	6,504	4,199	54.9	12,166	10,555	15.3
Non-controlling interests	146	146	–	308	317	(2.8)
	6,650	4,345	53.0	12,474	10,872	14.7

n.m.: Not meaningful

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

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

	Group					
	2Q2019	2Q2018	Change	1H2019	1H2018	Change
	\$'000	\$'000	%	\$'000	\$'000	%
Depreciation of property, plant and equipment	446	454	(1.8)	898	898	–
Inventories recognised as an expense in cost of sales	40,317	42,291	(4.7)	77,083	86,214	(10.6)
Operating lease expense	592	1,091	(45.7)	806	2,147	(62.5)
Interest expense on loans and borrowings	2,388	2,212	8.0	5,022	4,155	20.9
Allowance for expected credit losses	162	1,293	(87.5)	234	1,387	(83.1)
Goodwill written off	–	–	n.m.	–	408	n.m.
Net fair value loss/(gain) on loan from an unrelated party	163	(36)	n.m.	110	(26)	n.m.
Net exchange loss/(gain)	73	48	52.1	44	(101)	n.m.
(Increase)/decrease in fair value of inventories less point-of-sale costs	(547)	74	n.m.	(557)	60	n.m.
Amortisation of intangible assets	–	32	n.m.	–	127	n.m.
Amortisation of right-of-use assets	631	–	n.m.	1,611	–	n.m.
Write back of allowance for write-down of inventories	–	–	n.m.	–	(150)	n.m.
Rental income from leasehold property	(365)	(223)	63.7	(671)	(478)	40.4
Interest income	(223)	(163)	36.8	(401)	(324)	23.8
Dividend income from unquoted investments	(48)	(52)	(7.7)	(48)	(52)	(7.7)

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	
	30.06.2019 \$'000	31.12.2018 \$'000	30.06.2019 \$'000	31.12.2018 \$'000
<u>Non-current assets</u>				
Property, plant and equipment	28,274	29,071	97	129
Intangible asset	6,519	43	–	–
Investment in subsidiaries	–	–	64,470	66,370
Investment in associates	17,441	15,811	1,002	1,002
Other investments	688	688	688	688
Trade and other receivables	106,249	109,486	–	–
	159,171	155,099	66,257	68,189
<u>Current assets</u>				
Inventories	76,948	64,050	–	–
Trade and other receivables	253,023	263,455	171,332	147,922
Prepaid operating expenses	595	551	40	54
Cash and bank balances	6,059	10,204	215	664
	336,625	338,260	171,587	148,640
Total assets	495,796	493,359	237,844	216,829
<u>Current liabilities</u>				
Trade and other payables	6,111	9,504	20,168	17,510
Other liabilities	2,798	4,310	812	1,688
Lease liabilities	1,811	–	–	–
Interest-bearing loans and borrowings	199,430	215,045	5,000	–
Income tax payable	3,163	2,998	290	261
	213,313	231,857	26,270	19,459
Net current assets	123,312	106,403	145,317	129,181
<u>Non-current liabilities</u>				
Other payables	37	39	–	–
Provisions	365	365	–	–
Deferred tax liabilities	1,917	1,948	15	15
Lease liabilities	4,691	–	–	–
Interest-bearing loans and borrowings	66,059	61,703	49,812	49,760
	73,069	64,055	49,827	49,775
Total liabilities	286,382	295,912	76,097	69,234
Net assets	209,414	197,447	161,747	147,595
<u>Equity attributable to owners of the Company</u>				
Share capital	78,313	78,313	78,313	78,313
Treasury shares	(26)	(26)	(26)	(26)
Retained earnings	133,312	121,067	83,460	69,308
Other reserves	(6,518)	(6,439)	–	–
	205,081	192,915	161,747	147,595
Non-controlling interests	4,333	4,532	–	–
Total equity	209,414	197,447	161,747	147,595

