

UNAUDITED SECOND QUARTER AND HALF-YEAR FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2016

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					
	Unaudited 2Q-2016 ⁽²⁾ S\$'000	Restated ⁽¹⁾ 2Q-2015 ⁽³⁾ S\$'000	Change %	Unaudited 1H-2016 ⁽⁴⁾ S\$'000	Restated ⁽¹⁾ 1H-2015 ⁽⁵⁾ S\$'000	Change %
Revenue	30,017	21,901	37.1	58,747	44,409	32.3
Other Items of Income						
Other Gains	9	168	(94.6)	898	568	58.1
Other Items of Expense						
Material Costs	(21,005)	(14,302)	46.9	(41,163)	(29,643)	38.9
Employee Benefits Expense	(2,615)	(2,636)	(0.8)	(5,653)	(5,171)	9.3
Depreciation and Amortisation Expenses	(452)	(510)	(11.4)	(890)	(1,061)	(16.1)
Finance Costs	(985)	(765)	28.8	(1,973)	(1,455)	35.6
Other Losses	-	(251)	(100.0)	-	(361)	(100.0)
Other Expenses	(2,919)	(2,820)	3.5	(5,832)	(5,617)	3.8
Profit Before Tax	2,050	785	161.1	4,134	1,669	147.7
Income Tax Expense	(612)	(194)	215.5	(910)	(429)	112.1
Profit Net of Tax	1,438	591	143.3	3,224	1,240	160.0
Other Comprehensive Income	(20)	(79)	(74.7)	(6)	(50)	(88.0)
Total Comprehensive Income	1,418	512	177.0	3,218	1,190	170.4
Attributable to:						
Owners of the Company	1,393	598	132.9	2,981	1,295	130.2
Non-controlling Interests	45	(7)	NM ⁽⁶⁾	243	(55)	NM ⁽⁶⁾
Profit Net of Tax	1,438	591	143.3	3,224	1,240	160.0
Attributable to:						
Owners of the Company	1,373	519	164.5	2,975	1,245	139.0
Non-controlling Interests	45	(7)	NM ⁽⁶⁾	243	(55)	NM ⁽⁶⁾
Total Comprehensive Income	1,418	512	177.0	3,218	1,190	170.4

Notes:

- (1) On 15 April 2015, a subsidiary of the Group completed the acquisition of a 100.0% shareholding interest in Kedai Pajak Heng Soon Sdn. Bhd. (the "Malaysian Pawnshop") for a cash consideration of RM2,900,000. Through this subsidiary, the Group effectively obtained controlling interest over the Malaysian Pawnshop. Subsequent to the completion of the purchase price allocation exercise undertaken in relation to the acquisition of the Malaysian Pawnshop (the "PPA Exercise"), the value of the intangible assets recognised in the Group's consolidated statement of financial position as at 31 December 2015 and the amortization expenses incurred in the Group's consolidated statements of comprehensive income for the second quarter ended 30 June 2015 and the six-month period ended 30 June 2015 have been restated to reflect the fair value of the identifiable assets, liabilities and contingent liabilities attributed to the Malaysian Pawnshop as at the date of acquisition.
- (2) "2Q-2016" refers to the second quarter ended 30 June 2016.
- (3) "2Q-2015" refers to the second quarter ended 30 June 2015.
- (4) "1H-2016" refers to the six-month period ended 30 June 2016.
- (5) "1H-2015" refers to the six-month period ended 30 June 2015.
- (6) 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					
	Unaudited 2Q-2016 S\$'000	Restated ⁽¹⁾ 2Q-2015 S\$'000	Change %	Unaudited 1H-2016 S\$'000	Restated ⁽¹⁾ 1H-2015 S\$'000	Change %
Rental Income	(166)	(169)	(1.8)	(355)	(348)	2.0
Government Grants	(68)	-	NM ⁽²⁾	(360)	(210)	71.4
Depreciation of Plant and Equipment	376	440	(14.5)	749	923	(18.9)
Amortisation of Lease Assignment Fees	35	35	-	70	70	-
Amortisation of Other Intangible Assets	24	-	NM ⁽²⁾	71	68	4.4
Foreign Exchange Loss/(Gain)	205	248	(17.3)	(158)	354	(144.6)
Loss on Collateral Loan Services	-	1	(100.0)	-	1	(100.0)
Plant and Equipment Written Off	-	5	(100.0)	-	6	(100.0)

