

**UNAUDITED FINANCIAL STATEMENTS AND DIVIDEND ANNOUNCEMENT FOR THE FOURTH QUARTER AND FINANCIAL YEAR ENDED 31 DECEMBER 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 comparative statement for the corresponding period of the immediately preceding financial year.

**CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME**

	Group					
	Unaudited 4Q-2019 <sup>(1)</sup>	Unaudited 4Q-2018 <sup>(2)</sup>	Change	Unaudited FY2019 <sup>(3)</sup>	Audited FY2018 <sup>(4)</sup>	Change
	S\$'000	S\$'000	%	S\$'000	S\$'000	%
<b>Revenue</b>	43,730	39,268	11.4	182,242	146,507	24.4
<b>Other Items of Income</b>						
Other Gains	13	304	(95.7)	979	1,036	(5.5)
<b>Other Items of Expense</b>						
Material Costs	(29,641)	(27,462)	7.9	(127,576)	(99,614)	28.1
Employee Benefits Expense	(3,628)	(4,419)	(17.9)	(16,143)	(16,101)	0.3
Depreciation and Amortisation Expenses	(2,650)	(610)	NM <sup>(6)</sup>	(11,755)	(2,602)	NM <sup>(6)</sup>
Finance Costs	(2,056)	(1,662)	23.7	(8,040)	(6,341)	26.8
Other Losses	(178)	(142)	25.4	(400)	(224)	78.6
Other Expenses	(1,723)	(4,455)	(61.3)	(6,687)	(15,728)	(57.5)
<b>Profit Before Tax</b>	<b>3,867</b>	<b>822</b>	<b>NM<sup>(6)</sup></b>	<b>12,620</b>	<b>6,933</b>	<b>82.0</b>
Income Tax Expense	(1,311)	(162)	NM <sup>(6)</sup>	(3,054)	(1,443)	NM <sup>(6)</sup>
<b>Profit Net of Tax</b>	<b>2,556</b>	<b>660</b>	<b>NM<sup>(6)</sup></b>	<b>9,566</b>	<b>5,490</b>	<b>74.2</b>
Other Comprehensive (Loss)/Income Items that may be reclassified subsequently to profit or loss:						
Exchange differences on translating foreign operations, net of tax	(1)	-	NM <sup>(6)</sup>	1	18	(94.4)
Cash flow hedges, net of tax	33	(503)	NM <sup>(6)</sup>	33	(503)	NM <sup>(6)</sup>
<b>Other comprehensive (loss)/ income for the year, net of tax</b>	<b>32</b>	<b>(503)</b>	<b>NM<sup>(6)</sup></b>	<b>34</b>	<b>(485)</b>	<b>NM<sup>(6)</sup></b>
<b>Total Comprehensive Income</b>	<b>2,588</b>	<b>157</b>	<b>NM<sup>(6)</sup></b>	<b>9,600</b>	<b>5,005</b>	<b>91.8</b>
<b>Attributable to:</b>						
Owners of the Company	2,226	143	NM <sup>(6)</sup>	8,494	4,980	70.6
Non-controlling Interests	330	517	(36.2)	1,072	510	NM <sup>(6)</sup>
<b>Profit Net of Tax</b>	<b>2,556</b>	<b>660</b>	<b>NM<sup>(6)</sup></b>	<b>9,566</b>	<b>5,490</b>	<b>74.2</b>
<b>Attributable to:</b>						
Owners of the Company	2,258	(360)	NM <sup>(6)</sup>	8,528	4,495	89.7
Non-controlling Interests	330	517	(36.2)	1,072	510	NM <sup>(6)</sup>
<b>Total Comprehensive Income</b>	<b>2,588</b>	<b>157</b>	<b>NM<sup>(6)</sup></b>	<b>9,600</b>	<b>5,005</b>	<b>91.8</b>

