

UNAUDITED SECOND QUARTER AND HALF YEAR FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2017
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					
	2Q2017	2Q2016	Change	1H2017	1H2016	Change
	\$'000	\$'000	%	\$'000	\$'000	%
Revenue	63,204	64,913	(2.6)	124,322	132,252	(6.0)
Cost of sales	(52,913)	(56,286)	(6.0)	(103,967)	(116,421)	(10.7)
Gross profit	10,291	8,627	19.3	20,355	15,831	28.6
Other item of income						
Other operating income	1,011	588	71.9	1,764	1,504	17.3
Other items of expense						
Marketing and distribution expenses	(262)	(78)	235.9	(571)	(179)	219.0
Administrative expenses	(5,195)	(4,513)	15.1	(9,926)	(8,936)	11.1
Finance costs	(923)	(366)	152.2	(1,827)	(504)	262.5
Other operating expenses	(210)	(274)	23.4	(363)	(412)	(11.9)
Share of results of associates	719	582	23.5	1,371	1,144	19.8
Profit before tax	5,431	4,566	18.9	10,803	8,448	27.9
Income tax expense	(765)	(463)	65.2	(1,100)	(667)	64.9
Profit for the period	4,666	4,103	13.7	9,703	7,781	24.7
Other comprehensive income:						
Items that may be reclassified subsequently to profit or loss						
Foreign currency translation	83	(124)	n.m.	(34)	109	n.m.
Total comprehensive income for the period	4,749	3,979	19.4	9,669	7,890	22.5
Profit for the period attributable to:						
Owners of the Company	4,525	3,947	14.6	9,462	7,445	27.1
Non-controlling interests	141	156	(9.6)	241	336	(28.3)
	4,666	4,103	13.7	9,703	7,781	24.7
Total comprehensive income for the period attributable to:						
Owners of the Company	4,608	3,823	20.5	9,428	7,554	24.8
Non-controlling interests	141	156	(9.6)	241	336	(28.3)
	4,749	3,979	19.4	9,669	7,890	22.5

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					
	2Q2017	2Q2016	Change	1H2017	1H2016	Change
	\$'000	\$'000	%	\$'000	\$'000	%
Depreciation of property, plant and equipment	371	296	25.3	740	504	46.8
Inventories recognised as an expense in cost of sales	52,268	55,669	(6.1)	102,741	115,199	(10.8)
Operating lease expense	1,020	939	8.6	1,944	1,922	1.1
Interest expense on loans and borrowings	1,687	983	71.6	3,171	1,725	83.8
Allowance for doubtful trade receivables	214	51	319.6	360	189	90.5
Net fair value (gain)/loss on loan from an unrelated party	(19)	119	n.m.	40	275	(85.5)
Net exchange (gain)/loss	(5)	93	n.m.	2	(43)	n.m.
Decrease/(increase) in fair value of inventories less point-of-sale costs	42	(178)	n.m.	(62)	(380)	(83.7)
Rental income from leasehold property	(289)	(220)	31.4	(518)	(456)	13.6
Interest income	(150)	(99)	51.5	(297)	(219)	35.6
Dividend income from unquoted investments	(48)	(32)	50.0	(48)	(32)	50.0
Write-off of consideration over fair value of interest acquired in a subsidiary	-	207	n.m.	-	207	n.m.
(Gain)/loss on disposal of property, plant and equipment	-	(15)	n.m.	-	85	n.m.

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	
	30.06.2017 \$'000	31.12.2016 \$'000	30.06.2017 \$'000	31.12.2016 \$'000
<u>Non-current assets</u>				
Property, plant and equipment	28,423	28,909	115	124
Intangible asset	451	451	-	-
Investment in subsidiaries	-	-	50,906	51,832
Investment in associates	10,056	8,923	1,003	1,002
Other investments	738	688	738	688
Trade and other receivables	47,193	60,516	2,990	3,006
	86,861	99,487	55,752	56,652
<u>Current assets</u>				
Inventories	59,468	56,206	-	-
Trade and other receivables	223,307	229,831	133,539	131,266
Prepaid operating expenses	299	1,241	34	23
Cash and bank balances	11,561	7,112	2,603	1,021
	294,635	294,390	136,176	132,310
Total assets	381,496	393,877	191,928	188,962
<u>Current liabilities</u>				
Trade and other payables	4,495	4,692	5,749	3,519
Other liabilities	1,851	2,711	364	1,046
Interest-bearing loans and borrowings	184,205	151,640	49,779	-
Income tax payable	1,808	1,784	215	209
	192,359	160,827	56,107	4,774
Net current assets	102,276	133,563	80,069	127,536
<u>Non-current liabilities</u>				
Provisions	266	280	-	-
Other deposits	34	-	-	-
Interest-bearing loans and borrowings	13,336	59,681	-	49,662
Deferred tax liabilities	1,775	1,802	13	12
	15,411	61,763	13	49,674
Total liabilities	207,770	222,590	56,120	54,448
Net assets	173,726	171,287	135,808	134,514
<u>Equity attributable to owners of the Company</u>				
Share capital	78,313	78,313	78,313	78,313
Treasury Shares	(26)	-	(26)	-
Retained earnings	97,865	94,164	57,521	56,201
Other reserves	(6,723)	(6,689)	-	-
	169,429	165,788	135,808	134,514
Non-controlling interests	4,297	5,499	-	-
Total equity	173,726	171,287	135,808	134,514