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

Amount repayable in one year or less, or on demand

	As at 30 June 2019		As at 31 December 2018	
	Secured \$'000	Unsecured \$'000	Secured \$'000	Unsecured \$'000
Included in trade and other payables	–	3,895	–	3,322
Included in interest-bearing loans and borrowings	184,255	15,175	208,803	58,180
Total	184,255	19,070	208,803	61,502

Amount repayable by the Group after one year

	As at 30 June 2019		As at 31 December 2018	
	Secured \$'000	Unsecured \$'000	Secured \$'000	Unsecured \$'000
Included in interest-bearing loans and borrowings	16,248	49,811	11,943	49,760
Total	16,248	49,811	11,943	49,760

Details of collateral:

- A fixed and floating charge on all assets of certain subsidiaries, legal mortgages over several properties and personal guarantees by certain directors of a subsidiary.

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 STATEMENTS OF CASH FLOWS	2Q2019 \$'000	2Q2018 \$'000	1H2019 \$'000	1H2018 \$'000
Operating activities				
Profit before tax	7,989	4,985	14,312	12,028
Adjustments for:				
Depreciation of property, plant and equipment	446	454	898	898
Amortisation of right-of-use assets	631	–	1,611	–
Amortisation of intangible assets	–	32	–	127
Goodwill written off	–	–	–	408
Allowance for expected credit losses	162	1,293	234	1,387
Interest income	(223)	(163)	(401)	(324)
Finance costs	2,388	2,212	5,022	4,155
(Decrease)/increase in fair value of inventories less point-of-sale costs	(547)	74	(557)	60
Write back of allowance for write-down of inventories	–	–	–	(150)
Net fair value loss/(gain) on loan from an unrelated party	163	(36)	110	(26)
Dividend income from unquoted investments	(48)	(52)	(48)	(52)
Share of results of associates	(866)	(782)	(1,904)	(1,598)
Unrealised exchange loss/(gain)	74	48	36	(101)
Operating cash flows before changes in working capital	10,169	8,065	19,313	16,812
Changes in working capital				
(Increase)/decrease in inventories	(9,350)	(3,184)	(12,341)	3,261
Decrease/(increase) in trade and other receivables	12,945	(5,460)	13,435	(28,431)
Decrease/(increase) in prepaid operating expenses	31	64	(44)	707
Increase/(decrease) in trade and other payables	1,350	99	(3,394)	(515)
Decrease in other liabilities	(424)	(238)	(1,512)	(975)
Cash flows generated from/(used in) operations	14,721	(654)	15,457	(9,141)
Interest received	223	163	401	324
Finance costs paid	(2,362)	(2,149)	(4,971)	(4,035)
Income taxes paid	(974)	(785)	(1,626)	(1,388)
Net cash flows generated from/(used in) operating activities	11,608	(3,425)	9,261	(14,240)
Investing activities				
Purchase of property, plant and equipment	(30)	(295)	(101)	(430)
Dividend income from associates	160	200	160	200
Dividend income from unquoted investments	48	52	48	52
Net cash flows generated from/(used in) investing activities	178	(43)	107	(178)
Financing activities				
Proceeds from interest-bearing loans and borrowings	11,642	95,104	15,662	104,690
Repayment of interest-bearing loans and borrowings	(31,866)	(79,415)	(33,096)	(80,582)
Payment of lease liabilities	(622)	–	(1,585)	–
Term notes issuance expenses paid	–	(310)	–	(310)
Dividends paid to non-controlling interests	(507)	(522)	(507)	(522)
Dividends paid on ordinary shares	–	(6,721)	–	(6,721)
Net cash flows (used in)/generated from financing activities	(21,353)	8,136	(19,526)	16,555
Net (decrease)/increase in cash and cash equivalents	(9,567)	4,668	(10,158)	2,137
Cash and cash equivalents at beginning of period	8,537	761	9,128	3,292
Cash and cash equivalents at end of period	(1,030)	5,429	(1,030)	5,429

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 for the immediately preceding financial year.

