

UNAUDITED THIRD QUARTER AND NINE-MONTH FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 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					
	3Q2019	3Q2018	Change	9M2019	9M2018	Change
	\$'000	\$'000	%	\$'000	\$'000	%
Revenue	65,448	48,645	34.5	171,038	160,818	6.4
Cost of sales	(52,148)	(36,476)	43.0	(132,504)	(124,691)	6.3
Gross profit	13,300	12,169	9.3	38,534	36,127	6.7
Other item of income						
Other operating income	632	830	(23.9)	2,795	3,013	(7.2)
Other items of expense						
Marketing and distribution expenses	(214)	(348)	(38.5)	(711)	(714)	(0.4)
Administrative expenses	(5,869)	(5,959)	(1.5)	(18,269)	(17,381)	5.1
Finance costs	(1,019)	(867)	17.5	(2,877)	(2,995)	(3.9)
Other operating expenses	(219)	(102)	114.7	(453)	(1,897)	(76.1)
Share of results of associates	1,099	725	51.6	3,003	2,323	29.3
Profit before tax	7,710	6,448	19.6	22,022	18,476	19.2
Income tax expense	(1,631)	(1,367)	19.3	(3,390)	(2,664)	27.3
Profit for the period	6,079	5,081	19.6	18,632	15,812	17.8
Other comprehensive income:						
Items that may be reclassified subsequently to profit or loss						
Foreign currency translation	(34)	(232)	(85.3)	(113)	(91)	24.2
Total comprehensive income for the period	6,045	4,849	24.7	18,519	15,721	17.8
Profit for the period attributable to:						
Owners of the Company	5,894	4,947	19.1	18,139	15,361	18.1
Non-controlling interests	185	134	38.1	493	451	9.3
	6,079	5,081	19.6	18,632	15,812	17.8
Total comprehensive income for the period attributable to:						
Owners of the Company	5,860	4,715	24.3	18,026	15,270	18.0
Non-controlling interests	185	134	38.1	493	451	9.3
	6,045	4,849	24.7	18,519	15,721	17.8

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					
	3Q2019	3Q2018	Change	9M2019	9M2018	Change
	\$'000	\$'000	%	\$'000	\$'000	%
Depreciation of property, plant and equipment	433	449	(3.6)	1,331	1,347	(1.2)
Inventories recognised as an expense in cost of sales	50,592	35,269	43.4	127,675	121,483	5.1
Operating lease expense	37	1,190	(96.9)	843	3,337	(74.7)
Interest expense on loans and borrowings	2,664	2,160	23.3	7,686	6,315	21.7
Allowance for expected credit losses	219	102	114.7	453	1,489	(69.6)
Goodwill written off	–	–	n.m.	–	408	n.m.
Net fair value (gain)/loss on loan from an unrelated party	(90)	(86)	4.7	20	(112)	n.m.
Net exchange (gain)/loss	(36)	92	n.m.	8	(9)	n.m.
(Increase)/decrease in fair value of inventories less point-of-sale costs	(26)	181	n.m.	(583)	241	n.m.
Amortisation of intangible assets	–	–	n.m.	–	127	n.m.
Amortisation of right-of-use assets	1,041	–	n.m.	2,652	–	n.m.
Write back of allowance for write-down of inventories	–	–	n.m.	–	(150)	n.m.
Rental income from leasehold property	(106)	(250)	(57.6)	(777)	(728)	6.7
Interest income	(202)	(171)	18.1	(603)	(495)	21.8
Dividend income from unquoted investments	–	–	n.m.	(48)	(52)	(7.7)

