
UNAUDITED FIRST QUARTER FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2015

*This announcement has been prepared by MoneyMax Financial Services Ltd. (the “**Company**”) and its contents have been reviewed by the Company’s sponsor, United Overseas Bank Limited (the “**Sponsor**”), for compliance with the relevant rules of the Singapore Exchange Securities Trading Limited (the “**SGX-ST**”). The Sponsor has not independently verified the contents of this announcement.*

This announcement has not been examined or approved by the SGX-ST. The Sponsor and the SGX-ST assume 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.

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Background

On 20 June 2014, pursuant to a conditional share purchase agreement (the “**Agreement**”) entered into with Mr Chong Mei Sang (“**Mr Chong**”), the Company announced that the group comprising the Company and its subsidiaries (the “**Group**”) had agreed to acquire a 51.0% equity interest in a new holding company to be incorporated in Malaysia which would hold an initial network of 8 pawnshops in Malaysia, for an aggregate consideration of RM15.63 million (the “**Aggregate Consideration**”), with the intention to grow the Malaysian network over the next few years (the “**Malaysian Investment**”). Since the Company’s announcement on 20 June 2014, Easimine Group Sdn Bhd (“**Easimine**”) has been incorporated for the purpose of the Malaysian Investment and the initial completion of the Malaysian Investment took place on 15 August 2014 with the Group disbursing RM4.0 million in cash out of the Aggregate Consideration to Mr Chong. On 17 November 2014 and 28 January 2015, the Group had also disbursed approximately RM0.28 million in cash out of the Aggregate Consideration on each date pursuant to the Agreement to Mr Chong for an additional 2 pawnshops in Malaysia, respectively. On 9 April 2015, the Group increased its investment in its subsidiary, Easimine, by an allotment and issue of 764,833 ordinary shares at RM1.00 per share for a cash consideration of RM764,833, in proportion to its 51.0% shareholding in Easimine. Please refer to the Company’s announcements on the SGXNET dated 20 June 2014, 15 August 2014, 17 November 2014, 28 January 2015 and 9 April 2015 for further details on the Malaysian Investment.

Further to the initial completion of the Malaysian Investment on 15 August 2014, the results of Easimine and its subsidiaries have been incorporated into the results of the Group with effect from the third quarter ended 30 September 2014 (“**Q3-2014**”).

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		
	Q1-2015⁽¹⁾ S\$'000	Q1-2014⁽²⁾ S\$'000	Change %
Revenue	22,508	19,184	17.3
Other Items of Income			
Other Gains	400	554	(27.8)
Other Items of Expense			
Material Costs	(15,341)	(13,794)	11.2
Employee Benefits Expense	(2,535)	(2,007)	26.3
Depreciation and Amortisation Expense	(518)	(525)	(1.3)
Finance Costs	(690)	(524)	31.7
Other Losses	(110)	(3)	3,566.7
Other Expenses	(2,797)	(2,402)	16.4
Profit Before Tax	917	483	89.9
Income Tax Expense	(242)	(45)	437.8
Profit Net of Tax	675	438	54.1
Other Comprehensive Income	29	-	NM ⁽³⁾
Total Comprehensive Income	704	438	60.7
Attributable to:			
Owners of the Company	752	438	71.7
Non-controlling Interests	(48)	-	NM

Notes:

- (1) "Q1-2015" refers to the first quarter ended 31 March 2015.
- (2) "Q1-2014" refers to the first quarter ended 31 March 2014.
- (3) NM: 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		
	Q1-2015 S\$'000	Q1-2014 S\$'000	Change %
Rental income	(179)	(116)	54.3
Government grants	(210)	(156)	34.6
Depreciation of plant and equipment	483	462	4.5
Amortisation of lease assignment fees	35	63	(44.4)
Foreign exchange loss	106	3	3,433.3
Inventories write down reversal	(9)	(285)	(96.8)
Inventories written down	3	14	(78.6)
Plant and equipment written off	1	-	NM

