

UNAUDITED FINANCIAL STATEMENTS AND DIVIDEND ANNOUNCEMENT FOR THE SECOND QUARTER AND SIX-MONTH PERIOD ENDED 30 JUNE 2018

PART 1 - INFORMATION REQUIRED FOR QUARTERLY (Q1, Q2 & Q3), HALF-YEAR AND FULL YEAR ANNOUNCEMENTS

1(a)(i) An income statement and statement of comprehensive income, or a statement of comprehensive income, for the group, together with a comparative statement for the corresponding period of the immediately preceding financial year.

CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	Group					
	Unaudited 2Q-2018 ⁽¹⁾ S\$'000	Unaudited 2Q-2017 ⁽²⁾ S\$'000	Change %	Unaudited 1H-2018 ⁽³⁾ S\$'000	Unaudited 1H-2017 ⁽⁴⁾ S\$'000	Change %
Revenue	34,384	41,092	(16.3)	71,719	74,411	(3.6)
Other Items of Income						
Other Gains	147	311	(52.7)	822	486	69.1
Other Items of Expense						
Material Costs	(22,818)	(30,251)	(24.6)	(48,072)	(53,459)	(10.1)
Employee Benefits Expense	(3,703)	(3,489)	6.1	(7,814)	(6,694)	16.7
Depreciation and Amortisation Expenses	(698)	(582)	19.9	(1,381)	(1,082)	27.6
Finance Costs	(1,500)	(1,320)	13.6	(2,871)	(2,466)	16.4
Other Losses	(1)	(33)	(97.0)	(55)	(145)	(62.1)
Other Expenses	(3,728)	(3,564)	4.6	(7,481)	(7,308)	2.4
Profit Before Tax	2,083	2,164	(3.7)	4,867	3,743	30.0
Income Tax Expense	(235)	(301)	(21.9)	(846)	(739)	14.5
Profit Net of Tax	1,848	1,863	(0.8)	4,021	3,004	33.9
Other Comprehensive Income	(8)	21	NM ⁽⁵⁾	61	(8)	NM ⁽⁵⁾
Total Comprehensive Income	1,840	1,884	(2.3)	4,082	2,996	36.2
Attributable to:						
Owners of the Company	1,745	1,671	4.4	3,847	2,770	38.9
Non-controlling Interests	103	192	(46.4)	174	234	(25.6)
Profit Net of Tax	1,848	1,863	(0.8)	4,021	3,004	33.9
Attributable to:						
Owners of the Company	1,737	1,692	2.7	3,908	2,762	41.5
Non-controlling Interests	103	192	(46.4)	174	234	(25.6)
Total Comprehensive Income	1,840	1,884	(2.3)	4,082	2,996	36.2

Notes:-

- (1) "2Q-2018" refers to the second quarter ended 30 June 2018.
- (2) "2Q-2017" refers to the second quarter ended 30 June 2017.
- (3) "1H-2018" refers to the six-month period ended 30 June 2018.
- (4) "1H-2017" refers to the six-month period ended 30 June 2017.
- (5) NM: Not meaningful.

1(a)(ii) Notes to consolidated statements of profit or loss and other comprehensive income

The Group's profit after tax was arrived at after charging / (crediting) the following:

	Group					
	Unaudited 2Q-2018 S\$'000	Unaudited 2Q-2017 S\$'000	Change %	Unaudited 1H-2018 S\$'000	Unaudited 1H-2017 S\$'000	Change %
Rental Income	(129)	(129)	-	(258)	(276)	(6.5)
Government Grants	(34)	(32)	6.3	(204)	(161)	26.7
Depreciation of Plant and Equipment	662	547	21.0	1,308	1,013	29.1
Amortisation of Other Intangible Assets	37	35	5.7	73	69	5.8
Foreign Exchange Loss/(Gain)	37	(126)	NM	(272)	84	NM
Loss on Collateral Loan Services	-	-	NM	1	-	NM
Loss on Disposal of Plant and Equipment	-	15	NM	54	43	25.6
Plant and Equipment Written Off	-	2	NM	-	7	NM

Notes:

NM: Not meaningful.

- 1(b)(i) A statement of financial position (for the issuer and group), together with a comparative statement as at the end of the immediately preceding financial year.