Notes:

(1) Restated pursuant to the completion of the PPA Exercise

(2) 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 30 June 2016 S\$'000	Restated⁽¹⁾ 31 December 2015 S\$'000	Unaudited 30 June 2016 S\$'000	Audited 31 December 2015 S\$'000
ASSETS				
<u>Non-Current Assets</u>				
Plant and Equipment	2,470	2,502	-	-
Intangible Assets	2,758	2,446	-	-
Investment in Subsidiaries	-	-	50,405	50,405
Deferred Tax Assets	68	71	-	-
Total Non-Current Assets	5,296	5,019	50,405	50,405
<u>Current Assets</u>				
Inventories	13,283	12,842	-	-
Trade and Other Receivables	170,461	161,402	15,770	16,908
Other Assets	3,089	2,739	45	78
Cash and Cash Equivalents	7,771	8,794	134	118
Total Current Assets	194,604	185,777	15,949	17,104
Total Assets	199,900	190,796	66,354	67,509
EQUITY AND LIABILITIES				
<u>Equity Attributable to Owners of the Company</u>				
Share Capital	56,144	56,144	56,144	56,144
Retained Earnings	4,844	3,632	1,355	3,221
Reserves	(66)	(60)	-	-
	60,922	59,716	57,499	59,365
Non-controlling Interests	2,297	849	-	-
Total Equity	63,219	60,565	57,499	59,365
<u>Non-Current Liabilities</u>				
Other Financial Liabilities, Non-Current	2,573	2,172	-	-
Deferred Tax Liabilities	157	170	-	-
Total Non-Current Liabilities	2,730	2,342	-	-
<u>Current Liabilities</u>				
Income Tax Payable	932	592	2	3
Trade and Other Payables	8,345	9,780	5,853	5,141
Other Financial Liabilities, Current	123,902	116,782	3,000	3,000
Other Liabilities	772	735	-	-
Total Current Liabilities	133,951	127,889	8,855	8,144
Total Liabilities	136,681	130,231	8,855	8,144
Total Equity and Liabilities	199,900	190,796	66,354	67,509

Note:

(1) Restated pursuant to the completion of the PPA Exercise.

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 2016		As at 31 December 2015	
Secured S\$'000	Unsecured S\$'000	Secured S\$'000	Unsecured S\$'000
123,902	-	116,782	-

Amount repayable by the Group after one year

As at 30 June 2016		As at 31 December 2015	
Secured S\$'000	Unsecured S\$'000	Secured S\$'000	Unsecured S\$'000
2,573	-	2,172	-

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) All monies charge on the facility agreement of a subsidiary;
- vi) Subordination of advances from a subsidiary and a director of certain subsidiaries; and
- vii) 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

	Unaudited 2Q-2016 S\$'000	Restated ⁽¹⁾ 2Q-2015 S\$'000	Unaudited 1H-2016 S\$'000	Restated ⁽¹⁾ 1H-2015 S\$'000
<u>Cash Flows From Operating Activities</u>				
Profit Before Tax	2,050	785	4,134	1,669
Adjustments for:				
Interest Income	-	3	-	-
Interest expense	984	765	1,972	1,455
Depreciation of Plant and Equipment	376	440	749	923
Amortisation of Intangible Assets	76	70	141	138
Loss on Disposal of Plant and Equipment	-	5	-	6
Foreign Currency Translation	81	96	(27)	154
Operating Cash Flows before Changes in Working Capital	3,567	2,164	6,969	4,345
Inventories	(713)	343	(434)	2,753
Trade and Other Receivables	(5,423)	(5,410)	(6,678)	(2,622)
Other Assets, Current	(314)	1,008	(341)	1,051
Trade and Other Payables	(1,377)	(2,309)	(2,970)	(2,108)
Other Liabilities	12	(2)	32	59
Net Cash Flows Used in Operations	(4,248)	(4,206)	(3,422)	3,478
Income Taxes Paid	(468)	(270)	(564)	(238)
Net Cash Flows (Used in)/From Operating Activities	(4,716)	(4,476)	(3,986)	3,240
<u>Cash Flows From Investing Activities</u>				
Purchase of Plant and Equipment	(515)	(178)	(537)	(508)
Proceeds from Disposal of Plant and Equipment	2	-	2	-
Interest Received	-	(3)	-	-
Acquisition of Subsidiaries (Net of Cash Acquired)	(132)	(1,051)	(254)	(1,158)
Net Cash Flows Used in Investing Activities	(645)	(1,232)	(789)	(1,666)
<u>Cash Flows From Financing Activities</u>				
Issue of Shares to Non-Controlling Interest	-	-	-	272
Increase in New Borrowings	6,970	3,480	8,538	3,480
Decrease in Other Financial Liabilities	(430)	(168)	(790)	(336)
Finance Lease Repayments	(5)	(5)	(9)	(10)
Interest Paid	(984)	(765)	(1,972)	(1,455)
Dividends Paid	(1,769)	(1,061)	(1,769)	(1,061)
Net Cash Flows From Financing Activities	3,782	1,481	3,998	890
Net (Decrease)/Increase in Cash and Cash Equivalents	(1,579)	(4,227)	(777)	2,464
Cash and Cash Equivalents, Statement of Cash Flows, Beginning Balance	7,996	9,444	7,194	2,767
Effects of Exchange Rate Changes on Cash and Cash Equivalents	(29)	15	(29)	1
Cash and Cash Equivalents, Statement of Cash Flows, Ending Balance	6,388	5,232	6,388	5,232