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	
	31 March 2015 S\$'000	31 December 2014 S\$'000	31 March 2015 S\$'000	31 December 2014 S\$'000
ASSETS				
<u>Non-Current Assets</u>				
Plant and Equipment	3,647	3,805	-	-
Intangible Assets	208	242	-	-
Investment in Subsidiaries	-	-	50,405	50,405
Deferred Tax Assets	198	208	-	-
Goodwill (Note 1)	1,404	1,297	-	-
Total Non-Current Assets	5,457	5,552	50,405	50,405
<u>Current Assets</u>				
Inventories	16,425	18,835	-	-
Trade and Other Receivables	142,223	145,012	12,033	12,298
Other Assets	3,348	3,392	61	80
Cash and Cash Equivalents	10,187	8,193	2,616	928
Total Current Assets	172,183	175,432	14,710	13,306
Total Assets	177,640	180,984	65,115	63,711
EQUITY AND LIABILITIES				
<u>Equity Attributable to Owners of the Company</u>				
Share Capital	56,144	56,144	56,144	56,144
Retained Earnings	2,345	1,622	1,321	1,607
Reserves	64	35	-	-
	58,553	57,801	57,465	57,751
Non-controlling Interests	463	239	-	-
Total Equity	59,016	58,040	57,465	57,751
<u>Non-Current Liabilities</u>				
Other Financial Liabilities	3,086	3,410	-	-
Deferred Tax Liabilities	49	49	-	-
Total Non-Current Liabilities	3,135	3,459	-	-
<u>Current Liabilities</u>				
Income Tax Payable	798	534	-	-
Trade and Other Payables	11,320	11,119	4,650	2,960
Other Financial Liabilities	102,589	107,122	3,000	3,000
Other Liabilities	782	710	-	-
Total Current Liabilities	115,489	119,485	7,650	5,960
Total Liabilities	118,624	122,944	7,650	5,960
Total Equity and Liabilities	177,640	180,984	65,115	63,711

Note 1

The Malaysian Investment was accounted for using the acquisition method. The fair value of the identifiable assets and liabilities of Easimine and its subsidiaries at their respective dates of investment were provisionally determined as follows:-

Fair Value of Identifiable Assets and Liabilities	As at Dates of Investment RM'000	As at Dates of Investment S\$'000
Plant and Equipment	1,618	629
Inventories	369	143
Trade and Other Receivables	14,487	5,634
Other Assets	285	111
Cash and Cash Equivalents	2,437	947
Other Financial Liabilities	(2,034)	(791)
Income Tax Payable	(101)	(39)
Trade and Other Payables	(14,893)	(5,792)
Other Liabilities	(320)	(124)
Deferred Tax Liabilities	(8)	(3)
	1,840	715
<u>Goodwill Recognised</u>		
Total Consideration	4,562	1,769
Non-Controlling Interest at Fair Value	901	350
Total Identifiable Assets and Liabilities at Fair Value	(1,840)	(715)
	3,623	1,404
<u>Acquisition of Subsidiaries, Net of Cash</u>		
Total Purchase Consideration Fully Paid in Cash	4,562	1,769
Less: Cash and Cash Equivalents Acquired	(456)	(176)
Acquisition of Subsidiaries, Net of Cash	4,106	1,593

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 March 2015		As at 31 December 2014	
Secured S\$'000	Unsecured S\$'000	Secured S\$'000	Unsecured S\$'000
102,589	-	107,122	-

Amount repayable by the Group after one year

As at 31 March 2015		As at 31 December 2014	
Secured S\$'000	Unsecured S\$'000	Secured S\$'000	Unsecured S\$'000
3,086	-	3,410	-

Details of collaterals

The Group's borrowings and debt securities are secured as follows:

- 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) Personal guarantee by an Executive Director for finance leases;
- iii) Corporate guarantee by MoneyMax Financial Services Ltd. and certain subsidiaries;
- iv) Deeds of assignment of all rights, interests and benefits from insurance policies for pledged articles;
- v) Fixed deposits of a subsidiary;
- vi) Corporate guarantee from a company in which certain directors of the subsidiaries have interest; and
- vii) Personal guarantees by certain directors of the subsidiaries.

- 1(c) A statement of cash flows (for the group), together with a comparative statement for the corresponding period of the immediately preceding financial year.