Notes:-

- (1) "4Q-2019" refers to the fourth quarter ended 31 December 2019.
- (2) "4Q-2018" refers to the fourth quarter ended 31 December 2018.
- (3) "FY2019" refers to the financial year ended 31 December 2019.
- (4) "FY2018" refers to the financial year ended 31 December 2018.
- (5) The Group has adopted the new Singapore Financial Reporting Standards (International) ("SFRS(I)") 16 Leases with effect from 1 January 2019. As a result of the adoption, depreciation expenses and interest relating to the right-of-use assets and lease liabilities respectively have incurred.
- (6) 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 4Q-2019 S\$'000	Unaudited 4Q-2018 S\$'000	Change %	Unaudited FY2019 S\$'000	Audited FY2018 S\$'000	Change %
Rental income	26	(129)	NM	(372)	(516)	(27.9)
Government grants	(11)	(55)	(80.0)	(203)	(300)	(32.3)
Depreciation of plant and equipment	441	546	(19.2)	2,088	2,411	(13.4)
Depreciation of right-of-use assets	2,182	-	NM	9,432	-	NM
Amortisation of lease assignment fees	30	30	-	120	50	NM
Amortisation of other intangible assets	(3)	35	NM	115	141	(18.4)
Foreign exchange loss	48	46	4.3	79	67	17.9
Collateral loss	6	3	100.0	33	5	NM
Over adjustment to current tax in respect of prior years	(38)	-	NM	(38)	-	NM
Under adjustment to deferred tax in respect of prior years	44	-	NM	44	-	NM
Loss on disposal of plant and equipment	57	72	(20.8)	288	147	95.9
Dividend income	-	-	NM	(196)	-	NM
Negative goodwill on acquisition	43	-	NM	(67)	-	NM

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 31 December 2019 S\$'000	Audited 31 December 2018 S\$'000	Unaudited 31 December 2019 S\$'000	Audited 31 December 2018 S\$'000
<b>ASSETS</b>				
<b><u>Non-Current Assets</u></b>				
Plant and Equipment	2,559	4,467	-	-
Right-of-use Assets <sup>1</sup>	12,016	-	-	-
Intangible Assets	4,300	4,464	-	-
Investment in Subsidiaries	-	-	57,930	57,930
Other Financial Assets	5,471	5,471	5,471	5,471
Trade and Other Receivables, Non-Current	14,927	48	-	-
Other Assets, Non-Current	1,429	-	-	-
Deferred Tax Assets	187	163	-	-
<b>Total Non-Current Assets</b>	<b>40,889</b>	<b>14,613</b>	<b>63,401</b>	<b>63,401</b>
<b><u>Current Assets</u></b>				
Inventories	33,189	34,808	-	-
Trade and Other Receivables, Current	218,264	205,588	26,928	20,877
Other Assets	4,182	4,355	62	66
Cash and Cash Equivalents	11,963	11,153	456	48
<b>Total Current Assets</b>	<b>267,598</b>	<b>255,904</b>	<b>27,446</b>	<b>20,991</b>
<b>Total Assets</b>	<b>308,487</b>	<b>270,517</b>	<b>90,847</b>	<b>84,392</b>
<b>EQUITY AND LIABILITIES</b>				
<b><u>Equity Attributable to Owners of the Company</u></b>				
Share Capital	56,144	56,144	56,144	56,144
Retained Earnings	23,089	16,364	5,317	4,183
Reserves	(412)	(446)	-	-
	78,821	72,062	61,461	60,327
Non-controlling Interests	4,709	3,609	-	-
<b>Total Equity</b>	<b>83,530</b>	<b>75,671</b>	<b>61,461</b>	<b>60,327</b>
<b><u>Non-Current Liabilities</u></b>				
Other Financial Liabilities, Non-Current	12,621	800	-	-
Lease Liabilities, Non-Current	5,908	-	-	-
Deferred Tax Liabilities	100	30	-	-
<b>Total Non-Current Liabilities</b>	<b>18,629</b>	<b>830</b>	<b>-</b>	<b>-</b>
<b><u>Current Liabilities</u></b>				
Income Tax Payable	2,523	1,506	12	52
Trade and Other Payables	25,503	21,868	26,374	21,013
Other Financial Liabilities, Current	169,935	169,025	3,000	3,000
Lease Liabilities, Current	6,506	-	-	-
Other Liabilities	1,861	1,617	-	-
<b>Total Current Liabilities</b>	<b>206,328</b>	<b>194,016</b>	<b>29,386</b>	<b>24,065</b>
<b>Total Liabilities</b>	<b>224,957</b>	<b>194,846</b>	<b>29,386</b>	<b>24,065</b>
<b>Total Equity and Liabilities</b>	<b>308,487</b>	<b>270,517</b>	<b>90,847</b>	<b>84,392</b>

<sup>1</sup> The Group has adopted the new SFRS(I)16 Leases with effect from 1 January 2019.