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 17		As at 31 December 16	
	Secured \$'000	Unsecured \$'000	Secured \$'000	Unsecured \$'000
Included in trade and other payables	-	3,404	-	3,114
Included in interest-bearing loans and borrowings	128,781	55,424	146,045	5,595
Total	128,781	58,828	146,045	8,709

Amount repayable by the Group after one year

	As at 30 June 17		As at 31 December 16	
	Secured \$'000	Unsecured \$'000	Secured \$'000	Unsecured \$'000
Included in interest-bearing loans and borrowings	13,336	-	10,019	49,662
Total	13,336	-	10,019	49,662

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	2Q2017 \$'000	2Q2016 \$'000	1H2017 \$'000	1H2016 \$'000
Operating activities				
Profit before tax	5,431	4,566	10,803	8,448
Adjustments for:				
Depreciation of property, plant and equipment	371	296	740	504
(Gain)/loss on disposal of property, plant and equipment	-	(15)	-	85
Allowance for doubtful trade receivables	214	51	360	189
Interest income	(150)	(99)	(297)	(219)
Finance costs	1,687	983	3,171	1,725
Decrease/(increase) in fair value of inventories less point-of-sale costs	42	(178)	(62)	(380)
Net fair value (gain)/loss on loan from an unrelated party	(19)	119	40	275
Dividend income from unquoted investments	(48)	(32)	(48)	(32)
Write-off of consideration over fair value of interest acquired in a subsidiary	-	207	-	207
Share of results of associates	(719)	(582)	(1,371)	(1,144)
Amortisation of bond expenses	-	16	-	16
Unrealised exchange (gain)/loss	(41)	60	20	32
Operating cash flows before changes in working capital	6,768	5,392	13,356	9,706
Changes in working capital				
Decrease/(increase) in inventories	138	(5,092)	(3,200)	(12,608)
(Increase)/decrease in trade and other receivables	(22,714)	(31,037)	19,505	(37,396)
Decrease in prepaid operating expenses	107	73	943	530
Decrease in trade and other payables	(398)	(72)	(383)	(1,175)
(Decrease)/increase in other liabilities	(173)	624	(675)	(663)
Cash flows (used in)/generated from operations	(16,272)	(30,112)	29,546	(41,606)
Interest received	150	99	297	219
Finance costs paid	(1,628)	(983)	(3,053)	(1,725)
Income taxes paid	(656)	(345)	(1,104)	(629)
Net cash flows (used in)/generated from operating activities	(18,406)	(31,341)	25,686	(43,741)
Investing activities				
Purchase of property, plant and equipment	(97)	(936)	(268)	(12,423)
Purchase of investment securities	-	-	(50)	-
Net cash outflow on acquisition of a subsidiary	-	(2,645)	-	(2,645)
Dividend income from associates	200	200	200	200
Dividend income from unquoted investments	48	32	48	32
Net cash flows generated from/(used in) investing activities	151	(3,349)	(70)	(14,836)
Financing activities				
Proceeds from interest-bearing loans and borrowings	29,833	3,039	33,964	27,890
Repayment of interest-bearing loans and borrowings	(5,748)	(15,806)	(47,796)	(16,817)
Purchase of treasury shares	-	-	(26)	-
Proceeds from issuance of bonds	-	49,526	-	49,526
Return of investment to non-controlling interests	(1,046)	-	(1,046)	-
Dividends paid to non-controlling interests	(397)	(399)	(397)	(399)
Dividends paid on ordinary shares	(5,761)	(5,068)	(5,761)	(5,068)
Net cash flows generated from/(used in) financing activities	16,881	31,292	(21,062)	55,132
Net (decrease)/increase in cash and cash equivalents	(1,374)	(3,398)	4,554	(3,445)
Cash and cash equivalents at beginning of period	11,000	9,996	5,072	10,043
Cash and cash equivalents at end of period	9,626	6,598	9,626	6,598