STATEMENTS OF CHANGES IN EQUITY

Group	Attributable to owners of the Company						Total	Non-controlling interests	Total equity
	Share capital	Treasury shares	Capital reserve	Merger reserve	Foreign currency translation reserve	Retained earnings			
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
At 1 January 2019	78,313	(26)	1,984	(7,599)	(824)	121,067	192,915	4,532	197,447
Profit for the period	—	—	—	—	—	12,245	12,245	308	12,553
Foreign currency translation	—	—	—	—	(79)	—	(79)	—	(79)
Total comprehensive income for the period	—	—	—	—	(79)	12,245	12,166	308	12,474
<u>Contributions by and distributions to owners</u>									
Dividends paid to non-controlling interests	—	—	—	—	—	—	—	(507)	(507)
Total contributions by and distributions to owners	—	—	—	—	—	—	—	(507)	(507)
At 30 June 2019	78,313	(26)	1,984	(7,599)	(903)	133,312	205,081	4,333	209,414

Group	Attributable to owners of the Company						Total	Non-controlling interests	Total equity
	Share capital	Treasury shares	Capital reserve	Merger reserve	Foreign currency translation reserve	Retained earnings			
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
At 1 January 2018	78,313	(26)	1,984	(7,599)	(884)	107,496	179,284	4,523	183,807
Profit for the period	—	—	—	—	—	10,414	10,414	317	10,731
Foreign currency translation	—	—	—	—	141	—	141	—	141
Total comprehensive income for the period	—	—	—	—	141	10,414	10,555	317	10,872
<u>Contributions by and distributions to owners</u>									
Dividends paid on ordinary shares	—	—	—	—	—	(6,721)	(6,721)	—	(6,721)
Dividends paid to non-controlling interests	—	—	—	—	—	—	—	(522)	(522)
Total contributions by and distributions to owners	—	—	—	—	—	(6,721)	(6,721)	(522)	(7,243)
At 30 June 2018	78,313	(26)	1,984	(7,599)	(743)	111,189	183,118	4,318	187,436

Company	Attributable to owners of the Company			
	Share capital \$'000	Treasury shares \$'000	Retained earnings \$'000	Total equity \$'000
At 1 January 2019	78,313	(26)	69,308	147,595
Profit for the period, representing total comprehensive income for the period	–	–	14,152	14,152
At 30 June 2019	78,313	(26)	83,460	161,747
At 1 January 2018	78,313	(26)	60,203	138,490
Profit for the period, representing total comprehensive income for the period	–	–	15,174	15,174
<u>Contributions by and distributions to owners</u>				
Dividends paid on ordinary shares	–	–	(6,721)	(6,721)
At 30 June 2018	78,313	(26)	68,656	146,943

1(d)(ii) Details of any changes in the company's share capital arising from rights issue, bonus issue, share buy-backs, exercises 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 also the number of issued shares excluding treasury shares, if any, against the total number of issued shares excluding treasury shares 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.

The Company's issued and fully paid up shares as at 30 June 2019 comprised 533,397,960 (30 June 2018: 533,397,960) ordinary shares and 100,000 (30 June 2018: 100,000) treasury shares.

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.

	30.06.2019	31.12.2018
Total number of issued shares	533,497,960	533,497,960
Less: Treasury shares	(100,000)	(100,000)
Total number of issued shares excluding treasury shares	533,397,960	533,397,960

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

Treasury Shares	No. of shares	S\$'000
Balance as at 31/03/2019	100,000	26
No. of shares purchased	–	–
Balance as at 30/06/2019	100,000	26

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 Company's auditors.

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

The Group has applied the same accounting policies and methods of computation in the financial statements for the current financial period ended as those of the audited financial statements for the financial year ended 31 December 2018, as well as applicable new and revised Singapore Financial Reporting Standards (International) ("SFRS(I)") which became effective for financial years beginning on or after 1 January 2019. The adoption of these new and revised SFRS(I) has no material effect on the announcement for the current financial period except for adoption of SFRS(I) 16 *Leases* where the Group has applied a simplified transition approach and will follow a modified retrospective approach as of 1 January 2019. The Group has recognised right-of-use assets and lease liabilities of \$7.8 million for its leases previously classified as operating leases as of 1 January 2019.