**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 31 December 2019		As at 31 December 2018	
Secured S\$'000	Unsecured S\$'000	Secured S\$'000	Unsecured S\$'000
169,388	-	168,419	-

Amount repayable by the Group after one year

As at 31 December 2019		As at 31 December 2018	
Secured S\$'000	Unsecured S\$'000	Secured S\$'000	Unsecured S\$'000
12,611	-	800	-

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 charged on the facility agreement of a subsidiary;
- v) Subordination of advances from a subsidiary and a director of certain subsidiaries;
- vi) Personal guarantee by a director of certain subsidiaries;
- vii) Master and recourse block discounting agreement and assignment of hire purchase agreements; and
- viii) Mortgage over property and assignment of rental proceeds.

- 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 4Q-2019 S\$'000	Unaudited 4Q-2018 S\$'000	Unaudited FY2019 S\$'000	Audited FY2018 S\$'000
<b>Cash Flows From Operating Activities</b>				
Profit Before Tax	3,867	822	12,620	6,933
Adjustments for:				
Finance Costs	2,056	1,662	8,040	6,341
Negative goodwill acquired on acquisition	43	-	(67)	-
Depreciation of Plant and Equipment	441	546	2,088	2,411
Depreciation of Right-of-use Assets	2,182	-	9,432	-
Amortisation of Intangible Assets	27	65	235	191
Loss on Disposal of Plant and Equipment	57	72	288	147
Provisions	-	1	-	1
Amount Written off from Subsidiary in the Process of Striking Off	32	-	32	-
Foreign Currency Translation	40	(182)	(6)	77
Operating Cash Flows before Changes in Working Capital	8,745	2,986	32,662	16,101
Inventories	127	(1,484)	1,619	(4,805)
Trade and Other Receivables	(12,754)	4,869	(27,555)	(10,056)
Other Assets, Current	(89)	(703)	174	74
Trade and Other Payables	2,012	1,228	3,581	6,581
Other Liabilities	25	239	193	409
Net Cash Flows From Operations	(1,934)	7,135	10,674	8,304
Income Taxes Paid	(108)	(111)	(1,892)	(1,690)
Net Cash Flows (Used In)/From Operating Activities	(2,042)	7,024	8,782	6,614
<b>Cash Flows From Investing Activities</b>				
Purchase of Plant and Equipment	(62)	(374)	(620)	(1,592)
Government Grant	-	-	133	-
Purchase of Intangible Assets	-	-	-	(360)
Other Assets, Non-Current	(1,429)	-	(1,429)	-
Acquisition of Subsidiaries (Net of Cash Acquired)	-	-	-	(2,881)
Net Cash Flows Used in Investing Activities	(1,491)	(374)	(1,916)	(4,833)
<b>Cash Flows From Financing Activities</b>				
Issue of Shares to Non-Controlling Interest	-	-	-	257
Payment to NCI of Subsidiary in the Process of Striking Off	(4)	-	(4)	-
Increase in New Borrowings	10,817	1,947	28,664	14,378
Decrease in Other Financial Liabilities	(2,514)	(1,392)	(13,245)	(7,599)
Finance Lease Repayments	(3)	(3)	(10)	(10)
Repayments of Lease Liabilities	(2,003)	-	(9,584)	-
Interest Paid	(1,929)	(1,662)	(7,500)	(6,341)
Dividends Paid	-	-	(1,769)	(1,769)
Net Cash Flows From/(Used in) Financing Activities	4,364	(1,110)	(3,448)	(1,084)
<b>Net Increase in Cash and Cash Equivalents</b>	<b>831</b>	<b>5,540</b>	<b>3,418</b>	<b>697</b>
Cash and Cash Equivalents, Statement of Cash Flows, Beginning Balance	7,810	(481)	5,223	4,526
Effects of Exchange Rate Changes on Cash and Cash Equivalents	-	(1)	-	-
<b>Cash and Cash Equivalents, Statement of Cash Flows, Ending Balance</b>	<b>8,641</b>	<b>5,058</b>	<b>8,641</b>	<b>5,223</b>

**Cash and cash equivalents**

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

	<b>As at 31 December 2019 S\$'000</b>	<b>As at 31 December 2018 S\$'000</b>
Cash at bank and in hand	11,963	11,153
Bank overdrafts	(3,322)	(5,930)
<b>Cash and cash equivalents for statements of cash flows purposes</b>	<b>8,641</b>	<b>5,223</b>

