
UNAUDITED SECOND QUARTER AND HALF-YEAR FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2015

*This announcement has been prepared by MoneyMax Financial Services Ltd. (the “**Company**” and, together with its subsidiaries, the “**Group**”) 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.*

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Background

The Company’s wholly-owned subsidiary, Cash Online Sdn. Bhd., had on 20 June 2014, entered into a share purchase agreement with a Malaysian partner to acquire a 51.0% equity interest in a new holding company to be incorporated in Malaysia (“**Malaysian Investment Company**”) which will hold an initial network of 8 pawnshops in Malaysia (“**Malaysian Investment**”). 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 the Malaysian Investment Company and its subsidiaries have been incorporated into the results of the Group with effect from the third quarter ended 30 September 2014 (“**Q3-2014**”).

On 24 December 2014, the Group entered into a share purchase agreement with unrelated third parties to acquire a pawnshop in Malaysia (“**Malaysian Pawnshop**”). Pursuant to Rule 1008(1) of the SGX-ST Listing Manual Section B: Rules of Catalist, the acquisition of the Malaysian Pawnshop is a non-discloseable transaction. The acquisition of the Malaysian Pawnshop was completed in April 2015 and the results of Malaysian Pawnshop have been incorporated into the results of the Group with effect from the second quarter ended 30 June 2015 (“**Q2-2015**”).

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					
	Q2-2015 ⁽¹⁾ S\$'000	Q2-2014 ⁽²⁾ S\$'000	Change %	1H-2015 ⁽³⁾ S\$'000	1H-2014 ⁽⁴⁾ S\$'000	Change %
Revenue	21,901	15,238	43.7	44,409	34,422	29.0
Other Items of Income						
Other Gains	168	168	-	568	722	(21.3)
Other Items of Expense						
Material Costs	(14,302)	(9,153)	56.3	(29,643)	(22,947)	29.2
Employee Benefits Expense	(2,636)	(2,114)	24.7	(5,171)	(4,121)	25.5
Depreciation and Amortisation Expense	(475)	(569)	(16.5)	(993)	(1,094)	(9.2)
Finance Costs	(765)	(574)	33.3	(1,455)	(1,098)	32.5
Other Losses	(251)	2	NM ⁽⁵⁾	(361)	(1)	36,000.0
Other Expenses	(2,820)	(2,615)	7.8	(5,617)	(5,017)	12.0
Profit Before Tax	820	383	114.1	1,737	866	100.6
Income Tax Expense	(200)	(100)	100.0	(442)	(145)	204.8
Profit Net of Tax	620	283	119.1	1,295	721	79.6
Other Comprehensive Income	81	-	NM	110	-	NM
Total Comprehensive Income	701	283	147.7	1,405	721	94.9
Attributable to:						
Owners of the Company	625	283	120.8	1,348	721	87.0
Non-controlling Interests	(5)	-	NM	(53)	-	NM
Profit Net of tax	620	283	119.1	1,295	721	79.6
Attributable to:						
Owners of the Company	706	283	149.5	1,458	721	102.2
Non-controlling Interests	(5)	-	NM	(53)	-	NM
Total Comprehensive income	701	283	147.7	1,405	721	94.9

Notes:

- (1) "Q2-2015" refers to the second quarter ended 30 June 2015.
- (2) "Q2-2014" refers to the second quarter ended 30 June 2014.
- (3) "1H-2015" refers to the six-month period ended 30 June 2015.
- (4) "1H-2014" refers to the six-month period ended 30 June 2014.
- (5) 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					
	Q2-2015 S\$'000	Q2-2014 S\$'000	Change %	1H-2015 S\$'000	1H-2014 S\$'000	Change %
Rental income	(169)	(117)	44.4	(348)	(233)	49.4
Government grants	-	(44)	NM	(210)	(200)	5.0
Depreciation of plant and equipment	440	519	(15.2)	923	981	(5.9)
Amortisation of lease assignment fees	35	50	(30.0)	70	113	(38.1)
Foreign exchange (gain) / loss	248	(2)	NM	354	1	35,300.0
Inventories write down reversal	-	-	-	(9)	(285)	(96.8)
Inventories written down	6	7	(14.3)	9	21	(57.1)
Financial losses on pledged items not fully insured	1	-	NM	1	-	NM
Plant and equipment written off	5	-	NM	6	-	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	
	30 June 2015 S\$'000	31 December 2014 S\$'000	30 June 2015 S\$'000	31 December 2014 S\$'000
ASSETS				
<u>Non-Current Assets</u>				
Plant and Equipment	3,358	3,805	-	-
Intangible Assets	173	242	-	-
Investment in Subsidiaries	-	-	50,405	50,405
Deferred Tax Assets	192	208	-	-
Goodwill (Note 1)	2,437	1,297	-	-
Total Non-Current Assets	6,160	5,552	50,405	50,405
<u>Current Assets</u>				
Inventories	16,082	18,835	-	-
Trade and Other Receivables	149,573	145,012	12,612	12,298
Other Assets	2,371	3,392	32	80
Cash and Cash Equivalents	6,354	8,193	372	928
Total Current Assets	174,380	175,432	13,016	13,306
Total Assets	180,540	180,984	63,421	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 / (Accumulated Losses)	1,909	1,622	(71)	1,607
Reserves	145	35	-	-
	58,198	57,801	56,073	57,751
Non-controlling Interests	502	239	-	-
Total Equity	58,700	58,040	56,073	57,751
<u>Non-Current Liabilities</u>				
Other Financial Liabilities	2,786	3,410	-	-
Deferred Tax Liabilities	49	49	-	-
Total Non-Current Liabilities	2,835	3,459	-	-
<u>Current Liabilities</u>				
Income Tax Payable	766	534	-	-
Trade and Other Payables	10,876	11,119	4,348	2,960
Other Financial Liabilities	106,577	107,122	3,000	3,000
Other Liabilities	786	710	-	-
Total Current Liabilities	119,005	119,485	7,348	5,960
Total Liabilities	121,840	122,944	7,348	5,960
Total Equity and Liabilities	180,540	180,984	63,421	63,711

Note 1

(a) The Malaysian Investment was accounted for using the acquisition method. The fair value of the identifiable assets and liabilities of the Malaysian Investment Company 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	1,766
Non-Controlling Interest at Fair Value	901	350
Total Identifiable Assets and Liabilities at Fair Value	(1,840)	(715)
	3,623	1,401
<u>Acquisition of Subsidiaries, Net of Cash</u>		
Total Purchase Consideration Fully Paid in Cash	4,562	1,766
Less: Cash and Cash Equivalents Acquired	(456)	(176)
Acquisition of Subsidiaries, Net of Cash	4,106	1,590

(b) The acquisition of the Malaysian Pawnshop was accounted for using the acquisition method. The fair value of the identifiable assets and liabilities of the Malaysian Pawnshop at the date of acquisition was provisionally determined as follows:-

Fair Value of Identifiable Assets and Liabilities	As at Date of Investment RM'000	As at Date of Investment S\$'000
Plant and Equipment	1	1
Trade and Other Receivables	5,202	1,939
Other Assets	81	30
Cash and Cash Equivalents	74	28
Income Tax Payable	(115)	(43)
Trade and Other Payables	(5,005)	(1,866)
	238	89
<u>Goodwill Recognised</u>		
Total Consideration	2,900	1,081
Non-Controlling Interest at Fair Value	117	44
Total Identifiable Assets and Liabilities at Fair Value	(238)	(89)
	2,779	1,036
<u>Acquisition of Subsidiary, Net of Cash</u>		
Total Purchase Consideration Fully Paid in Cash	2,900	1,081
Less: Cash and Cash Equivalents Acquired	(74)	(28)
Acquisition of Subsidiary, Net of Cash	2,826	1,053

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

Amount repayable by the Group in one year or less, or on demand

As at 30 June 2015		As at 31 December 2014	
Secured S\$'000	Unsecured S\$'000	Secured S\$'000	Unsecured S\$'000
106,577	-	107,122	-

Amount repayable by the Group after one year

As at 30 June 2015		As at 31 December 2014	
Secured S\$'000	Unsecured S\$'000	Secured S\$'000	Unsecured S\$'000
2,786	-	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) Personal guarantee by a director 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 STATEMENT OF CASH FLOWS