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 2017	78,313	–	1,984	(7,599)	(1,074)	94,164	165,788	5,499	171,287
Profit for the period	–	–	–	–	–	9,462	9,462	241	9,703
Foreign currency translation	–	–	–	–	(34)	–	(34)	–	(34)
Total comprehensive income for the period	–	–	–	–	(34)	9,462	9,428	241	9,669
<u>Distributions to owners</u>									
Dividends paid on ordinary shares	–	–	–	–	–	(5,761)	(5,761)	–	(5,761)
Dividends paid to non-controlling interests	–	–	–	–	–	–	–	(397)	(397)
Return of investment to non-controlling interests	–	–	–	–	–	–	–	(1,046)	(1,046)
Purchase of treasury shares	–	(26)	–	–	–	–	(26)	–	(26)
Total distributions to owners	–	(26)	–	–	–	(5,761)	(5,787)	(1,443)	(7,230)
At 30 June 2017	78,313	(26)	1,984	(7,599)	(1,108)	97,865	169,429	4,297	173,726

Group	Attributable to owners of the Company					Total	Non-controlling interests	Total equity
	Share capital	Capital reserve	Merger reserve	Foreign currency translation reserve	Retained earnings			
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
At 1 January 2016	78,313	1,984	(7,599)	(893)	83,673	155,478	4,208	159,686
Profit for the period	–	–	–	–	7,445	7,445	336	7,781
Foreign currency translation	–	–	–	109	–	109	–	109
Total comprehensive income for the period	–	–	–	109	7,445	7,554	336	7,890
<u>Distributions to owners</u>								
Dividends paid on ordinary shares	–	–	–	–	(5,068)	(5,068)	–	(5,068)
Dividends paid to non-controlling interests	–	–	–	–	–	–	(399)	(399)
Total distributions to owners	–	–	–	–	(5,068)	(5,068)	(399)	(5,467)
<u>Changes in ownership interests in subsidiaries</u>								
Acquisition of interest in a subsidiary	–	–	–	–	–	–	1,945	1,945
Total transactions with owners in their capacity as owners	–	–	–	–	–	–	1,945	1,945
At 30 June 2016	78,313	1,984	(7,599)	(784)	86,050	157,964	6,090	164,054

Company	Attributable to owners of the Company			
	Share capital \$'000	Treasury Shares \$'000	Retained earnings \$'000	Total equity \$'000
At 1 January 2017	78,313	–	56,201	134,514
Profit for the period, representing total comprehensive income for the period	–	–	7,081	7,081
<u>Distributions to owners</u>				
Dividends paid on ordinary shares	–	–	(5,761)	(5,761)
Purchase of treasury shares	–	(26)	–	(26)
At 30 June 2017	78,313	(26)	57,521	135,808
At 1 January 2016	78,313	–	50,919	129,232
Profit for the period, representing total comprehensive income for the period	–	–	7,197	7,197
Dividends paid on ordinary shares	–	–	(5,068)	(5,068)
At 30 June 2016	78,313	–	53,048	131,361

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.

Pursuant to the Share Buy-Back Mandate approved by shareholders, the Company purchased a total of 100,000 shares by way of on-market purchase for a total consideration of \$26,000 in 1Q2017. These shares purchased were made out of the Company's capital and held as treasury shares.

The Company's issued and fully paid up shares as at 30 June 2017 comprised 533,397,960 (30 June 2016: 533,497,960) ordinary shares and 100,000 (30 June 2016: Nil) 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.

	30.06.2017	31.12.2016
Total number of issued shares	533,497,960	533,497,960
Less: Treasury shares	(100,000)	-
Total number of issued shares excluding treasury shares	533,397,960	533,497,960

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 31/3/2017	100,000	26
No. of shares purchased	-	-
Balance as at 30/06/2017	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 2016, as well as applicable new and revised Financial Reporting Standards ("FRSs") which became effective for financial years beginning on or after 1 January 2017. The adoption of these new and revised FRSs has no material effect on the financial statements for the current financial period.