STATEMENTS OF FINANCIAL POSITION

	Group		Company	
	Unaudited 30 June 2018 S\$'000	Audited 31 December 2017 S\$'000	Unaudited 30 June 2018 S\$'000	Audited 31 December 2017 S\$'000
ASSETS				
<u>Non-Current Assets</u>				
Plant and Equipment	4,451	5,032	-	-
Intangible Assets	4,336	3,010	-	-
Investment in Subsidiaries	-	-	52,605	51,405
Financial Assets at FVPL	5,471	5,471	5,471	5,471
Deferred Tax Assets	54	62	-	-
Total Non-Current Assets	14,312	13,575	58,076	56,876
<u>Current Assets</u>				
Inventories	31,978	30,003	-	-
Trade and Other Receivables	202,350	192,949	19,981	20,003
Other Assets	3,744	4,086	34	72
Cash and Cash Equivalents	8,398	11,850	80	159
Total Current Assets	246,470	238,888	20,095	20,234
Total Assets	260,782	252,463	78,171	77,110
EQUITY AND LIABILITIES				
<u>Equity Attributable to Owners of the Company</u>				
Share Capital	56,144	56,144	56,144	56,144
Retained Earnings	15,231	13,153	3,339	5,020
Reserves	100	39	-	-
	71,475	69,336	59,483	61,164
Non-controlling Interests	2,628	2,668	-	-
Total Equity	74,103	72,004	59,483	61,164
<u>Non-Current Liabilities</u>				
Other Financial Liabilities, Non-Current	1,836	2,924	-	-
Deferred Tax Liabilities	175	167	-	-
Total Non-Current Liabilities	2,011	3,091	-	-
<u>Current Liabilities</u>				
Income Tax Payable	1,427	1,470	23	19
Trade and Other Payables	17,761	13,837	15,665	12,927
Other Financial Liabilities, Current	164,240	160,914	3,000	3,000
Other Liabilities	1,240	1,147	-	-
Total Current Liabilities	184,668	177,368	18,688	15,946
Total Liabilities	186,679	180,459	18,688	15,946
Total Equity and Liabilities	260,782	252,463	78,171	77,110

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 2018		As at 31 December 2017	
Secured S\$'000	Unsecured S\$'000	Secured S\$'000	Unsecured S\$'000
164,240	-	160,914	-

Amount repayable by the Group after one year

As at 30 June 2018		As at 31 December 2017	
Secured S\$'000	Unsecured S\$'000	Secured S\$'000	Unsecured S\$'000
1,836	-	2,924	-

Details of collaterals

The Group's borrowings and debt securities are secured by the following:

- i) Deeds of debentures, a charge on all sums in the current account of certain subsidiaries and a fixed and floating charge over all present and future assets of certain subsidiaries;
- ii) Corporate guarantee by MoneyMax Financial Services Ltd. and certain subsidiaries;
- iii) Deeds of assignment of all rights, interests and benefits from insurance policies for pledged articles;
- iv) All monies charge on the facility agreement of a subsidiary;
- v) Subordination of advances from a subsidiary and a director of certain subsidiaries; and
- vi) Personal guarantee by a director of certain 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-2018 S\$'000	Unaudited 2Q-2017 S\$'000	Unaudited 1H-2018 S\$'000	Unaudited 1H-2017 S\$'000
<u>Cash Flows From Operating Activities</u>				
Profit Before Tax	2,083	2,164	4,867	3,743
Adjustments for:				
Finance Costs	1,500	1,320	2,871	2,466
Depreciation of Plant and Equipment	662	547	1,308	1,013
Amortisation of Intangible Assets	36	35	73	69
Loss on Disposal of Plant and Equipment	-	15	54	43
Foreign Currency Translation	202	83	368	(81)
Operating Cash Flows before Changes in Working Capital	4,483	4,164	9,541	7,253
Inventories	(1,036)	(2,672)	(1,975)	(5,798)
Trade and Other Receivables	(7,387)	(4,691)	(9,335)	(7,204)
Other Assets	(89)	184	416	(40)
Trade and Other Payables	2,835	1,165	1,860	2,778
Other Liabilities	18	45	112	46
Net Cash Flows (Used in)/From Operations	(1,176)	(1,805)	619	(2,965)
Income Taxes Paid	(872)	(606)	(1,019)	(708)
Net Cash Flows Used in Operating Activities	(2,048)	(2,411)	(400)	(3,673)
<u>Cash Flows From Investing Activities</u>				
Purchase of Plant and Equipment	(298)	(1,368)	(420)	(1,944)
Purchase of Financial Assets at FVPL	-	-	-	(5,192)
Acquisition of Subsidiaries (Net of Cash Acquired)	-	-	(225)	(352)
Net Cash Flows Used in Investing Activities	(298)	(1,368)	(645)	(7,488)
<u>Cash Flows From Financing Activities</u>				
Issue of Shares to Non-Controlling Interest	-	-	257	20
Increase in New Borrowings	6,579	7,815	6,729	12,463
Decrease in Other Financial Liabilities	(3,606)	(906)	(5,254)	(1,460)
Finance Lease Repayments	(3)	2	(4)	(6)
Interest Paid	(1,500)	(1,320)	(2,871)	(2,466)
Dividends Paid	(1,769)	(1,769)	(1,769)	(1,769)
Net Cash Flows (Used In)/From Financing Activities	(299)	3,822	(2,912)	6,782
Net (Decrease)/Increase in Cash and Cash Equivalents	(2,645)	43	(3,957)	(4,379)
Cash and Cash Equivalents, Statement of Cash Flows, Beginning Balance	3,223	406	4,526	4,834
Effects of Exchange Rate Changes on Cash and Cash Equivalents	(1)	5	8	(1)
Cash and Cash Equivalents, Statement of Cash Flows, Ending Balance	577	454	577	454