	Q2-2015 S\$'000	Q2-2014 S\$'000	1H-2015 S\$'000	1H-2014 S\$'000
<u>Cash Flows From Operating Activities</u>				
Profit Before Tax	820	383	1,737	866
Adjustments for:				
Interest Income	3	-	-	-
Interest Expense	765	574	1,455	1,098
Depreciation of Plant and Equipment	440	519	923	981
Amortisation of Intangible Assets	35	50	70	113
Plant and Equipment Written Off	5	-	6	-
Foreign Currency Translation	96	-	154	-
Operating Cash Flows before Changes in Working Capital	2,164	1,526	4,345	3,058
Inventories	343	(4,895)	2,753	(3,299)
Trade and Other Receivables	(5,410)	(3,170)	(2,622)	(4,197)
Other Assets, Current	1,008	(11)	1,051	395
Trade and Other Payables	(2,309)	(256)	(2,108)	(763)
Other Liabilities	(2)	53	59	71
Net Cash Flows (Used in) / From Operations	(4,206)	(6,753)	3,478	(4,735)
Income Taxes Paid	(270)	(392)	(238)	(370)
Net Cash Flows (Used in) / From Operating Activities	(4,476)	(7,145)	3,240	(5,105)
<u>Cash Flows From Investing Activities</u>				
Purchase of Plant and Equipment	(178)	(659)	(508)	(1,505)
Proceeds from disposal of Plant and Equipment	-	3	-	3
Interest Received	(3)	-	-	-
Acquisition of Subsidiaries (Net of Cash Acquired)	(1,051)	-	(1,158)	-
Net Cash Flows Used in Investing Activities	(1,232)	(656)	(1,666)	(1,502)
<u>Cash Flows From Financing Activities</u>				
Issue of Shares to Non-Controlling Interests	-	-	272	-
Increase from New Borrowings	3,480	4,200	3,480	4,500
Decrease in Other Financial Liabilities	(168)	-	(336)	-
Finance Lease Repayments	(5)	(3)	(10)	(11)
Interest Paid	(765)	(574)	(1,455)	(1,098)
Dividends Paid	(1,061)	(1,061)	(1,061)	(1,061)
Net Cash Flows From Financing Activities	1,481	2,562	890	2,330

Net (Decrease) / Increase in Cash and Cash Equivalents	(4,227)	(5,239)	2,464	(4,277)
Cash and Cash Equivalents, Statement of Cash Flows, Beginning Balance	9,444	4,629	2,767	3,667
Effects of Exchange Rate Changes on Cash and Cash Equivalents	15	-	1	-
Cash and Cash Equivalents, Statement of Cash Flows, Ending Balance	5,232	(610)	5,232	(610)

Cash and cash equivalents

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

	As at 30 June 2015 S\$'000	As at 30 June 2014 S\$'000
Cash at bank and in hand	6,354	5,638
Bank overdrafts	(1,122)	(6,248)
Cash and cash equivalents for statement of cash flows purposes	5,232	(610)

- 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
Issue of share capital	-	-	-	-	272	272
Acquisition of interest in subsidiaries	-	-	-	-	44	44
Total comprehensive income for the period	-	1,348	110	1,458	(53)	1,405
Dividends paid	-	(1,061)	-	(1,061)	-	(1,061)
Balance as at 30 June 2015	56,144	1,909	145	58,198	502	58,700
Balance as at 1 January 2014	56,144	1,767	-	57,911	-	57,911
Total comprehensive income for the period	-	721	-	721	-	721
Dividends paid	-	(1,061)	-	(1,061)	-	(1,061)
Balance as at 30 June 2014	56,144	1,427	-	57,571	-	57,571

Company	Share Capital S\$'000	Accumulated Losses S\$'000	Total Equity S\$'000
Balance as at 1 January 2015	56,144	1,607	57,751
Total comprehensive loss for the period	-	(617)	(617)
Dividends paid	-	(1,061)	(1,061)
Balance as at 30 June 2015	56,144	(71)	56,073
Balance as at 1 January 2014	56,144	1,305	57,449
Total comprehensive loss for the period	-	(631)	(631)
Dividends paid	-	(1,061)	(1,061)
Balance as at 30 June 2014	56,144	(387)	55,757