**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:

	<b>As at 31 December 2019 S\$'000</b>	<b>As at 31 December 2018 S\$'000</b>
Total purchase consideration fully paid in cash	-	3,705
Less: Cash and cash equivalents	-	(824)
<b>Acquisition of subsidiaries, net of cash acquired</b>	<b>-</b>	<b>2,881</b>

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**

<b>Group</b>	<b>Attributable to Owners of the Company</b>				<b>Non-</b>	<b>Total Equity S\$'000</b>
	<b>Share Capital S\$'000</b>	<b>Retained Earnings S\$'000</b>	<b>Reserves S\$'000</b>	<b>Sub-total S\$'000</b>	<b>controlling Interests S\$'000</b>	
<b>Current Year:</b>						
Opening balance at 1 January 2019	56,144	16,364	(446)	72,062	3,609	75,671
<b>Movements in equity:</b>						
Total comprehensive income for the year	-	8,494	34	8,528	1,072	9,600
Dividends paid	-	(1,769)	-	(1,769)	-	(1,769)
Loss on write off of balances in subsidiary in the process of striking off	-	-	-	-	28	28
<b>Closing balance at 31 December 2019</b>	<b>56,144</b>	<b>23,089</b>	<b>(412)</b>	<b>78,821</b>	<b>4,709</b>	<b>83,530</b>
<b>Previous Year:</b>						
Opening balance at 1 January 2018	56,144	13,153	39	69,336	2,668	72,004
<b>Movements in equity:</b>						
Total comprehensive income for the year	-	4,980	(485)	4,495	510	5,005
Dividends paid	-	(1,769)	-	(1,769)	-	(1,769)
Issue of share capital	-	-	-	-	903	903
Acquisition of interest in subsidiaries	-	-	-	-	(472)	(472)
<b>Closing balance at 31 December 2018</b>	<b>56,144</b>	<b>16,364</b>	<b>(446)</b>	<b>72,062</b>	<b>3,609</b>	<b>75,671</b>

<b>Company</b>	<b>Share Capital S\$'000</b>	<b>Retained Earnings S\$'000</b>	<b>Total Equity S\$'000</b>
<b>Current Year:</b>			
Opening balance at 1 January 2019	56,144	4,183	60,327
<b>Movements in equity:</b>			
Total comprehensive income for the year	-	2,903	2,903
Dividends paid	-	(1,769)	(1,769)
<b>Closing Balance at 31 December 2019</b>	<b>56,144</b>	<b>5,317</b>	<b>61,461</b>
<b>Previous Year:</b>			
Opening balance at 1 January 2018	56,144	5,020	61,164
<b>Movements in equity:</b>			
Total comprehensive income for the year	-	932	932
Dividends paid	-	(1,769)	(1,769)
<b>Closing Balance at 31 December 2018</b>	<b>56,144</b>	<b>4,183</b>	<b>60,327</b>

- 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.**

Issued and fully paid-up share capital	Number of shares '000	Company Issued and paid-up capital S\$'000
Balance as at 31 December 2019 and 30 September 2019	353,800	56,144

During 4Q-2019, 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 31 December 2019 and 31 December 2018.

- 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 31 December 2019 '000	As at 31 December 2018 '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.

- 3A. Where the latest financial statements are subject to an adverse opinion, qualified opinion or disclaimer of opinion:—**

- (a) Updates on the efforts taken to resolve each outstanding audit issue.

The latest financial statements are not subject to an adverse opinion, qualified opinion or disclaimer of opinion.



- (b) Confirmation from the Board that the impact of all outstanding audit issues on the financial statements have been adequately disclosed.

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 2018.

**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.**

The Group has adopted all the new Singapore Financial Reporting Standards (International) ("SFRS(I)") and the related interpretations to SFRS(I) that are relevant to the Group and effective for the financial period beginning on or after 1 January 2019. The application of the new and revised standards and interpretations has no material effect on the financial statements, except for the adoption of SFRS(I) 16 *Leases*.

The Group adopted SFRS(I) 16 *Leases* on 1 January 2019. At the date of initial application, the Group recognised the rights to use leased assets as right-of-use assets and their associated obligations as lease liabilities. The Group applied this standard using the modified retrospective approach. Therefore, FY2018 comparative figures have not been restated from that which was previously announced in FY2018 announcement as the Group and the Company have applied the standard retrospectively with the cumulative effect recognised at the date of initial application.