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 2018 S\$'000	As at 30 June 2017 S\$'000
Cash at bank and in hand	8,398	9,106
Bank overdrafts	(7,821)	(8,652)
Cash and cash equivalents for statements of cash flows purposes	577	454

Acquisition of subsidiaries, net of cash acquired

Acquisition of subsidiaries, net of cash acquired, included in the Group's consolidated cash flow statements comprises the following amounts:

	As at 30 June 2018 S\$'000	As at 30 June 2017 S\$'000
Total purchase consideration fully paid in cash	356	365
Less: Cash and cash equivalents	(131)	(13)
Acquisition of subsidiaries, net of cash acquired	225	352

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	Total
	Share Capital	Retained Earnings	Reserves	Sub-total	Interests	Equity
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
Current Year:						
Opening balance at 1 January 2018	56,144	13,153	39	69,336	2,668	72,004
Movements in equity:						
Total comprehensive income for the period	-	3,847	61	3,908	174	4,082
Dividends paid	-	(1,769)	-	(1,769)	-	(1,769)
Issue of share capital	-	-	-	-	257	257
Acquisition of interest in subsidiaries	-	-	-	-	(471)	(471)
Closing balance at 30 June 2018	56,144	15,231	100	71,475	2,628	74,103
Previous Year:						
Opening balance at 1 January 2017	56,144	8,092	11	64,247	2,375	66,622
Movements in equity:						
Total comprehensive income for the period	-	2,770	(8)	2,762	234	2,996
Dividends paid	-	(1,769)	-	(1,769)	-	(1,769)
Issue of share capital	-	-	-	-	20	20
Acquisition of interest in subsidiaries	-	-	-	-	(108)	(108)
Closing balance at 30 June 2017	56,144	9,093	3	65,240	2,521	67,761

Company	Share Capital	Retained Earnings	Total Equity
	S\$'000	S\$'000	S\$'000
Current Year:			
Opening balance at 1 January 2018	56,144	5,020	61,164
Movements in Equity:			
Total comprehensive income for the period	-	88	88
Dividends paid	-	(1,769)	(1,769)
Closing Balance at 30 June 2018	56,144	3,339	59,483
Previous Year:			
Opening balance at 1 January 2017	56,144	3,534	59,678
Movements in Equity:			
Total comprehensive income for the period	-	3	3
Dividends paid	-	(1,769)	(1,769)
Closing Balance at 30 June 2017	56,144	1,768	57,912

- 1(d)(ii) Details of any changes in the company's share capital arising from rights issue, bonus issue, share buy-backs, exercise of share options or warrants, conversion of other issues of equity securities, issue of shares for cash or as consideration for acquisition or for any other purpose since the end of the previous period reported on. State the number of shares that may be issued on conversion of all the outstanding convertibles, if any, against the total number of issued shares excluding treasury shares and subsidiary holdings of the issuer, as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year. State also the number of shares held as treasury shares and the number of subsidiary holdings, if any, and the percentage of the aggregate number of treasury shares and subsidiary holdings held against the total number of shares outstanding in a class that is listed as at the end of the current financial period reported on and as at the corresponding period of the immediately preceding financial year.**

Issued and fully paid-up share capital	Number of shares '000	Company
		Issued and paid-up capital S\$'000
Balance as at 30 June 2018 and 31 March 2018	353,800	56,144

During 2Q-2018, there was no change in the Company's issued and paid-up share capital. There were no outstanding convertibles or treasury shares held by the Company or subsidiary holdings as at 30 June 2018 and 30 June 2017.

- 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 2018 '000	As at 31 December 2017 '000
Total number of issued shares (excluding treasury shares)	353,800	353,800

- 1(d)(iv) A statement showing all sales, transfers, cancellation and/or use of treasury share as at the end of the current financial period reported on.**

Not applicable. The Company did not have any treasury shares during and as at the end of the current financial period reported on.

- 1(d)(v) A statement showing all sales, transfers, cancellation and/or use of subsidiary holdings as at the end of the current financial period reported on.**

Not applicable. The Company did not have any subsidiary holdings during and as at the end of the current financial period reported on.

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

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

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

Not applicable.

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

Other than the adoption of Singapore Financial Reporting Standards (International) ("SFRS(I)") as mentioned in paragraph 5 below, there were no changes in the accounting policies and methods of computation adopted in the financial statements of the Group for the current reporting period as compared to the most recently audited financial statements for the reporting year ended 31 December 2017.