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.

Please refer to item 4 above.

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:—

(a) Based on the weighted average number of ordinary shares on issue; and

(b) On a fully diluted basis (detailing any adjustments made to the earnings).

	Group			
	2Q2019	2Q2018	1H2019	1H2018
	Cents	Cents	Cents	Cents
i) Basic earnings per share	1.25	0.79	2.30	1.95
ii) Diluted earnings per share	1.25	0.79	2.30	1.95
- Weighted average number of shares ('000)	533,398	533,398	533,398	533,398

The calculation of basic earnings per share for 1H ended 30 June 2019 is based on the net profits attributable to shareholders for the 1H ended 30 June 2019 divided by the weighted average number of ordinary shares outstanding of 533,398,000.

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.

	Group		Company	
	30.06.2019	31.12.2018	30.06.2019	31.12.2018
Net asset value per ordinary share (cents)	38.45	36.17	30.32	27.67
Number of ordinary shares in issue ('000)	533,398	533,398	533,398	533,398

The number of ordinary shares was based on the number of outstanding shares as at 30 June 2019 excluding treasury shares and 31 December 2018 respectively.

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

2Q2019 vs 2Q2018

Revenue

The Group's revenue increased from \$55.0 million in 2Q2018 to \$55.4 million in 2Q2019. Revenue from retail and trading of jewellery and gold business and moneylending businesses increased by \$0.1 million and \$0.6 million respectively while revenue from pawnbroking business decreased by \$0.3 million in 2Q2019.

Cost of sales

The Group's cost of sales decreased from \$43.3 million in 2Q2018 to \$41.9 million in 2Q2019. Cost of goods sold for retail and trading of jewellery and gold business decreased by \$1.8 million, while interest cost for both pawnbroking and moneylending businesses increased by \$0.3 million and \$0.1 million respectively.

Gross profit

Overall gross profit increased by \$1.8 million in 2Q2019 compared with the same period in 2Q2018. Gross profit margin improved from 21.3% in 2Q2018 to 24.4% in 2Q2019.

Other operating income

Other operating income was \$1.2 million in 2Q2019 compared with \$0.9 million in 2Q2018. The higher other operating income was mainly due to the increase in facility fees and rental income.

Marketing and distribution expenses

Marketing and distribution expenses comprise mainly commission expenses, labour charges, licences, packaging, and repair and reconditioning expenses. The increase in marketing and distribution expenses from \$0.2 million in 2Q2018 to \$0.3 million in 2Q2019 was mainly due to the increase in commission expenses of \$0.1 million.

Administrative expenses

Administrative expenses comprise mainly employee benefits expense, rental expenses, depreciation expenses, legal and professional fees and insurance premiums. The increase in administrative expenses from \$5.8 million in 2Q2018 to \$6.1 million in 2Q2019 was mainly due to the increase in employee benefits expense of \$0.3 million.

Other operating expense

Other operating expenses comprise mainly allowance for expected credit losses of \$0.2 million and \$1.3 million in 2Q2019 and 2Q2018 respectively.

Share of results of associates

The Group's share of results of associates increased from \$0.8 million in 2Q2018 to \$0.9 million in 2Q2019, due to increased contribution from Malaysian associated companies.

Profit before tax

As a result of the above, profit before tax increased by \$3.0 million to \$8.0 million in 2Q2019.

Income tax expense

Income tax expense increased by \$0.6 million in 2Q2019, which is in line with the increase in profit.

1H2019 vs 1H2018

Revenue

The Group's revenue decreased from \$112.2 million in 1H2018 to \$105.6 million in 1H2019. Retail and trading of jewellery and gold business accounted for the decrease of \$7.7 million while revenue from pawnbroking and moneylending businesses increased by \$0.1 million and \$1.0 million respectively.