Note:

(1) Restated pursuant to the completion of the PPA Exercise.

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 2016 S\$'000	As at 30 June 2015 S\$'000
Cash at bank and in hand	7,771	6,354
Bank overdrafts	(1,383)	(1,122)
Cash and cash equivalents for statements of cash flows purposes	6,388	5,232

Acquisition of subsidiaries (net of cash acquired)

Acquisition of subsidiaries (net of cash acquired) included in the Group's consolidated cash flow statements comprise the following amounts:

	As at 30 June 2016 S\$'000	As at 30 June 2015 S\$'000
Total purchase consideration fully paid in cash	278	1,186
Less: Cash and cash equivalents acquired	(24)	(28)
Acquisition of subsidiary, net of cash	254	1,158

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	Total Equity
	Share Capital	Retained Earnings	Reserves	Sub-Total		
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
Current Year:						
Opening balance as at 1 January 2016	56,144	3,639	(60)	59,723	806	60,529
Adjustment to opening balance	-	(7)	-	(7)	43	36
Restated opening balance as at 1 January 2016	56,144	3,632	(60)	59,716	849	60,565
Movements in equity:						
Total comprehensive income for the year	-	2,981	(6)	2,975	243	3,218
Dividends paid	-	(1,769)	-	(1,769)	-	(1,769)
Acquisition of interest in subsidiaries	-	-	-	-	1,205	1,205
Closing balance as at 30 June 2016	56,144	4,844	(66)	60,922	2,297	63,219
Previous Year:						
Opening balance as at 1 January 2015	56,144	1,578	35	57,757	500	58,257
Movements in equity:						
Total comprehensive income for the year (restated) ⁽¹⁾	-	1,295	(50)	1,245	(55)	1,190
Dividends paid	-	(1,061)	-	(1,061)	-	(1,061)
Issue of share capital	-	-	-	-	272	272
Acquisition of interest in subsidiaries (restated) ⁽¹⁾	-	-	-	-	93	93
Closing balance as at 30 June 2015	56,144	1,812	(15)	57,941	810	58,751

Note:

(1) Restated pursuant to the completion of the PPA Exercise.

Company	Share Capital S\$'000	Retained Earnings S\$'000	Total Equity S\$'000
Current Year:			
Opening balance as at 1 January 2016	56,144	3,221	59,365
Movements in Equity:			
Total comprehensive income for the year	-	(97)	(97)
Dividends paid	-	(1,769)	(1,769)
Closing Balance as at 30 June 2016	56,144	1,355	57,499
Previous Year:			
Opening balance as at 1 January 2015	56,144	1,607	57,751
Movements in Equity:			
Total comprehensive income for the year	-	(617)	(617)
Dividends paid	-	(1,061)	(1,061)
Closing Balance as at 30 June 2015	56,144	(71)	56,073

- 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 30 June 2016 and 31 March 2016	353,800	56,144

During 2Q-2016, 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 as at 30 June 2016 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 2016 '000	As at 31 December 2015 '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 2016 and 31 December 2015.

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. The Company did not have any treasury shares 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.

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 1H-2016 as its most recently audited consolidated financial statements for the financial year ended 31 December 2015.