n.m.: 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	
	30.09.2019 \$'000	31.12.2018 \$'000	30.09.2019 \$'000	31.12.2018 \$'000
<u>Non-current assets</u>				
Property, plant and equipment	27,973	29,071	83	129
Intangible assets	10,196	43	–	–
Investment in subsidiaries	–	–	66,470	66,370
Investment in associates	18,491	15,811	1,002	1,002
Other investments	688	688	688	688
Trade and other receivables	116,456	109,486	–	–
	173,804	155,099	68,243	68,189
<u>Current assets</u>				
Inventories	84,610	64,050	–	–
Trade and other receivables	264,429	263,455	168,922	147,922
Prepaid operating expenses	516	551	69	54
Cash and bank balances	5,077	10,204	32	664
	354,632	338,260	169,023	148,640
Total assets	528,436	493,359	237,266	216,829
<u>Current liabilities</u>				
Trade and other payables	10,835	9,504	19,384	17,510
Other liabilities	4,026	4,310	1,434	1,688
Lease liabilities	4,222	–	–	–
Interest-bearing loans and borrowings	217,215	215,045	5,000	–
Income tax payable	3,837	2,998	610	261
	240,135	231,857	26,428	19,459
Net current assets	114,497	106,403	142,595	129,181
<u>Non-current liabilities</u>				
Lease liabilities	5,975	–	–	–
Provisions	364	365	–	–
Interest-bearing loans and borrowings	65,739	61,703	49,838	49,760
Deferred tax liabilities	1,902	1,948	15	15
Other deposits	39	39	–	–
	74,019	64,055	49,853	49,775
Total liabilities	314,154	295,912	76,281	69,234
Net assets	214,282	197,447	160,985	147,595
<u>Equity attributable to owners of the Company</u>				
Share capital	84,230	78,313	84,230	78,313
Treasury shares	(26)	(26)	(26)	(26)
Retained earnings	132,112	121,067	76,781	69,308
Other reserves	(6,552)	(6,439)	–	–
	209,764	192,915	160,985	147,595
Non-controlling interests	4,518	4,532	–	–
Total equity	214,282	197,447	160,985	147,595

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 2019		As at 31 December 2018	
	Secured \$'000	Unsecured \$'000	Secured \$'000	Unsecured \$'000
Included in trade and other payables	–	3,965	–	3,413
Included in interest-bearing loans and borrowings	202,074	15,141	208,803	6,242
Total	202,074	19,106	208,803	9,655

Amount repayable by the Group after one year

	As at 30 September 2019		As at 31 December 2018	
	Secured \$'000	Unsecured \$'000	Secured \$'000	Unsecured \$'000
Included in interest-bearing loans and borrowings	15,901	49,838	11,943	49,760
Total	15,901	49,838	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	3Q2019 \$'000	3Q2018 \$'000	9M2019 \$'000	9M2018 \$'000
Operating activities				
Profit before tax	7,710	6,448	22,022	18,476
Adjustments for:				
Depreciation of property, plant and equipment	433	449	1,331	1,347
Amortisation of intangible assets	–	–	–	127
Amortisation of right-of-use assets	1,041	–	2,652	–
Allowance for expected credit losses	219	102	453	1,489
Goodwill written off	–	–	–	408
Interest income	(202)	(171)	(603)	(495)
Finance costs	2,664	2,160	7,686	6,315
(Increase)/decrease in fair value of inventories less point-of-sale costs	(26)	181	(583)	241
Write-back of allowance for write-down of inventories	–	–	–	(150)
Net fair value (gain)/loss on loan from an unrelated party	(90)	(86)	20	(112)
Dividend income from unquoted investments	–	–	(48)	(52)
Share of results of associates	(1,099)	(725)	(3,003)	(2,323)
Unrealised exchange loss	14	151	50	50
Operating cash flows before changes in working capital	10,664	8,509	29,977	25,321
Changes in working capital				
Increase in inventories	(7,637)	(1,404)	(19,978)	1,857
Increase in trade and other receivables	(21,832)	(23,992)	(8,397)	(52,423)
Decrease in prepaid operating expenses	79	2	35	709
Increase in trade and other payables	4,725	718	1,331	203
Increase/(decrease) in other liabilities	1,230	1,360	(282)	385
Cash flows (used in)/generated from operations	(12,771)	(14,807)	2,686	(23,948)
Interest received	202	171	603	495
Finance costs paid	(2,637)	(2,134)	(7,608)	(6,169)
Income taxes paid	(971)	(768)	(2,597)	(2,156)
Net cash flows used in from operating activities	(16,177)	(17,538)	(6,916)	(31,778)
Investing activities				
Purchase of property, plant and equipment	(132)	(240)	(233)	(670)
Dividend income from associates	–	421	160	621
Dividend income from unquoted investments	–	–	48	52
Net cash flows (used in)/generated from investing activities	(132)	181	(25)	3
Financing activities				
Proceeds from interest-bearing loans and borrowings	19,200	23,349	34,862	128,039
Repayment of interest-bearing loans and borrowings	(347)	(5,257)	(33,443)	(85,839)
Term notes issuance expenses paid	–	–	–	(310)
Finance lease repayment	(1,023)	–	(2,608)	–
Dividends paid to non-controlling interests	–	–	(507)	(522)
Dividends paid on ordinary shares	(1,177)	–	(1,177)	(6,721)
Net cash flows generated from/(used in) financing activities	16,653	18,092	(2,873)	34,647
Net increase/(decrease) in cash and cash equivalents	344	735	(9,814)	2,872
Cash and cash equivalents at beginning of period	(1,030)	5,429	9,128	3,292
Cash and cash equivalents at end of period	(686)	6,164	(686)	6,164