Cost of sales

The Group's cost of sales decreased from \$88.2 million in 1H2018 to \$80.4 million in 1H2019. Cost of goods sold for retail and trading of jewellery and gold business decreased by \$9.0 million, which is in line with the decrease in revenue in this segment, while interest cost for both pawnbroking and moneylending businesses increased by \$0.7 million and \$0.5 million respectively.

Gross profit

Overall gross profit increased by \$1.2 million in 1H2019 compared with the same period in 1H2018. Gross profit margin improved from 21.4% in 1H2018 to 23.9% in 1H2019.

Other operating income

Other operating income remained at \$2.2 million in 1H2019 as compared with 1H2018.

Marketing and distribution expenses

Marketing and distribution expenses comprise mainly commission expenses, labour charges, licenses, packaging, and repair and reconditioning expenses. The increase in marketing and distribution expenses from \$0.4 million in 1H2018 to \$0.5 million in 1H2019 was mainly due to the increase in commission expenses of \$0.1 million.

Administrative expenses

Administrative expenses comprise mainly employee benefits expense, rental expenses, depreciation expenses, legal and professional fees and insurance premiums. The increase in administrative expenses from \$11.4 million in 1H2018 to \$12.4 million in 1H2019 was mainly due to the increases in employee benefits expense and amortisation expenses of \$0.8 million and \$1.6 million respectively, of which was partially offset by a decrease in operating lease expenses of \$1.4 million.

Other operating expense

Other operating expenses comprise mainly allowance for expected credit losses of \$0.2 million and \$1.8 million in 1H2019 and 1H2018 respectively.

Share of results of associates

The Group's share of results of associates increased from \$1.6 million in 1H2018 to \$1.9 million in 1H2019, due to increased contribution from Malaysian associated companies.

Profit before tax

As a result of the above, profit before tax increased by \$2.3 million to \$14.3 million in 1H2019.

Income tax expense

Income tax expense increased by \$0.5 million in 1H2019, which is in line with the increase in profit.

Review of the Group's Financial Position

Non-current assets increased by \$4.1 million from \$155.1 million as at 31 December 2018 to \$159.2 million as at 30 June 2019. The increase comprises increase in intangible assets of \$6.5 million and investment in associates of \$1.6 million. These were offset by a decrease in trade and other receivables and property, plant and equipment by \$3.2 million and \$0.8 million respectively.

Current assets decreased by \$1.7 million from \$338.3 million as at 31 December 2018 to \$336.6 million as at 30 June 2019. This was mainly due to the decrease of trade and other receivables and cash and bank balances of \$10.4 million and \$4.1 million respectively. These were offset by an increase in inventories of \$12.8 million.

Current liabilities decreased by \$18.6 million from \$231.9 million as at 31 December 2018 to \$213.3 million as at 30 June 2019 as a result of a decreases in interest-bearing loans and borrowings of \$15.7 million, trade and other payables of \$3.4 million, other current liabilities of \$1.5 million, of which were partially offset by an increase in lease liabilities and income tax payable of \$1.8 million and \$0.2 million respectively.

Non-current liabilities increased by \$9.0 million from \$64.1 million as at 31 December 2018 to \$73.1 million as at 30 June 2019 as a result of increases in interest-bearing loans and borrowings of \$4.3 million and lease liabilities of \$4.7 million.

Equity comprises share capital, treasury shares, retained earnings, capital reserve, merger reserve, foreign currency translation reserve and non-controlling interests. Equity attributable to owners of the Company increased from \$192.9 million as at 31 December 2018 to \$205.1 million as at 30 June 2019 mainly due to the increase in retained earnings.

Review of the Group's Cash Flows

2Q2019 vs 2Q2018

In 2Q2019, the net cash used in operating activities was \$14.7 million. This comprises operating cash flows before working capital adjustments of \$10.2 million, adjusted by net working capital inflow of \$4.5 million. In 2Q2019, the Group received interest income of \$0.2 million, with net income tax paid of \$1.0 million and interest expense paid of \$2.4 million respectively. The net working capital inflow was a result of the decreases in trade and other receivables of \$12.9 million, increase in trade and other payables of \$1.4 million, of which were partially offset by the increase in inventories of \$9.4 million and decrease in other liabilities of \$0.4 million.