**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			
	4Q-2019	4Q-2018	FY2019	FY2018
Profit net of tax attributable to owners of the Company (S\$'000)	2,226	143	8,494	4,980
Basic and diluted EPS based on the weighted average number of shares (cents)	0.63	0.04	2.40	1.41

EPS of the Group for FY2019 and FY2018 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 FY2019 and FY2018 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	
	31 December 2019	31 December 2018	31 December 2019	31 December 2018
NAV per share (cents)	22.28	20.37	17.37	17.05

NAV per share as at 31 December 2019 and as at 31 December 2018 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 increased by S\$35.7 million or 24.4% from S\$146.5 million in FY2018 to S\$182.2 million in FY2019, and increased by S\$4.4 million or 11.4% from S\$39.3 million in 4Q-2018 to S\$43.7 million in 4Q-2019. Revenues from all business segments increased in FY2019 compared to FY2018.

### Other Gains

Other gains remained the same for FY2018 and FY2019.

Other gains decreased by S\$0.3 million or 95.7%, from S\$0.3 million in 4Q-2018 to S\$13,000 in 4Q-2019 due mainly to a decrease in rental income of \$0.2 million due to the adjustment on lease income from the adoption of SFRS(I)16 Leases recognised in 4Q-2019 and a decrease in other income.

### Material Costs

Material costs increased by S\$28.0 million or 28.1% from S\$99.6 million in FY2018 to S\$127.6 million in FY2019, and increased by S\$2.1 million or 7.9% from S\$27.5 million in 4Q-2018 to S\$29.6 million in 4Q-2019. The increase in material costs was generally in line with the increase in revenue from the retail and trading of pre-owned items segment in FY2019 and 4Q-2019.

### Employee Benefits Expense

Employee benefits expense remained the same for FY2019 and FY2018.

Employee benefits expenses decreased by S\$0.8 million or 17.4% from S\$4.4 million in 4Q-2018 to S\$3.6million in 4Q-2019, due mainly improvement in cost efficiencies.

### Depreciation and Amortisation Expenses

Depreciation and amortisation expenses increased by S\$9.2 million or 351.8% from S\$2.6 million in FY2018 to S\$11.8 million in FY2019 and increased by S\$2.1 million from S\$0.6 million in FY2018 to S\$2.7 million in FY2019. The increase was mainly due to the depreciation of right-of-use assets arising from the adoption of SFRS(I)16 Leases.

### **Finance Costs**

Finance costs increased by S\$1.7 million or 26.8% from S\$6.3 million in FY2018 to S\$8.0 million in FY2019, and increased by S\$0.4 million or 23.7% from S\$1.7 million in 4Q-2018 to S\$2.1 million in 4Q-2019. The increase was due to accounting for interest of S\$0.4 million on lease liabilities arising from the adoption of SFRS(I)16 Leases and increased utilisation of bank facilities for the Group's operational cash requirements as well as expansion into vehicle financing.

### **Other Losses**

Other losses increased by approximately S\$0.2 million or 78.6% from S\$0.2 million in FY2018 to S\$0.4 million in FY2019, due mainly to losses on disposal of fixed assets resulting from rationalisation of outlet locations and closures for FY2019 and an increase in foreign exchange losses in FY2018.

Other losses remain the same for 4Q-2019 and 4Q-2018.

### **Other Expenses**

Other expenses decreased by S\$9.0 million or 57.5% from S\$15.7 million in FY2018 to S\$6.7 million in FY2019, and decreased by S\$2.7 million or 61.3% from S\$4.5 million in 4Q-2018 to S\$1.7 million in 4Q-2019. This was due mainly to the reclassification of rental expenses to depreciation of rights-of-use assets and interest adjustment arising from the adoption of SFRS(I)16 Leases, partially offset by an increase in other expenses.

### **Profit Before Tax**

As a result of the above, profit before tax increased by S\$5.7 million or 82.0% from S\$6.9 million in FY2018 to S\$12.6 million in FY2019, and increased by S\$3.1 million or 370.4% from S\$0.8 million in 4Q-2018 to S\$3.9 million in 4Q-2019.