- 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 30 June 2015	353,800	56,144

There were no outstanding convertibles or treasury shares held by the Company as at 30 June 2014 and 30 June 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 30 June 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 30 June 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 six-month period ended 30 June 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			
	Q2-2015	Q2-2014	1H-2015	1H-2014
Profit attributable to owners of the Company, net of tax (S\$'000)	625	283	1,348	721
EPS (cents):-				
(a) Based on the weighted average number of ordinary shares	0.18	0.08	0.38	0.20
(b) On a fully diluted basis	0.18	0.08	0.38	0.20

EPS of the Group for Q2-2015, 1H-2015, Q2-2014 and 1H-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 Q2-2015, 1H-2015, Q2-2014 and 1H-2014 as the Company has no dilutive equity instruments as at 30 June 2015 and 30 June 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	
	30 June 2015	31 December 2014	30 June 2015	31 December 2014
NAV per ordinary share ⁽¹⁾ (cents)	16.45	16.34	15.85	16.32

Note:

- (1) NAV per ordinary share as at 30 June 2015 and as at 31 December 2014 has been computed based on the 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\$10.0 million or 29.0% to approximately S\$44.4 million in 1H-2015 from approximately S\$34.4 million in 1H-2014 and increased by approximately S\$6.7 million or 43.7% to approximately S\$21.9 million in Q2-2015 from approximately S\$15.2 million in Q2-2014. The increase in revenue was due to (i) an increase in revenue contribution from the pawnbroking segment of approximately S\$0.8 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\$9.0 million, mainly attributable to the increase in the number of retail outlets in Singapore over 1H-2015 versus 1H-2014, as well as, increased marketing efforts and higher disposal of pre-owned jewellery that were accumulated and deemed to be unsuitable for retail sales in Q1-2015 due to the improved gold prices. As at 30 June 2015, the Group had a total of 49 retail outlets in Singapore and Malaysia as compared to 36 retail outlets in Singapore only as at 30 June 2014.

Revenue increased by 43.7% for Q2-2015 as compared to Q2-2014 but gross profit¹ only increased by 24.9% over the same period. This was mainly due to higher revenue contribution from the retail and trading of pre-owned jewellery and watches segment, which

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

generally carries a lower margin as compared to the pawnbroking segment, in Q2-2015 as compared to Q2-2014.

Other Gains

Other gains decreased by approximately S\$0.1 million or 21.3% to approximately S\$0.6 million in 1H-2015 from approximately S\$0.7 million in 1H-2014. The decrease was mainly due to the reversal in inventories provision of approximately S\$0.3 million in 1H-2014, partially offset by an increase in rental income of S\$0.1 million in 1H-2015.

Other gains remained stable at approximately S\$0.2 million for Q2-2015 and Q2-2014.

Material Costs

Material costs increased by approximately S\$6.7 million or 29.2% to approximately S\$29.6 million in 1H-2015 from approximately S\$22.9 million in 1H-2014 and increased by approximately S\$5.1 million or 56.3% to approximately S\$14.3 million in Q2-2015 from approximately S\$9.2 million in Q2-2014. The increase in material costs was generally in line with the increase in revenue from retail and trading of pre-owned jewellery and watches segment in 1H-2015 and Q2-2015, respectively.

Employee Benefits Expense

Employee benefits expense increased by approximately S\$1.1 million or 25.5% to approximately S\$5.2 million in 1H-2015 from approximately S\$4.1 million in 1H-2014, and increased by approximately S\$0.5 million or 24.7% to approximately S\$2.6 million in Q2-2015 from approximately S\$2.1 million in Q2-2014.

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 Malaysia as well as annual salary increments for existing employees.

Depreciation and Amortisation Expense

Depreciation and amortisation expense decreased by approximately S\$0.1 million or 9.2% to approximately S\$1.0 million in 1H-2015 from approximately S\$1.1 million in 1H-2014 and decreased by approximately S\$0.1 million or 16.5% to approximately S\$0.5 million in Q2-2015 from approximately S\$0.6 million in Q2-2014. This was mainly due to renovation of certain retail outlets which had been fully depreciated by Q2-2015.