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

	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			
Group	\$'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	–	–	–	–	–	18,139	18,139	493	18,632
Foreign currency translation	–	–	–	–	(113)	–	(113)	–	(113)
Total comprehensive income for the period	–	–	–	–	(113)	18,139	18,026	493	18,519
<u>Distributions to owners</u>									
Dividends paid on ordinary shares	–	–	–	–	–	(7,094)	(7,094)	–	(7,094)
Shares issued under scrip dividend scheme	5,917	–	–	–	–	–	5,917	–	5,917
Dividends paid to non-controlling interests	–	–	–	–	–	–	–	(507)	(507)
Total distributions to owners	5,917	–	–	–	–	(7,094)	(1,177)	(507)	(1,684)
At 30 September 2019	84,230	(26)	1,984	(7,599)	(937)	132,112	209,764	4,518	214,282

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	–	–	–	–	–	15,361	15,361	451	15,812
Foreign currency translation	–	–	–	–	(91)	–	(91)	–	(91)
Total comprehensive income for the period	–	–	–	–	(91)	15,361	15,270	451	15,721
<u>Distributions to owners</u>									
Dividends paid on ordinary shares	–	–	–	–	–	(6,721)	(6,721)	–	(6,721)
Dividends paid to non-controlling interests	–	–	–	–	–	–	–	(522)	(522)
Total distributions to owners	–	–	–	–	–	(6,721)	(6,721)	(522)	(7,243)
At 30 September 2018	78,313	(26)	1,984	(7,599)	(975)	116,136	187,833	4,452	192,285

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	–	–	14,567	14,567
<u>Distributions to owners</u>				
Dividends paid on ordinary shares	–	–	(7,094)	(7,094)
Shares issued under scrip dividend scheme	5,917	–	–	5,917
At 30 September 2019	84,230	(26)	76,781	160,985
At 1 January 2018	78,313	(26)	60,203	138,490
Profit for the period, representing total comprehensive income for the period	–	–	15,559	15,559
<u>Distributions to owners</u>				
Dividends paid on ordinary shares	–	–	(6,721)	(6,721)
At 30 September 2018	78,313	(26)	69,041	147,328

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.

	Number of shares (excluding Treasury shares)
Balance as at 31 December 2018, 31 March and 30 June 2019	533,397,960
Shares issued under scrip dividend scheme	21,913,145
Total number of issued shares excluding treasury shares	555,311,105

Pursuant to the Scrip Dividend Scheme, the Company issued 21,913,145 shares valued at a \$0.27 per share to eligible shareholders who have elected to participate in the Company's scrip dividend scheme.

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.

	30.09.2019	31.12.2018
Total number of issued shares	555,411,105	533,497,960
Less: Treasury shares	(100,000)	(100,000)
Total number of issued shares excluding treasury shares	555,311,105	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 30/06/2019	100,000	26
No. of shares purchased	–	–
Balance as at 30/09/2019	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			
	3Q2019	3Q2018	9M2019	9M2018
	Cents	Cents	Cents	Cents
i) Basic earnings per share	1.06	0.93	3.36	2.88
ii) Diluted earnings per share	1.06	0.93	3.36	2.88
- Weighted average number of shares ('000)	554,597	533,398	540,542	533,398

The calculation of basic earnings per share for 9M ended 30 September 2019 is based on the net profits attributable to shareholders for the 9M ended 30 September 2019 divided by the weighted average number of ordinary shares outstanding of 540,541,806.

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	
	30.09.2019	31.12.2018	30.09.2019	31.12.2018
Net asset value per ordinary share (cents)	37.77	36.17	28.99	27.67
Number of ordinary shares in issue ('000)	555,311	533,398	555,311	533,398

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

3Q2019 vs 3Q2018

Revenue

The Group's revenue increased from \$48.6 million in 3Q2018 to \$65.4 million in 3Q2019. Revenue from retail and trading of pre-owned jewellery and gold business increased by \$16.6 million while revenue from pawnbroking and the moneylending businesses each increased by \$0.1 million respectively in 3Q2019.