### **Income Tax Expense**

Income tax expense increased by S\$1.7 million or 115.2% from S\$1.4 million in FY2018 to S\$3.1 million in FY2019, and increased by S\$1.2 million or 740.7% from S\$0.2 million in 4Q-2018 to S\$1.3 million in 4Q-2019. The increase is due to the increase in taxable profits for the 4Q-2019 and FY2019.

## **REVIEW OF THE GROUP'S FINANCIAL POSITION**

### **Non-Current Assets**

Non-current assets increased by S\$26.3 million or 179.8% from S\$14.6 million as at 31 December 2018 to S\$40.9 million as at 31 December 2019. The increase was mainly attributable to an increase in right-of-use assets of S\$12.0 million pertaining to the Group's leases arising from the adoption of SFRS(I)16 Leases, an increase of non-current other assets of S\$1.4 million and an increase in trade and other receivables, non-current of S\$14.9 million, mainly from vehicle financing business, offset by the decrease in book value of fixed assets of S\$1.9 million and amortisation of intangible assets of S\$0.1 million.

### **Current Assets**

Current assets increased by S\$11.7 million or 4.6% from S\$255.9 million as at 31 December 2018 to S\$267.6 million as at 31 December 2019. This was mainly due to an increase in trade and other receivables of S\$12.7 million mainly arising from an increase in pledged loans extended to customers, an increase in cash and cash equivalents of S\$0.8 million partially offset by a decrease in inventories of S\$1.6 million mainly due to the improvement in inventories management and a decrease in other assets of S\$0.2 million.

### **Non-Current Liabilities**

Non-current liabilities increased by S\$17.8 million or 2,143.3% from S\$0.8 million as at 31 December 2018 to S\$18.6 million as at 31 December 2019. This was due to increased drawdown of bank facilities of S\$11.8 million and the recognition of non-current portion of lease liabilities arising from the adoption of SFRS(I)16 Leases of S\$5.9 million.

## **Current Liabilities**

Current liabilities increased by S\$12.3 million or 6.4% from S\$194.0 million as at 31 December 2018 to S\$206.3 million as at 31 December 2019. This was mainly due to an increase in lease liabilities of S\$6.5 million as a result of the adoption of SFRS(I)16 Leases, an increase in trade and other payables of S\$3.6 million, an increase in other financial liabilities of S\$0.9 million from increased drawdown of bank facilities, an increase in income tax payable of S\$1.0 million as well as an increase in other liabilities of S\$0.2 million.

## **Equity Attributable to Owners of the Company**

Equity attributable to owners of the Company increased by S\$6.7 million or 9.4% from S\$72.1 million as at 31 December 2018 to S\$78.8 million as at 31 December 2019. The increase was mainly due to total comprehensive income attributable to owners of the Company of S\$8.5 million for FY2019, offset by interim dividends paid in relation to FY2019 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 FY2019 was S\$32.6 million. Net cash used in working capital amounted to S\$22.0 million. This was mainly due to an increase in trade and other receivables of S\$27.6 million, partially offset by (i) a decrease in inventories of S\$1.6 million, (ii) a decrease in other assets of S\$0.2 million, (iii) an increase in trade and other payables of S\$3.6 million, and (iv) an increase in other liabilities of S\$0.2 million. Net cash generated from operating activities amounted to S\$8.8 million after deducting income tax paid of S\$1.9 million.

Net cash used in investing activities amounted to S\$1.9 million, mainly due to purchase of plant and equipment in relation to our expansion in existing and new businesses and increase in other assets relating to purchase of properties<sup>2</sup>, partially offset by amount received for government grant related to fixed asset purchase.

Net cash used in financing activities of S\$3.4 million was mainly due to dividends paid, interest paid, repayment of lease liabilities and bank borrowings of S\$1.8 million, S\$7.5 million, S\$9.6 million and S\$13.2 million respectively, partially offset by an increase in new bank borrowings of S\$28.7 million.

As a result of the above, there was a net increase of S\$3.4 million in cash and cash equivalents from a net cash balance of S\$5.2 million as at 31 December 2018 to S\$8.6 million as at 31 December 2019.

**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.**

The challenges in the retail sector are expected to persist in view of continuing uncertainty in the macroeconomic environment, particularly with the COVID-19 outbreak starting in January 2020 which may make the year 2020 challenging for the Group.

Nevertheless, the Group remains committed in strengthening its core competencies through continuous product and service innovations, increasing its distribution channels and improving productivity through digitisation/digital technology. The Group will also continue to enhance service quality by investing in training of staff's product knowledge and skill capabilities, in order to build a strong and competitive talent force.