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			
	2Q-2016	(Restated) ⁽¹⁾ 2Q-2015	1H-2016	(Restated) ⁽¹⁾ 1H-2015
Profit net of tax attributable to owners of the Company (S\$'000)	1,393	598	2,981	1,295
EPS (cents):-				
(a) Based on the weighted average number of ordinary shares	0.39	0.17	0.84	0.37
(b) On a fully diluted basis	0.39	0.17	0.84	0.37

EPS of the Group for 2Q-2016, 1H-2016, 2Q-2015 and 1H-2015 have been computed based on a share capital of 353,800,000 shares in the issued share capital of the Company. The basic and diluted EPS are the same for 2Q-2016, 1H-2016, 2Q-2015 and 1H-2015 as the Company had no dilutive equity instruments as at 30 June 2016 and as at 30 June 2015.

Note:

(1) Restated pursuant to the completion of the PPA Exercise

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 2016	(Restated)⁽¹⁾ 31 December 2015	30 June 2016	31 December 2015
NAV per ordinary share ⁽²⁾ (cents)	17.22	16.88	16.25	16.78

Notes:

- (1) Restated pursuant to the completion of the PPA Exercise.
(2) NAV per ordinary share as at 30 June 2016 and as at 31 December 2015 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 S\$14.3 million or 32.3% from S\$44.4 million in 1H-2015 to S\$58.7 million in 1H-2016, and increased by S\$8.1 million or 37.1% from S\$21.9 million in 2Q-2015 to S\$30.0 million in 2Q-2016. This was due to revenue growth from the pawnbroking segment, and from the retail and trading of pre-owned jewellery, watches and luxury bags segment.

Other Gains

Other gains increased by S\$0.3 million or 58.1% from S\$0.6 million in 1H-2015 to S\$0.9 million in 1H-2016. The increase was mainly due to the foreign exchange gains of S\$0.2 million arising from strengthening of the Malaysian Ringgit in 1H-2016 and increase in government grants of S\$0.1 million.

Other gains decreased by S\$0.2 million or 94.6% from S\$0.2 million in 2Q-2015 to S\$9,000 in 2Q-2016. The decrease was due to the foreign exchange losses of S\$0.2 million arising from the weakening of Malaysian Ringgit in 2Q-2016.

Material Costs

Material costs increased by S\$11.5 million or 38.9% from S\$29.6 million in 1H-2015 to S\$41.2 million in 1H-2016, and increased by S\$6.7 million or 46.9% from S\$14.3 million in 2Q-2015 to S\$21.0 million in 2Q-2016. The increase in material costs was generally in line with the increase in revenue from the retail and trading of pre-owned jewellery, watches and luxury bags segment in 1H-2016 and 2Q-2016.

Employee Benefits Expense

Employee benefits expense increased by S\$0.5 million or 9.3% from S\$5.2 million in 1H-2015 to S\$5.7 million in 1H-2016. This was due to the increased headcount arising from the expansion of the Group's network of retail outlets in Singapore and Malaysia as well as annual salary increments.

Employee benefits expense had remained relatively stable at S\$2.6 million in 2Q-2016 and 2Q-2015 due to the overprovision of expenses in 1Q-2016.

Depreciation and Amortisation Expenses

Depreciation and amortisation expenses decreased by S\$0.2 million or 16.1% from S\$1.1 million in 1H-2015 to S\$0.9 million in 1H-2016. The decrease was mainly due to the renovation of certain retail outlets which had been fully depreciated by 2Q-2015.

Depreciation and amortisation expenses remained relatively stable at S\$0.5 million in 2Q-2016 and 2Q-2015.

Finance Costs

Finance costs increased by S\$0.5 million or 35.6% from S\$1.5 million in 1H-2015 to S\$2.0 million in 1H-2016, and increased by S\$0.2 million or 28.8% from S\$0.8 million in 2Q-2015 to S\$1.0 million in 2Q-2016. The increase was mainly due to the increased utilisation of bank facilities to fund the Group's operational cash requirements and expansion in Malaysia.

Other Losses

There were no other losses incurred in 1H-2016 and 2Q-2016, as compared to other losses of S\$0.4 million in 1H-2015 and S\$0.3 million in 2Q-2015. This was due to absence of foreign exchange adjustment losses attributable to the weakening of the Malaysian Ringgit incurred in 1H-2015 and 2Q-2015.