CONSOLIDATED STATEMENTS OF CASH FLOWS

	Q1-2015 S\$'000	Q1-2014 S\$'000
<u>Cash Flows From Operating Activities</u>		
Profit Before Tax	917	483
Adjustments for:		
Interest Income	(3)	-
Interest Expense	690	524
Depreciation of Plant and Equipment	483	462
Amortisation of Intangible Assets	35	63
Plant and Equipment Written Off	1	-
Foreign Currency Translation	58	-
Operating Cash Flows before Changes in Working Capital	2,181	1,532
Inventories	2,410	1,596
Trade and Other Receivables	2,788	(1,027)
Other Assets, Current	43	406
Trade and Other Payables	201	(507)
Other Liabilities	61	18
Net Cash Flows From Operations	7,684	2,018
Income Taxes Refunded	32	22
Net Cash Flows From Operating Activities	7,716	2,040
<u>Cash Flows From Investing Activities</u>		
Purchase of Plant and Equipment	(330)	(846)
Interest Received	3	-
Acquisition of Subsidiaries (Net of Cash Acquired)	(107)	-
Net Cash Flows Used in Investing Activities	(434)	(846)
<u>Cash Flows From Financing Activities</u>		
Issue of Shares to Non-Controlling Interests	272	-
Increase from New Borrowings	-	300
Decrease in Other Financial Liabilities	(168)	-
Finance Lease Repayments	(5)	(8)
Interest Paid	(690)	(524)
Net Cash Flows Used in Financing Activities	(591)	(232)
Net Increase in Cash and Cash Equivalents	6,691	962
Cash and Cash Equivalents, Statement of Cash Flows, Beginning Balance	2,767	3,667
Effects of Exchange Rate Changes on Cash and Cash Equivalents	(14)	-
Cash and Cash Equivalents, Statement of Cash Flows, Ending Balance	9,444	4,629

Cash and cash equivalents

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

	As at 31 March 2015 S\$'000	As at 31 March 2014 S\$'000
Cash at bank and in hand	10,187	7,312
Bank overdrafts	(743)	(2,683)
Cash and cash equivalents for statement of cash flows purposes	9,444	4,629

- 1(d)(i) A statement (for the issuer and group) showing either (i) all changes in equity or (ii) changes in equity other than those arising from capitalization issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year.

STATEMENTS OF CHANGES IN EQUITY

Group	Attributable to Owners of the Company				Non-Controlling Interests S\$'000	Total Equity S\$'000
	Share Capital S\$'000	Retained Earnings S\$'000	Reserves S\$'000	Sub-Total S\$'000		
Balance as at 1 January 2015	56,144	1,622	35	57,801	239	58,040
Acquisition of interest in subsidiaries	-	-	-	-	272	272
Total comprehensive income for the period	-	723	29	752	(48)	704
Balance as at 31 March 2015	56,144	2,345	64	58,553	463	59,016
Balance as at 1 January 2014	56,144	1,767	-	57,911	-	57,911
Acquisition of interest in subsidiaries	-	-	-	-	-	-
Total comprehensive income for the period	-	438	-	438	-	438
Balance as at 31 March 2014	56,144	2,205	-	58,349	-	58,349

Company	Share Capital S\$'000	Retained Earnings S\$'000	Total Equity S\$'000
Balance as at 1 January 2015	56,144	1,607	57,751
Total comprehensive loss for the period	-	(286)	(286)
Balance as at 31 March 2015	56,144	1,321	57,465
Balance as at 1 January 2014	56,144	1,305	57,449
Total comprehensive loss for the period	-	(208)	(208)
Balance as at 31 March 2014	56,144	1,097	57,241

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 also the number of shares that may be issued on conversion of all the outstanding convertibles, as well as the number of shares held as treasury shares, if any, against the total number of issued shares excluding treasury shares of the issuer, as well as the number of shares held as 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.

CHANGES IN ISSUED AND PAID-UP SHARE CAPITAL

	Number of Shares '000	Company Issued and Paid-up Capital S\$'000
Issued and fully paid-up share capital		
Balance as at 1 January 2015 and 31 March 2015	353,800	56,144

There were no outstanding convertibles or treasury shares held by the Company as at 31 March 2014 and 31 March 2015.

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 March 2015 '000	As at 31 December 2014 '000
Total number of issued shares (excluding treasury shares)	353,800	353,800

The Company has no treasury shares or securities convertible into shares that are outstanding as at 31 March 2015 and 31 December 2014.