<sup>2</sup> The Group announced the proposed acquisition of properties on 27 November 2019 in which 5% of the purchase consideration was paid out upon acceptance and exercise of the option.

**11. Dividend**

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

Name of Dividend	Ordinary cash dividend
Dividend Type	Final
Dividend Amount per Share	0.5 cent per share
Tax Rate	Tax exempt one-tier

The final dividend is subject to shareholders' approval at the forthcoming annual general meeting of the Company ("**AGM**").

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

No dividends were declared for the corresponding period of the immediately preceding financial year.

**(c) Whether the dividend is before tax, net of tax or tax exempt. If before tax or net of tax, state the tax rate and the country where the dividend is derived. (If the dividend is not taxable in the hands of shareholders, this must be stated).**

The dividend is tax exempt one tier.

**(d) Date payable**

Subject to shareholders' approval at the AGM, the date payable is to be advised.

**(e) Date on which Registrable Transfers received by the company (up to 5.00 p.m.) will be registered before entitlements to the dividend are determined.**

Subject to shareholders' approval at the AGM, the books closures date is to be advised.

**12. If no dividend has been declared/ recommended, a statement to the effect and the reason(s) for the decision.**

Not applicable.

**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:

Name of Interested Person	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)	
	FY2019 S\$’000	FY2018 S\$’000
<b>Purchases of products</b>		
SK Jewellery Group Ltd. and its subsidiaries (the “ <b>SK Group of Companies</b> ” )	108	53
Sin Lian Pawnshop Pte. Ltd.	106	107
<b>Sales of products</b>		
SK Group of Companies	180	56
<b>Purchase of fixed assets</b>		
SK Group of Companies	-	12
<b>Central support services</b>		
SK Group of Companies	312	255
<b>Rental expenses</b>		
SK Group of Companies	311	311
SK Properties Pte Ltd	870	676
Soo Kee Investment Pte Ltd	554	554
Sin Lian Pawnshop Pte. Ltd.	12	2
<b>Interest payable/paid</b>		
Soo Kee Capital Pte Ltd	49	41
Money Farm Pte Ltd	40	50
Lim Yong Guan	304	171
Lim Yong Sheng	107	79
	2,953	2,367

**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 Catalyst Rules.

15. **Segmented revenue and results for the business or geographical segments (of the group) in the form presented in the issuer's most recently audited annual financial statements, with comparative information for the immediately preceding year.**

**(a) Business Segment Information**

FY2019	Pawn- broking S\$'000	Retail and Trading of pre-owned Jewellery and Watches S\$'000	Others S\$'000	Elimination S\$'000	Group S\$'000
<b>Revenue by segment</b>					
Revenue from external customers	39,030	141,506	1,706	-	182,242
Inter-segment sales	29,801	-	15	(29,816)	-
<b>Results</b>					
Segment results	16,673	4,216	2,582	(2,811)	20,660
Finance costs	(6,651)	(496)	(893)	-	(8,040)
Profit before tax	10,022	3,720	1,689	(2,811)	12,620
Income tax expenses	(2,213)	(855)	14	-	(3,054)
<b>Profit net of tax</b>	<b>7,809</b>	<b>2,865</b>	<b>1,703</b>	<b>(2,811)</b>	<b>9,566</b>
Segment assets	265,524	45,909	39,136	(42,269)	308,300
Unallocated assets					187
<b>Total group assets</b>					<b>308,487</b>
Segment liabilities	166,402	41,907	72,615	(58,590)	222,334
Unallocated liabilities					2,623
<b>Total group liabilities</b>					<b>224,957</b>
Purchase of plant and equipment	301	344	27	-	672
Depreciation and amortisation expenses	8,971	2,388	161	-	11,520
Loss on disposal of plant and equipment	15	273	-	-	288
Loss on collateral loan services	33	-	-	-	33