In 2Q2019, the net cash generated from investing activities was mainly due to the receipt of dividend income from associated and unquoted investments of \$0.2 million.

The net cash used in financing activities in 2Q2019 amounted to \$21.4 million comprising the net repayment of interest-bearing loans and borrowings of \$20.3 million, finance lease repayment of \$0.6 million and payment of dividends of \$0.5 million.

1H2019 vs 1H2018

In 1H2019, the net cash used in operating activities was \$15.5 million. This comprises operating cash flows before working capital adjustments of \$19.3 million, adjusted by net working capital outflow of \$3.8 million. In 1H2019, the Group received interest income of \$0.4 million, with net income tax paid of \$1.6 million and interest expense paid of \$5.0 million respectively. The net working capital outflow was a result of the increase in inventories of \$12.3 million, decrease in trade and other payables of \$3.4 million and decrease in other liabilities of \$1.5 million. These were partially offset by the decrease in trade and other receivables of \$13.4 million.

In 1H2019, the net cash generated investing activities amounted to \$0.1 million, comprising dividend income of \$0.2 million, partially offset by the purchase of property, plant and equipment of \$0.1 million.

The net cash used in financing activities in 1H2019 amounted to \$19.5 million comprising the net repayment of interest-bearing loans and borrowings of \$17.4 million, finance lease repayment of \$1.6 million and payment of dividends of \$0.5 million.

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

There is no material variance from the prospects disclosed in paragraph 10 of the Group's previous results announcement.

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

Gold price rose from below USD1,250 to above USD1,400 since the last results announcement. While the prospect of gold price remains volatile given the current economic uncertainties, the pawnbroking and moneylending businesses continues to face challenges from keen competition, rising operating costs and uncertain interest rate movement.

The Group will continue to explore acquisition opportunities and suitable locations to grow our network of pawnshops and retail outlets.

11. Dividend

**i. Current Financial Period Reported on
Any dividend declared for the current period?**

No.

**ii. Corresponding Period of the Immediately Preceding Financial Year
Any dividend declared for the corresponding period of the immediately preceding financial year?**

No.

12. If no dividend has been declared (recommended), a statement to that effect.

No dividend has been declared for the six-month period ended 30 June 2019 as it is the Company's policy to consider declaring a final dividend after the end of each financial year.

13. Interested Person Transactions

The Group has obtained a general mandate from shareholders of the Company for interested person transactions in the Annual General Meeting held on 25 April 2018. During the financial period, the following interested person transactions were entered into by the Group:

	Aggregate value of all interested person transactions during the financial year under review (excluding transactions less than \$100,000)	
	YTD-30 Jun 19 \$'000	YTD-30 Jun 18 \$'000
Sales of goods to director-related companies		
- Hwa Goldsmith and Jewellers	517	600
- Mei Zhi Jewellery	–	151
- Lucky Jewellery	568	755
Sales of goods to a controlling shareholder		
- Tan Hong Yee	197	–
Purchase of goods from director-related companies		
- Mei Zhi Jewellery	134	136
Rental paid to director-related company		
- Yeah Properties Pte Ltd	156	78

14. Confirmation that the Issuer has procured undertakings from all its directors and executive officers.

The Company confirms that it has procured undertakings from all its directors and executive officers in the format set out in Appendix 7.7 under Rule 720(1) of the Listing Manual.

15. Negative confirmation pursuant to Rule 705(5)

The board of Directors of the Company (the "Board") confirms that, to the best of our knowledge, nothing has come to the attention of the Board which may render the unaudited interim financial statements for the period ended 30 June 2019 to be false or misleading in any material respects.

For and on behalf of the Board

Yeah Hiang Nam
 Managing Director

Yeah Lee Ching
 Executive Director