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.

Not applicable.

2. Whether the figures have been audited or reviewed and in accordance with which auditing standard or practice.

The figures have not been audited or reviewed by the auditors of the Company.

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

Not applicable.

4. **Whether the same accounting policies and methods of computation as in the issuer's most recently audited annual financial statements have been applied.**

The Group has applied the same accounting policies and methods of computation in the financial statements for the three-month period ended 31 March 2015 as its most recently audited consolidated financial statements for the financial year ended 31 December 2014.

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.**

There are no changes in the Group's accounting policies and methods of computation including any required by an accounting standard.

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	
	Q1-2015	Q1-2014
Profit attributable to owners of the company, net of tax (S\$'000)	723	438
EPS (cents):-		
(a) Based on the weighted average number of ordinary shares	0.20	0.12
(b) On a fully diluted basis	0.20	0.12

EPS of the Group for Q1-2015 and Q1-2014 has been computed based on a share capital of 353,800,000 shares in the capital of the Company. The basic and diluted EPS are the same for Q1-2015 and Q1-2014 as the Company has no dilutive equity instruments as at 31 March 2015 and 31 March 2014, respectively.

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 March 2015	31 December 2014	31 March 2015	31 December 2014
NAV per ordinary share ⁽¹⁾ (cents)	16.55	16.34	16.24	16.32

Note:

- (1) NAV per ordinary share as at 31 March 2015 and as at 31 December 2014 have been computed based on the Company's 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 approximately S\$3.3 million or 17.3% from approximately S\$19.2 million in Q1-2014 to approximately S\$22.5 million in Q1-2015. The increase in revenue was due to (i) an increase in revenue contribution from the pawnbroking segment of approximately S\$0.4 million arising from the inclusion of the results of the Malaysian Investment into the Group; and (ii) an increase in revenue contribution from the retail and trading of pre-owned jewellery and watches segment of approximately S\$2.9 million, mainly attributable to the increase in the number of retail outlets in Singapore over Q1-2015 versus Q1-2014, and higher disposal of pre-owned jewellery and watches that were accumulated and deemed to be unsuitable for retail sales due to the improved gold prices. As at 31 March 2015, the Group had 38 retail outlets in Singapore as compared to 32 retail outlets in Singapore as at 31 March 2014.

Generally, yields from the retail of pre-owned jewellery and watches are higher than yields from trading. Hence, even though the revenue in Q1-2015 increased by 17.3%, gross profit¹ increased by 33.0% in Q1-2015 as there was a higher proportion of retail sales of pre-owned jewellery and watches vis-à-vis the trading of pre-owned jewellery and watches.

Other Gains

Other gains decreased by approximately S\$0.2 million or 27.8% from approximately S\$0.6 million in Q1-2014 to approximately S\$0.4 million in Q1-2015. The decrease was mainly due to the reversal in inventories provision of approximately S\$0.3 million in Q1-2014, partially offset by an increase in rental income and government grants of S\$0.1 million in aggregate in Q1-2015.

Material Costs

Material costs increased by approximately S\$1.5 million or 11.2% from approximately S\$13.8 million in Q1-2014 to approximately S\$15.3 million in Q1-2015. The increase in material costs in Q1-2015 was generally in line with the increase in revenue from retail and trading of pre-owned jewellery and watches segment.

Employee Benefits Expense

Employee benefits expense increased by approximately S\$0.5 million or 26.3% from approximately S\$2.0 million in Q1-2014 to approximately S\$2.5 million in Q1-2015. This was mainly due to the increase in the number of employees arising from the expansion of the Group's network of retail outlets in Singapore and the Malaysian Investment over Q1-2015 versus Q1-2014, as well as annual salary increments for existing employees.

Depreciation and Amortisation Expense

Depreciation and amortisation expense remained relatively stable at approximately S\$0.5 million for Q1-2015 and Q1-2014.

¹ "Gross profit" is defined as the difference between "Revenue" and "Material costs".

Finance Costs

Finance costs increased by approximately S\$0.2 million or 31.7% to approximately S\$0.7 million in Q1-2015 from approximately S\$0.5 million in Q1-2014. This was mainly due to the increase in interest expenses arising from higher utilisation of bank facilities to fund the acquisition of inventories, pledged loans extended to customers and the Malaysian Investment.