Finance Costs

Finance costs increased by approximately S\$0.4 million or 32.5% to approximately S\$1.5 million in 1H-2015 from approximately S\$1.1 million in 1H-2014 and increased by approximately S\$0.2 million or 33.3% to approximately S\$0.8 million in Q2-2015 from approximately S\$0.6 million in Q2-2014. This was mainly due to the increase in interest rates and higher usage of bank facilities to fund the acquisition of inventories, pledged loans extended to customers and the Malaysian Investment.

Other Losses

Other losses increased by approximately S\$0.4 million in 1H-2015 from approximately S\$1,000 in 1H-2014 and increased by approximately S\$0.3 million in Q2-2015 from a gain of approximately S\$2,000 in Q2-2014. 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\$0.6 million or 12.0% to approximately S\$5.6 million in 1H-2015 from approximately S\$5.0 million in 1H-2014, and increased by approximately S\$0.2 million or 7.8% to approximately S\$2.8 million in Q2-2015 from approximately S\$2.6 million in Q2-2014. This was mainly due to an increase in rental and related costs pertaining to the new retail outlets which were mainly opened in Singapore and the Malaysian Investment, which was partially offset by the absence of professional fees incurred in relation to the Malaysian Investment in Q2-2015.

Profit Before Tax

As a result of the above, profit before tax increased by approximately S\$0.9 million or 100.6% to approximately S\$1.7 million in 1H-2015 from approximately S\$0.9 million in 1H-2014 and increased by approximately S\$0.4 million or 114.1% to approximately S\$0.8 million in Q2-2015 from approximately S\$0.4 million in Q2-2014.

Income Tax Expense

Income tax expense increased by approximately S\$0.3 million or 204.8% to approximately S\$0.4 million in 1H-2015 from approximately S\$0.1 million in 1H-2014 and increased by approximately S\$0.1 million or 100.0% to approximately S\$0.2 million in Q2-2015 from approximately S\$0.1 million in Q2-2014 due to higher profit before tax.

REVIEW OF THE GROUP'S FINANCIAL POSITION

Non-Current Assets

Non-current assets increased by approximately S\$0.6 million or 11.0% from S\$5.6 million as at 31 December 2014 to S\$6.2 million as at 30 June 2015.

The increase in non-current assets was due to an increase in goodwill capitalised of S\$1.1 million arising mainly from the Malaysian Investment, which was offset by (i) the decrease of S\$0.4 million in plant and equipment pursuant to capital expenditure incurred of S\$0.5 million mainly 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\$0.9 million incurred in relation to plant and equipment at the Group's Singapore and Malaysia outlets; and (ii) the decrease in the carrying value of intangible assets of S\$0.1 million due to the amortisation of lease assignment fees.

Current Assets

Current assets decreased by approximately S\$1.1 million or 0.6% from S\$175.4 million as at 31 December 2014 to S\$174.4 million as at 30 June 2015. This was due to a decrease in inventories, other assets and cash and cash equivalents of S\$2.8 million, S\$1.0 million and S\$1.8 million respectively. This was offset by an increase in trade and other receivables of S\$4.6 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 and the decrease in other assets was mainly due to the refund of security deposits in respect of the Group's licenses for its pawnbroking business placed with government bodies in Singapore which have been replaced with banker's guarantees. The increase in trade and other receivables was mainly due to the increase in pledged loans extended to customers.

Non-Current Liabilities

Non-current liabilities decreased by approximately S\$0.6 million or 18.0% from S\$3.4 million as at 31 December 2014 to S\$2.8 million as at 30 June 2015. This was mainly due to the repayment of bank borrowings.

Current Liabilities

Current liabilities decreased by approximately S\$0.5 million or 0.4% from S\$119.5 million as at 31 December 2014 to S\$119.0 million as at 30 June 2015. This was mainly due to a decrease in other financial liabilities of S\$0.5 million, and trade and other payables of S\$0.2 million, respectively, which was offset by an increase in income tax payable of S\$0.2 million due to income tax provisions made in relation to the higher profit before tax for 1H-2015. The decrease in other financial liabilities was due to the lower usage of bank facilities to finance the pawnshop business and the decrease in trade and other payables was due to repayment of other payables.