Other Expenses

Other expenses increased by S\$0.2 million or 3.8% from S\$5.6 million in 1H-2015 to S\$5.8 million in 1H-2016, and increased by S\$0.1 million or 3.5% from S\$2.8 million in 2Q-2015 to S\$2.9 million in 2Q-2016. This was mainly due to an increase in donations made to a charity organisation, assignment fees for the expansion of premises of an existing outlet in Singapore, advertising and promotional expenses, and postage expenses incurred for forfeiture notices. The increase was partially offset by the absence of auction fees incurred in 1H-2015 subsequent to the cessation of public pawnbroker auction from November 2015 onwards.

Profit Before Tax

As a result of the above, profit before tax increased by S\$2.4 million or 147.7% from S\$1.7 million in 1H-2015 to S\$4.1 million in 1H-2016, and increased by S\$1.3 million or 161.1% from S\$0.8 million in 2Q-2015 to S\$2.1 million in 2Q-2016.

Income Tax Expense

Income tax expense increased by S\$0.5 million or 112.1% from S\$0.4 million in 1H-2015 to S\$0.9 million in 1H-2016, and increased by S\$0.4 million or 215.5% from S\$0.2 million in 2Q-2015 to S\$0.6 million in 2Q-2016. This was due to the higher profit before tax earned in 1H-2016 and 2Q-2016.

REVIEW OF THE GROUP'S FINANCIAL POSITION

Non-Current Assets

Non-current assets increased by S\$0.3 million or 5.5% from S\$5.0 million as at 31 December 2015 to S\$5.3 million as at 30 June 2016. The increase was mainly attributable to an increase in intangible assets of S\$0.3 million mainly arising from the goodwill in relation to the acquisition of 2 new Malaysian pawnshops under the Malaysia Investment¹.

Current Assets

Current assets increased by S\$8.8 million or 4.8% from S\$185.8 million as at 31 December 2015 to S\$194.6 million as at 30 June 2016. This was mainly due to an increase in trade and other receivables of S\$9.1 million arising from an increase in pledged loans extended to customers and increase in inventories of S\$0.4 million arising from the expanded product variety for the retail and trading of pre-owned jewellery, watches and luxury bags segment. This was partially offset by a decrease in cash and cash equivalents of S\$1.0 million.

Non-Current Liabilities

Non-current liabilities increased by S\$0.4 million or 16.6% from S\$2.3 million as at 31 December 2015 to S\$2.7 million as at 30 June 2016. This was mainly due to the increase in other financial liabilities, non-current of S\$2.0 million to fund the Group's operational cash requirements, partially offset by the reclassification of a portion of the Group's other financial liabilities, non-current to other financial liabilities, current, of S\$1.6 million.

Current Liabilities

Current liabilities increased by S\$6.1 million or 4.7% from S\$127.9 million as at 31 December 2015 to S\$134.0 million as at 30 June 2016. This was mainly due to an increase in other financial liabilities, current, of S\$7.8 million to finance the operational cash requirements of the pawnbroking segment, offset by repayment of loans of S\$0.7 million, and an increase in income tax payables of S\$0.3 million, offset by a decrease in trade and other payables of S\$1.4 million.

Equity Attributable to Owners of the Company

Equity attributable to owners of the Company increased by S\$1.2 million or 2.0% from S\$59.7 million as at 31 December 2015 to S\$60.9 million as at 30 June 2016. The increase was mainly due to profit net of tax attributable to owners of the Company of S\$3.0 million for 1H-2016, which was offset by the payment of ordinary dividends of S\$1.8 million in respect of FY2015.

REVIEW OF THE GROUP'S CASH FLOW STATEMENT

Net cash generated from operating activities before changes in working capital in 1H-2016 was S\$7.0 million. Net cash used in working capital amounted to S\$10.4 million. This was mainly due to the increase in trade and other receivables from increased pledged loans and the decrease in trade and other payables from faster repayments to creditors of S\$6.7 million and S\$3.0 million respectively. The net cash used in operating activities in 1H-2016 amounted to S\$4.0 million after deducting income tax paid of S\$0.6 million.

Net cash used in investing activities in 1H-2016 amounted to S\$0.8 million, and was mainly due to (i) renovation costs and purchase of plant and equipment in relation to the relocation of existing retail outlets in Singapore and in connection with the Malaysian Investment of S\$0.5 million; and (ii) net cash consideration paid for the Malaysian Investment of S\$0.3 million.