Other Losses

Other losses increased to approximately S\$110,000 in Q1-2015 from approximately S\$3,000 in Q1-2014. This was mainly attributable to foreign exchange losses incurred as a result of the weakening of the Malaysian Ringgit against the Singapore Dollar.

Other Expenses

Other expenses increased by approximately S\$0.4 million or 16.4% from approximately S\$2.4 million in Q1-2014 to approximately S\$2.8 million in Q1-2015. This was mainly due to an increase in rental and related costs pertaining to the new retail outlets opened in Singapore and the Malaysian Investment.

Profit Before Tax

As a result of the above, profit before income tax increased by approximately S\$0.4 million or 89.9% from approximately S\$0.5 million in Q1-2014 to approximately S\$0.9 million in Q1-2015.

Income Tax Expense

Income tax expense increased by approximately S\$0.2 million or 437.8% from approximately S\$45,000 in Q1-2014 to approximately S\$0.2 million in Q1-2015. This was mainly due to the higher profit before tax in Q1-2015 as compared to the corresponding period.

REVIEW OF THE GROUP'S FINANCIAL POSITION

Non-Current Assets

Non-current assets decreased by approximately S\$0.1 million or 1.7% from S\$5.6 million as at 31 December 2014 to S\$5.5 million as at 31 March 2015.

This was mainly due to the decrease of S\$0.2 million in plant and equipment pursuant to capital expenditure incurred of S\$0.3 million for renovation works performed for the Group's retail outlets in Singapore and in connection with the Malaysian Investment, which was offset by depreciation expenses of S\$0.5 million incurred in relation to plant and equipment at the Group's Singapore and Malaysia outlets. The decrease was partially offset by an increase in goodwill capitalised of S\$0.1 million arising from the Malaysian Investment.

Current Assets

Current assets decreased by approximately S\$3.2 million or 1.9% from S\$175.4 million as at 31 December 2014 to S\$172.2 million as at 31 March 2015. This was mainly due to a decrease in inventories and trade and other receivables of S\$2.4 million and S\$2.8 million, respectively, which was offset by an increase in cash and cash equivalents of S\$2.0 million. The decrease in inventories was mainly due to the higher level of activity from the retail and trading of pre-owned jewellery and watches segment while the decrease in trade and other receivables was mainly due to the decrease in pledged loans extended to customers.

Non-Current Liabilities

Non-current liabilities decreased by approximately S\$0.3 million or 9.4% from S\$3.4 million as at 31 December 2014 to S\$3.1 million as at 31 March 2015. This was mainly due to the repayment of bank borrowings.

Current Liabilities

Current liabilities decreased by approximately S\$4.0 million or 3.3% from S\$119.5 million as at 31 December 2014 to S\$115.5 million as at 31 March 2015. This was mainly due to a decrease in other financial liabilities of S\$4.5 million, which was offset by an increase in income tax payable of S\$0.3 million due to income tax provisions made in relation to Q1-2015, and trade and other payables of S\$0.2 million due to an increase in goods and services tax payable, which was in line with the higher level of activity from the retail and trading of pre-owned jewellery and watches segment. The decrease in other financial liabilities was due to the lower usage of bank facilities to finance the pawnshop business.

Equity Attributable to Owners of the Company

Equity attributable to owners of the Company increased by approximately S\$0.8 million or 1.3% from S\$57.8 million as at 31 December 2014 to S\$58.6 million as at 31 March 2015. The increase was mainly due to the profit net of tax of S\$0.7 million for Q1-2015.

REVIEW OF THE GROUP'S CASHFLOW STATEMENT

In Q1-2015, the Group generated net cash from operating activities before changes in working capital of approximately S\$2.2 million. Net cash from working capital amounted to approximately S\$5.5 million. This was due to a decrease in trade and other receivables and inventories of approximately S\$2.8 million and S\$2.4 million, respectively, as well as an increase in trade and other payables and other liabilities of approximately S\$0.2 million and S\$0.1 million, respectively. The net cash generated from operating activities amounted to approximately S\$7.7 million.