FY2018	Pawn- broking S\$'000	Retail and Trading of pre-owned Jewellery and Watches S\$'000	Others S\$'000	Elimination S\$'000	Group S\$'000
<b>Revenue by segment</b>					
Revenue from external customers	37,826	108,635	46	-	146,507
Inter-segment sales	31,659	4	12	(31,675)	-
<b>Results</b>					
Segment results	14,604	(924)	582	(988)	13,274
Finance costs	(5,489)	(437)	(415)	-	(6,341)
Profit before tax	9,115	(1,361)	167	(988)	6,933
Income tax expenses	(1,508)	141	(76)	-	(1,443)
<b>Profit net of tax</b>	<b>7,607</b>	<b>(1,220)</b>	<b>91</b>	<b>(988)</b>	<b>5,490</b>
Segment assets	193,889	48,128	67,145	(38,808)	270,354
Unallocated assets					163
<b>Total group assets</b>					<b>270,517</b>
Segment liabilities	152,076	44,342	35,716	(38,824)	193,310
Unallocated liabilities					1,536
<b>Total group liabilities</b>					<b>194,846</b>
Purchase of plant and equipment	304	1,050	298	-	1,652
Depreciation and amortisation expenses	1,330	1,078	194	-	2,602
Loss on disposal of plant and equipment	85	62	-	-	147
Loss on collateral loan services	5	-	-	-	5

**(b) Geographical Segment Information**

	Revenue		Non-Current Assets <sup>(1)</sup>	
	FY2019 S\$'000	FY2018 S\$'000	As at 31 December 2019 S\$'000	As at 31 December 2018 S\$'000
Singapore	170,749	136,801	35,202	9,236
Malaysia	11,493	9,706	5,500	5,214
<b>Total</b>	<b>182,242</b>	<b>146,507</b>	<b>40,702</b>	<b>14,450</b>

Note:

(1) Non-current assets presented in the table above exclude deferred tax assets.

**16. In the review of performance, the factors leading to any material changes in contributions to turnover and earnings by operating segments.**

Please refer to paragraph 8.



17. **Breakdown of revenue and results**

<b>Group</b>	<b>FY2019 S\$'000</b>	<b>FY2018 S\$'000</b>	<b>Change %</b>
Sales reported for first half year	85,656	71,719	19.4%
Operating profit after tax before deducting non-controlling interest for first half year	3,525	4,021	(12.3%)
Sales reported for second half year	96,586	74,788	29.1%
Operating profit after tax before deducting non-controlling interest for second half year	6,041	1,469	311.2%

18. **Breakdown of the total annual dividend (in dollar value) for the issuer's latest full year and its previous full year as follows:**

	<b>Company</b>	
	<b>FY2019 S\$'000</b>	<b>FY2018 S\$'000</b>
Ordinary Preference	1,769 -	1,769 -
<b>Total</b>	<b>1,769</b>	<b>1,769</b>

**19. Disclosure of person occupying managerial position who is a relative of a director or chief executive officer or substantial shareholder**

Name	Age	Family relationship with any director and/or substantial shareholder	Current position and duties, and the year the position was first held	Details of changes in duties and position held, if any, during the year
Tan Yang Hong	54	Spouse of Lim Yong Guan	Chief Operating Officer of the Group with effect from 1 October 2010. Oversees the Group's operations, including dealings with financial institutions, relevant government authorities, management integrated systems, human resources, management and general administration.	N.A.
Lim Liang Soh	53	Sister of Lim Yong Guan, Lim Yong Sheng	Head of Retail Operations with effect from 1 October 2010. Manages the overall brand strategy and activities for the Group's financial services. She is also responsible for, <i>inter alia</i> , overseeing the Group's operations, day-to-day business processes, controls, talent management and recruitment.	N.A.
Lau Wan Lin	34	Niece of Lim Yong Guan, Lim Yong Sheng	Senior Marketing Manager with effect from 1 April 2016. Manages the brand strategy and activities for the Group's financial services. She is responsible for ensuring the consistency in brand perception and developing integrated brand campaigns across various media platforms.	N.A.
Lim Chun Seng	26	Son of Lim Yong Guan, Nephew of Lim Yong Sheng	Head of Moneymax Leasing division with effect from 1 July 2019. Manages and oversees day to day and overall business and operational matters in relation to the Group's automobile financing activities.	1 July 2019

N.A.: Not applicable

**ON BEHALF OF THE BOARD OF DIRECTORS**

Lim Yong Guan  
Executive Chairman and CEO

Lim Yong Sheng  
Non-Executive Director

28 February 2020

*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 Rules 226(2)(b) and 753(2) of the Singapore Exchange Securities Trading Limited (the "SGX-ST") Listing Manual Section B: Rules of Catalist.*

*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.*