¹ On 20 June 2014, the Company entered in a share purchase agreement with a Malaysian partner (herein referred to as the "Malaysian Investment") to acquire a 51.0% equity interest in an initial network of 8 pawnshops in Malaysia. Further in the agreement, the Company will acquire a total of 26 pawnshops in 3 remaining tranches. The acquisition of 4 pawnshops under the remaining tranches was completed by 1H-2016. Please refer to the Company's announcement dated 20 June 2014 for further details.

Net cash generated from financing activities in 1H-2016 amounted to S\$4.0 million, and was mainly due to the increase in new bank borrowings of S\$8.5 million, which was partially offset by interest paid, dividends paid and repayment of bank borrowings of S\$2.0 million, S\$1.8 million and S\$0.8 million, respectively.

As a result of the above, there was a net cash decrease of S\$0.8 million in cash and cash equivalents from a net cash surplus of S\$7.2 million as at 31 December 2015 to a net cash surplus of S\$6.4 million as at 30 June 2016.

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 2016 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.

In May 2016, the Group started to offer pawn, sell and trade-in services for pre-owned luxury bags and accessories – the first of its kind in Singapore. The Group will continue to extend these services to more stores island wide. This new line of business will enhance the revenue stream to the Group. The Group will continue to leverage on its brand reputation and strong customer base to grow its pre-owned luxury bag segment.

The Group had on 31 May 2016 completed the 3rd tranche of the Malaysian Investment and the results of this acquisition have been incorporated into the results of the Group with effect from 31 May 2016. The Group will also continue to widen its network in Malaysia and seek new business opportunities in Singapore and overseas.

The environment that the Group is operating in continues to remain challenging with increasing operating costs and keen competition. Against this backdrop, the Group will continue to reinforce its position by investing in branding, enhancing its distribution channels and launching new product lines, while improving operational efficiencies.

11. Dividend

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

No dividend has been declared or recommended for 2Q-2016.

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

No dividend has been declared or recommended for 2Q-2015.

(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 2Q-2016.

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 SGX-ST Listing Manual Section B: Rules of Catalist ("Catalist Rules"). However, pursuant to Rule 905 of the Catalist Rules, the following is disclosed:-

	Aggregate value of all interested person transactions during the year under review (including transactions of less than S\$100,000 and excluding transactions conducted under shareholders' mandate pursuant to Rule 920 of the Catalist Rules)	
Name of Interested Person	1H-2016 S\$'000	1H-2015 S\$'000
Purchases of pre-owned jewellery Soo Kee Group Ltd. and its subsidiaries (the "Soo Kee Group of Companies")	-	13
Sales of pre-owned jewellery Soo Kee Group of Companies	5	-
Central support services Soo Kee Group of Companies	99	95
Lease of premises Soo Kee Group of Companies	96	152
SK Properties Pte Ltd	258	236
Soo Kee Investment Pte Ltd	274	271
Heng Seng Pte Ltd	48	48
Lim Yong Guan	71	71
Working capital advances SK Jewellery Sdn Bhd ⁽¹⁾	-	-
	851	886

Note:

(1) This relates to advances of RM1.5 million extended by SK Jewellery Sdn Bhd ("SK Malaysia") as bridging advances to the Company's subsidiary, Easimine Group Sdn Bhd 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 Catalist Rules, 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. CONFIRMATION BY THE ISSUER PURSUANT TO RULE 720(1)

The Company confirms that it has procured undertakings from all of its directors ("Directors") and executive officers as required under Rule 720(1) of the Catalist Rules.

15. 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 its knowledge, nothing has come to the attention of the Board which may render the unaudited interim financial statements for 1H-2016 to be false or misleading in any material aspect.

ON BEHALF OF THE BOARD OF DIRECTORS

Dato' Sri Dr. Lim Yong Guan
Executive Chairman and CEO

Lim Yong Sheng
Non-Executive Director

11 August 2016

*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.*

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.

The contact persons for the Sponsor are Mr Khong Choun Mun, Managing Director, Equity Capital Markets and Mr Lim Hoon Kiat, Director, Equity Capital Markets, who can be contacted at 80 Raffles Place, #03-03 UOB Plaza 1, Singapore 048624, Telephone: +65 6533 9898.