Net cash used in investing activities of approximately S\$0.4 million was mainly due to (i) renovation costs and purchase of plant and equipment related to the relocation of existing retail outlets in Singapore and in connection with the Malaysian Investment of approximately S\$0.3 million; and (ii) net cash consideration paid for the Malaysian Investment of approximately S\$0.1 million.

Net cash used in financing activities of approximately S\$0.6 million was due to interest paid and repayment of bank borrowings of approximately S\$0.7 million and S\$0.2 million, respectively. These were partially offset by proceeds from the issuance of shares to Mr Chong in proportion to his 49.0% shareholding in Easimine of approximately S\$0.3 million, as alluded to in the Company's announcement on 9 April 2015.

As a result of the above, there was a net increase of S\$6.7 million in cash and cash equivalents, from a net cash surplus of approximately S\$2.7 million as at 31 December 2014 to a net cash surplus of approximately S\$9.4 million as at 31 March 2015.

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

No forecast for the financial period ended 31 March 2015 was provided.

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 Group currently has a network of 38 retail outlets in Singapore and 9 pawnshops in Malaysia, bringing a total of 47 outlets in Singapore and Malaysia. The Group will continue to execute its strategy of expanding its network in Malaysia to diversify against the competitive Singapore market and grow its market share in Malaysia. It will also further leverage on its established branding and will continue to improve its operational efficiency through staff training and work flow improvement to bring forth sustained long-term growth for the Group.

Notwithstanding the above, the Group is cognizant of the challenges ahead. Gold prices were volatile during Q1-2015, and the volatility in gold prices is expected to continue throughout FY2015. Interest rates in Singapore have also increased during Q1-2015 and are expected to increase further. Rising interest rates, volatility in gold prices, coupled with rising staff, rental and other operational costs, will post challenges to the Group in FY2015.

11. Dividend

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

No dividend has been declared or recommended for Q1-2015.

(b) Corresponding period of the immediately preceding financial year

No dividend was declared or recommended for Q1-2014.

(c) Date payable

Not applicable

(d) Books closure date

Not applicable

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

No dividend has been declared or recommended for Q1-2015.

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 Catalist Rules. However, pursuant to Rule 905 of the Catalist 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 \$100,000 and transactions conducted under Shareholders' Mandate pursuant to Rule 920 of the Catalist Rules)	
	Q1-2015 S\$'000	Q1-2014 S\$'000
Purchases of pre-owned jewellery for melting		
Soo Kee Jewellery	10	2
Central support services		
Soo Kee Jewellery	45	45
Lease of premises		
Soo Kee Jewellery	87	87
SK Jewellery Pte Ltd	13	22
SK Properties Pte Ltd	97	10
Soo Kee Investment Pte Ltd	135	135
Heng Seng Pte Ltd	24	24
Lim Yong Guan	35	-
Working capital advances		
SK Jewellery Sdn Bhd	_(1)	-
	446	325

Note:

- (1) This relates to advances of RM1.5 million extended by SK Jewellery Sdn Bhd ("SK Malaysia") as bridging advances to Easimine and its wholly-owned subsidiary for working capital purposes. The advances were interest-free and unsecured, and made over two tranches in January 2015 and February 2015. The advances had a repayment term of four months and three months, respectively. No fees or other benefits were payable or accrued to SK Malaysia for the provision of the advances. As such, the Directors of the Company are of the view that the bridging advances were not prejudicial to the interests of the Group. As at the date of this announcement, the bridging advance has been fully repaid to SK Malaysia. The value of the said advances is "-" as under Rule 909(3) of the SGX-ST Listing Manual Section B: Rules of Catalist, in the case of borrowing of funds from an interested person (that is, SK Malaysia), the value of the transaction is the interest payable on the borrowing (which is interest-free in the present instance).

14. NEGATIVE CONFIRMATION BY THE BOARD PURSUANT TO RULE 705(5)

The Board of Directors of the Company confirms that, to the best of our knowledge, nothing has come to its attention which may render the unaudited interim financial statements for the period ended 31 March 2015 to be false or misleading in any material aspect.

ON BEHALF OF THE BOARD OF DIRECTORS

Lim Yong Guan
Executive Chairman and Chief Executive Director

Lim Yong Sheng
Executive Director

12 May 2015