Cost of sales

The Group's cost of sales increased from \$36.5 million in 3Q2018 to \$52.1 million in 3Q2019. Cost of goods sold for retail and trading of pre-owned jewellery and gold business increased by \$15.3 million, which is in line with the increase in revenue in this segment, while interest cost for both pawnbroking and moneylending increased by \$0.2 million and \$0.1 million respectively.

Gross profit

Overall gross profit increased by \$1.1 million in 3Q2019 compared with the same period in 3Q2018. Gross profit margin declined from 25.0% in 3Q2018 to 20.3% in 3Q2019 due to a higher contribution in revenue from retail and trading of pre-owned jewellery and gold business.

Other operating income

Other operating income was \$0.6 million in 3Q2019 compared with \$0.8 million in 3Q2018. The lower other operating income was mainly due to the lower rental income and facility fees income of \$0.1 million each respectively.

Marketing and distribution expenses

Marketing and distribution expenses comprise mainly commission expenses, labour charges, licenses, packaging and repair and reconditioning expenses. The decrease in marketing and distribution expenses from \$0.3 million in 3Q2018 to \$0.2 million in 3Q2019 was mainly due to the decrease in commission expense of \$0.1 million.

Administrative expenses

Administrative expenses comprise mainly employee benefits expense, rental expenses, depreciation expenses, amortisation of right of use, legal and professional fees and insurance premiums. Administrative expenses remained stable in 3Q2019 compared with 3Q2018.

Other operating expense

Other operating expenses comprise allowance for expected credit losses of \$0.2 million and \$0.1 million in 3Q2019 and 3Q2018 respectively.

Share of results of associates

The Group's share of results of associates increased from \$0.7 million in 3Q2018 to \$1.1 million in 3Q2019, due to increased contribution from Malaysian associated companies.

Profit before tax

As a result of the above, profit before tax increased by \$1.3 million to \$7.7 million in 3Q2019.

Income tax expense

Income tax expense increased by \$0.3 million in 3Q 2019, which is in line with the increase in profit before tax.

9M2019 vs 9M2018

Revenue

The Group's revenue increased from \$160.8 million in 9M2018 to \$171.0 million in 9M2019. Retail and trading of pre-owned jewellery and gold business accounted for the increase of \$8.8 million while revenue from pawnbroking and moneylending increased by \$0.2 million and \$1.2 million respectively.

Cost of sales

The Group's cost of sales increased from \$124.7 million in 9M2018 to \$132.5 million in 9M2019. Cost of goods sold for retail and trading of pre-owned jewellery and gold business increased by \$6.3 million, which is in line with the increase in revenue in this segment, while interest cost for both pawnbroking and moneylending increased by \$1.5 million in total.

Gross profit

Overall gross profit increased by \$2.4 million in 9M2019 compared with the same period in 9M2018. Gross profit margin remained fairly stable at 22.5%.

Other operating income

Other operating income was \$2.8 million in 9M2019 compared with \$3.0 million in 9M2018. The lower other operating income was mainly due to lower government grant and facility fees income of \$0.2 million and \$0.1 million respectively. The decrease was partially offset by an increase in rental income of \$0.1 million.

Share of results of associates

The Group's share of results of associates increased from \$2.3 million in 9M2018 to \$3.0 million in 9M2019, due to increased contribution from Malaysian associated companies.

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 \$17.4 million in 9M2018 to \$18.3 million in 9M2019 was mainly due to the increase in employee benefits expense of \$0.9 million.

Other operating expense

Other operating expenses comprise mainly allowance for expected credit losses of \$0.5 million and \$1.9 million in 9M2019 and 9M2018 respectively.

Profit before tax

As a result of the above, profit before tax increased by \$3.5 million to \$22.0 million in 9M2019.

Income tax expense

Income tax expense increased by \$0.7 million in 9M2019, which is in line with the increase in profit.

Review of the Group's Financial Position

Non-current assets increased by \$18.7 million from \$155.1 million as at 31 December 2018 to \$173.8 million as at 30 September 2019. The increase comprises increase in intangible assets, trade and other receivables from the Group's moneylending business and investment in associates of \$10.1 million, \$7.0 million and \$2.7 million respectively. These were offset by the decreases in property, plant and equipment of \$1.1 million.