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			
	2Q2017	2Q2016	1H2017	1H2016
	Cents	Cents	Cents	Cents
i) Basic earnings per share	0.85	0.74	1.77	1.40
ii) Diluted earnings per share	0.85	0.74	1.77	1.40
- Weighted average number of shares ('000)	533,398	533,498	533,439	533,498

The calculation of basic earnings per share for 1H ended 30 June 2017 is based on the net profits attributable to shareholders for the 1H ended 30 June 2017 divided by the weighted average number of ordinary shares outstanding of 533,438,844.

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	
	30.06.2017	31.12.2016	30.06.2017	31.12.2016
Net asset value per ordinary share (cents)	31.76	31.08	25.46	25.21
Number of ordinary shares in issue ('000)	533,398	533,498	533,398	533,498

The number of ordinary shares was based on the number of outstanding shares as at 30 June 2017 and 31 December 2016 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

2Q2017 vs 2Q2016

Revenue

The Group's revenue declined from \$64.9 million in 2Q2016 to \$63.2 million in 2Q2017. Revenue from retail and trading of pre-owned jewellery and gold business decreased by \$3.2 million while revenue from pawnbroking remained relatively stable. Revenue contribution from the moneylending business increased by \$1.5 million in 2Q2017.

Cost of sales

The Group's cost of sales decreased from \$56.3 million in 2Q2016 to \$52.9 million in 2Q2017. Cost of goods sold for retail and trading of pre-owned jewellery and gold business decreased by \$3.4 million, which is in line with the decrease in revenue in this segment, while interest cost for both pawnbroking and moneylending remained stable.

Gross profit

Overall gross profit increased by \$1.7 million in 2Q2017 compared with the same period in 2Q2016. Gross profit margin improved from 13.3% in 2Q2016 to 16.3% in 2Q2017.

Other operating income

Other operating income was \$1.0 million in 2Q2017 compared with \$0.6 million in 2Q2016. The higher other operating income was mainly due to the increases in facility fees income from the moneylending business of \$0.2 million and interest income 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 \$4.5 million in 2Q2016 to \$5.2 million in 2Q2017 was mainly due to the increase in employee benefits expense of \$0.2 million and increases in depreciation, insurance and rental expenses of \$0.1 million each respectively. The increase in employee benefits expense was due to the increase in headcount and salary adjustments.

Other operating expense

Other operating expenses comprise mainly allowance for doubtful trade receivables of \$0.2 million in 2Q2017.

Share of results of associates

The Group's share of results of associates increased from \$0.6 million in 2Q2016 to \$0.7 million in 2Q2017, due to increased contribution from Malaysian associated companies.

Profit before tax

As a result of the above, profit before tax increased by \$0.9 million to \$5.4 million in 2Q2017.

Income tax expense

Income tax expense increased by \$0.3 million in 2Q2017, which is in line with the increase in profit.

1H2017 vs 1H2016

Revenue

The Group's revenue decreased from \$132.3 million in 1H2016 to \$124.3 million in 1H2017. Retail and trading of pre-owned jewellery and gold business accounted for the decrease of \$11.4 million while revenue from pawnbroking and moneylending increased by \$0.5 million and \$2.9 million respectively.

Cost of sales

The Group's cost of sales decreased from \$116.4 million in 1H2016 to \$104.0 million in 1H2017. Cost of goods sold for retail and trading of pre-owned jewellery and gold business decreased by \$12.4 million, which is in line with the decrease in revenue in this segment, while interest cost for both pawnbroking and moneylending remained relatively stable.

Gross profit

Overall gross profit increased by \$4.5 million in 1H2017 compared with the same period in 1H2016. Gross profit margin improved from 12.0% in 1H2016 to 16.4% in 1H2017.

Other operating income

Other operating income was \$1.8 million in 1H2017 compared with \$1.5 million in 1H2016. The higher operating income was mainly due to increases in facility fee income from the moneylending business of \$0.2 million and interest income of \$0.1 million.

Share of results of associates

The Group's share of results of associates increased from \$1.1 million in 1H2016 to \$1.4 million in 1H2017, due to increased contribution from Malaysian associated companies.

Profit before tax

As a result of the above, profit before tax increased by \$2.4 million to \$10.8 million in 1H2017.

Income tax expense

Income tax expense increased by \$0.4 million in 1H2017, which is in line with the increase in profit.