Equity Attributable to Owners of the Company

Equity attributable to owners of the Company increased by approximately S\$0.4 million or 0.7% from S\$57.8 million as at 31 December 2014 to S\$58.2 million as at 30 June 2015. The increase was mainly due to the profit net of tax of S\$1.3 million for 1H-2015, which was offset by payment in Q2-2015 of ordinary dividends of S\$1.1 million in respect of the previous financial year ended 31 December 2014.

REVIEW OF THE GROUP'S CASH FLOW STATEMENT

In 1H-2015, the net cash generated from operating activities before changes in working capital was approximately S\$4.3 million. Net cash used in working capital amounted to approximately S\$0.9 million. This was due to an increase in trade and other receivables and a decrease in trade and other payables of approximately S\$2.6 million and S\$2.1 million, respectively, which was partially offset by a decrease in inventories, other assets, and an increase in other liabilities of approximately S\$2.8 million, S\$1.1 million and S\$0.1 million, respectively. The net cash generated from operating activities amounted to approximately S\$3.2 million after deducting income tax paid of approximately S\$0.2 million.

Net cash used in investing activities of approximately S\$1.7 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\$0.5 million; and (ii) net cash consideration paid for the Malaysian Investment of approximately S\$1.2 million.

Net cash generated from financing activities of approximately S\$0.9 million was due to an increase from new bank borrowings of approximately S\$3.5 million and 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. These were partially offset by repayment of bank borrowings, interest paid and dividends paid of approximately S\$0.3 million, S\$1.5 million and S\$1.1 million, respectively.

As a result of the above, there was a net increase of S\$2.5 million in cash and cash equivalents, from a net cash surplus of approximately S\$2.8 million as at 31 December 2014 to a net cash surplus of approximately S\$5.2 million as at 30 June 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 second quarter ended 30 June 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 has continued to expand its network regionally and now has a total of 49 retail outlets comprising 38 in Singapore and 11 in Malaysia. The increase in the number of retail outlets, together with the marketing efforts have translated to higher revenue and profit as compared to 1H-2014. We intend to add more new pawnshops through strategic acquisitions in due course.

Notwithstanding the above, the Group continues to operate in a challenging and competitive business environment with gold price volatility, depreciation in the Malaysian Ringgit against Singapore Dollar, keen competition among other pawnbrokers and rising borrowing costs due to a rising interest rate environment. The Group will continue to be subjected to currency fluctuations with its Malaysian operations which may result in foreign exchange gain or loss.

The Group will continue to focus on long-term growth, leveraging on its branding, operating systems and processes as well as training and operational efficiencies to improve its services, to bring greater convenience and benefits to its valued customers.

11. Dividend

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

No dividend has been declared or recommended for Q2-2015.

(b) Corresponding period of the immediately preceding financial year

No dividend has been declared or recommended for Q2-2014.

(c) Date payable

Not applicable.

(d) Books closure date

Not applicable.

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

No dividend has been declared or recommended for Q2-2015.

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 Catalyst Rules. However, pursuant to Rule 905 of the Catalyst Rules, the following is disclosed:-

	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 Catalyst Rules)	
Name of Interested Person	1H-2015 S\$'000	1H-2014 S\$'000
Purchases of pre-owned jewellery Soo Kee Jewellery	13	5
Central support services Soo Kee Jewellery	95	90
Lease of premises Soo Kee Jewellery	116	174
SK Jewellery Pte Ltd	36	37
SK Properties Pte Ltd	236	86
Soo Kee Investment Pte Ltd	271	271
Heng Seng Pte Ltd	48	48
Lim Yong Guan	71	35
Working capital advances SK Jewellery Sdn Bhd	_(1)	-
	886	746

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 30 June 2015, the bridging advances have 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 Catalyst, 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 (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 second quarter ended 30 June 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
Non-Executive Director

14 August 2015