Current assets increased by \$16.4 million from \$338.2 million as at 31 December 2018 to \$354.6 million as at 30 September 2019. This was mainly due to the increases in inventory and trade and receivables of \$20.5 million and \$1.0 million respectively. This was partially offset by the decrease in cash and bank balances of \$5.1 million.

Current liabilities increased by \$8.2 million from \$231.9 million as at 31 December 2018 to \$240.1 million as at 30 September 2019 as a result of the increase in trade and other payables of \$1.3 million, lease liabilities of \$4.2 million, income tax payable of \$0.8 million and interest-bearing loans and borrowings of \$2.2 million. This was partially offset by the decrease in other current liabilities of \$0.3 million.

Non-current liabilities increased by \$10.0 million from \$64.0 million as at 31 December 2018 to \$74.0 million as at 30 September 2019. This was mainly due to the increase in interest-bearing loans and borrowings of \$4.0 million and lease liabilities of \$6.0 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 \$209.8 million as at 30 September 2019 mainly due to the increase of \$11.0 million and \$5.9 million in retained earnings and share capital respectively.

Review of the Group's Cash Flows

3Q2019 vs 3Q2018

In 3Q2019, the net cash used in operating activities was \$16.2 million. This comprises operating cash flows before working capital adjustments of \$10.7 million, adjusted by net working capital outflow of \$23.4 million. In 3Q2019, the Group received interest income of \$0.2 million, with interest expense paid of \$2.7 million and net income tax paid of \$1.0 million. The net working capital outflow was a result of the increases in trade and

other receivables of \$21.8 million and inventories of \$7.6 million, which was partially offset by the decrease in prepaid operating expenses of \$0.1 million, and increases in trade and other payables and other liabilities of \$4.7 million and \$1.2 million respectively.

In 3Q2019, the net cash used in investing activities amounted to \$0.1 million arising from the purchase of property, plant and equipment.

The net cash generated from financing activities in 3Q2019 amounted to \$16.7 million arising from the net proceeds from interest-bearing loans and borrowings of \$18.9 million which was partially offset by the net dividend paid of \$1.2 million and net finance lease paid of \$1.0 million.

9M2019 vs 9M2018

In 9M2019, the net cash used in operating activities was \$6.9 million. This comprises operating cash flows before working capital adjustments of \$30.0 million, adjusted by net working capital outflow of \$27.3 million. In 9M2019, the Group received interest income of \$0.6 million, with net income tax paid of \$2.6 million and interest expense paid of \$7.6 million. The net working capital outflow was a result of the increases in trade and other receivables and inventories of \$8.4 million and \$20.0 million respectively and the decrease in other liabilities of \$0.2 million. This was partially offset the increases in trade and other payables of \$1.3 million.

In 9M2019, the net cash used in investing activities comprised the purchase of property, plant and equipment of \$0.2 million. This was partially offset by the dividend income from associates and unquoted investments of \$0.2 million in aggregate.

The net cash used in financing activities in 9M2019 amounted to \$2.9 million comprising the payments of dividends and finance lease of \$1.7 million and \$2.6 million respectively. These were partially offset by the net proceeds from interest-bearing loans and borrowings of \$1.4 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.

Since the last results announcement, gold price rose from below USD1,450 per ounce to above USD1,540 per ounce before falling below USD1,500 per ounce. As the prospect of gold price remains volatile given the current economic uncertainties, the pawnbroking and moneylending businesses continue to face challenges from keen competition, rising operating costs and uncertain interest rate movements.

The Group will continue to explore acquisition opportunities and suitable locations to grow our network of pawnshops and retail outlets, as well as to grow our moneylending business.

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 nine-month period ended 30 September 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 30 April 2019. 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 Sep 19	YTD-30 Sep 18
	\$'000	\$'000
Sales of goods to director-related companies		
- Hwa Goldsmith and Jewellers	612	918
- Mei Zhi Jewellery	–	151
- Lucky Jewellery	715	1,114
Purchase of goods from director-related companies		
- Hwa Goldsmith and Jewellers	206	–
- Mei Zhi Jewellery	303	313
Rental paid to director-related company		
- Yeah Properties Pte Ltd	234	234
- Yeah Capital Pte Ltd	131	131

	Aggregate value of all interested person transactions during the financial year under review (excluding transactions less than \$100,000 and transactions conducted under shareholders' mandate pursuant to Rule 920)	
	YTD-30 Sep 19	YTD-30 Sep 18
	\$'000	\$'000
Sales of goods to a controlling shareholder		
- Tan Hong Yee	197	–

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 September 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