Review of the Group's Financial Position

Non-current assets decreased by \$12.6 million from \$99.5 million as at 31 December 2016 to \$86.9 million as at 30 June 2017. The decrease comprises decrease in trade and other receivables of \$13.3 million from the Group's moneylending business and decrease in property, plant and equipment of \$0.5 million. These were offset by the increase in investment in associates of \$1.2 million as a result of share of results of associates.

Current assets increased by \$0.2 million from \$294.4 million as at 31 December 2016 to \$294.6 million as at 30 June 2017. This was mainly due to increases in cash and bank balances of \$4.4 million and increase in inventories of \$3.3 million. These were partially offset by the decrease in prepaid operating expenses of \$1.0 million and trade and other receivables of \$6.5 million.

Current liabilities increased by \$31.6 million from \$160.8 million as at 31 December 2016 to \$192.4 million as at 30 June 2017 as a result of an increase in interest-bearing loans and borrowings of \$32.6 million. This is partially offset by the decreases in other liabilities of \$0.8 million and trade and other payables of \$0.2 million.

Non-current liabilities decreased by \$46.4 million from \$61.8 million as at 31 December 2016 to \$15.4 million as at 30 June 2017 mainly due to the decrease in interest-bearing loans and borrowings of \$46.3 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 \$171.3 million as at 31 December 2016 to \$173.7 million as at 30 June 2017 mainly due to the increase in retained earnings.

Review of the Group's Cash Flows

2Q2017 vs 2Q2016

In 2Q2017, the net cash used in operating activities was \$18.4 million. This comprises operating cash inflows before working capital adjustments of \$6.8 million, adjusted by net working capital outflow of \$23.0 million. In 2Q2017, the Group received interest income of \$0.2 million, with net income tax paid of \$0.7 million and interest expense paid of \$1.6 million respectively. The net working capital outflow was a result of the increase in trade and other receivables of \$22.7 million, decrease in trade and other payables of \$0.4 million and other liabilities of \$0.2 million. These were partially offset by the decrease in inventories of \$0.1 million and prepaid operating expenses of \$0.1 million.

In 2Q2017, the net cash generated from investing activities amounted to \$0.1 million comprising aggregate dividend income from associated and unquoted investments of \$0.2 million, partially offset by the purchase of property, plant and equipment of \$0.1 million.

The net cash generated from financing activities in 2Q2017 amounted to \$16.9 million comprising the net proceeds from interest-bearing loans and borrowings of \$24.1 million. This was partially offset by the payment of dividends of \$6.2 million and return of investment to non-controlling interests of \$1.0 million.

1H2017 vs 1H2016

In 1H2017, the net cash generated from operating activities was \$25.7 million. This comprises operating cash inflows before working capital adjustments of \$13.4 million, adjusted by net working capital inflow of \$16.2 million. In 1H2017, the Group received interest income of \$0.3 million, with net income tax paid of \$1.1 million and interest expense paid of \$3.1 million respectively. The net working capital inflow was a result of the decrease in trade and other receivables of \$19.5 million and prepaid operating expenses of \$0.9 million. These were partially offset by the increases in inventories of \$3.2 million, decreases in trade and other payables of \$0.4 million and other liabilities of \$0.7 million.

In 1H2017, the net cash used in investing activities was insignificant, comprising the purchase of property, plant and equipment of \$0.3 million, partially offset by dividend income of \$0.3 million.

The net cash used in financing activities in 1H2017 amounted to \$21.1 million comprising the net repayment from interest-bearing loans and borrowings of \$13.8 million, payment of dividends of \$6.2 million and return of investment to non-controlling interests of \$1.0 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 has been fluctuating within USD1,200 and USD1,300 since the last quarter results announcement. Meanwhile, keen competition, rising operating costs and uncertain interest rate movements continue to pose challenges to the pawnbroking business.

In line with the Group's strategy to expand its reach in the pawnbroking business, the Group acquired Heng Leong Pawnshop Pte Ltd, a traditional pawnshop, in August 2017. The Group will continue to seek growth opportunities through acquisitions and establishing new outlets and endeavour to grow its 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 six-month period ended 30 June 2017.

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 2017. 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 period under review	
	YTD-30 Jun 17	YTD-30 Jun 16
	\$'000	\$'000
Sales of goods to director-related companies		
- Hwa Goldsmith and Jewellers	748	1,110
- Mei Zhi Jewellery	95	169
- Lucky Jewellery	69	147
	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 <u>Rule 920</u>)	
	YTD-30 Jun 17	YTD-30 Jun 16
	\$'000	\$'000
Interest paid/due to a director		
- Yeah Hiang Nam	600	-

14. 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 2017 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