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.**

On 1 January 2018, the Group adopted SFRS(I), the equivalent to the International Financial Reporting Standards, as required by the listing requirements of the Singapore Exchange. Accordingly the financial statements have been prepared based on this new reporting framework. The adoption of SFRS(I) did not result in any substantial change to the Group's accounting policies as the accounting policies adopted by the Group under the previous accounting framework are consistent with SFRS(I).

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-2018	2Q-2017	1H-2018	1H-2017
Profit net of tax attributable to owners of the Company (S\$'000)	1,745	1,671	3,847	2,770
Basic and diluted EPS based on the weighted average number of shares (cents)	0.49	0.47	1.09	0.78

EPS of the Group for 1H-2018 and 1H-2017 have been computed based on the weighted average number of shares of 353,800,000 shares. The basic and diluted EPS are the same for 1H-2018 and 1H-2017 as the Company had no dilutive equity instruments.

7. **Net asset value (for the issuer and group) per ordinary share based on the total number of issued shares excluding treasury shares of the issuer at the end of the**

- (a) **Current financial period reported on; and**
(b) **Immediately preceding financial year.**

NET ASSET VALUE ("NAV")

	Group		Company	
	30 June 2018	31 December 2017	30 June 2018	31 December 2017
NAV per share (cents)	20.20	19.60	16.81	17.29

NAV per share as at 30 June 2018 and as at 31 December 2017 have been computed based on the issued share capital of 353,800,000 shares.

8. **A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. It must include a discussion of the following:-**

- (a) **any significant factors that affected the turnover, costs, and earnings of the group for the current financial period reported on, including (where applicable) seasonal or cyclical factors; and**
(b) **any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on.**

REVIEW OF THE GROUP'S PERFORMANCE

Revenue

Revenue decreased by S\$2.7 million or 3.6% from S\$74.4 million in 1H-2017 to S\$71.7 million in 1H-2018, and decreased by S\$6.7 million or 16.3% from S\$41.1 million in 2Q-2017 to S\$34.4 million in 2Q-2018. This was due mainly to decrease in revenue in the retail and trading of pre-owned items segment.

Other Gains

Other gains increased by S\$0.3 million or 69.1% from S\$0.5 million in 1H-2017 to S\$0.8 million in 1H-2018, due mainly to foreign exchange gains attributable to the strengthening of the Malaysian Ringgit in 1Q-2018.

Other gains decreased by S\$0.2 million or 52.7% from S\$0.3 million in 2Q-2017 to S\$0.1 million in 2Q-2018 due mainly to weakening of the Malaysian Ringgit in 2Q-2018.

Material Costs

Material costs decreased by S\$5.4 million or 10.1% from S\$53.5 million in 1H-2017 to S\$48.1 million in 1H-2018, and decreased by S\$7.5 million or 24.6% from S\$30.3 million in 2Q-2017 to S\$22.8 million in 2Q-2018. The decrease in material costs was generally in line with the decrease in revenue from the retail and trading of pre-owned items segment in 1H-2018 and 2Q-2018.

Employee Benefits Expense

Employee benefits expense increased by S\$1.1 million or 16.7% from S\$6.7 million in 1H-2017 to S\$7.8 million in 1H-2018, and increased by S\$0.2 million or 6.1% from S\$3.5 million in 2Q-2017 to S\$3.7 million in 2Q-2018. This year-on-year increase in employee benefits expense was due to the annual salary increments and increased headcount arising from the expansion of operations in Singapore and Malaysia.

Depreciation and Amortisation Expenses

Depreciation and amortisation expenses increased by S\$0.3 million or 27.6% from S\$1.1 million in 1H-2017 to S\$1.4 million in 1H-2018, and increased by S\$0.1 million or 19.9% from S\$0.6 million in 2Q-2017 to S\$0.7 million in 2Q-2018. The increase was mainly due to the increase in plant and equipment in line with the expansion of our network of outlets.

Finance Costs

Finance costs increased by S\$0.4 million or 16.4% from S\$2.5 million in 1H-2017 to S\$2.9 million in 1H-2018, and increased by S\$0.2 million or 13.6% from S\$1.3 million in 2Q-2017 to S\$1.5 million in 2Q-2018. The increase was due to an increase in bank facilities drawn down during the financial year ended 2017, which were utilised for funding of the Group's operational cash requirements as well as expansion of operations in Malaysia.

Other Losses

Other losses decreased by approximately S\$90,000 or 62.1% from S\$0.1 million in 1H-2017 to approximately S\$55,000 in 1H-2018 due mainly to the absence of foreign exchange losses recorded in 1H-2018.

Other losses decreased by approximately S\$32,000 or 97.0% from approximately S\$33,000 in 2Q-2017 to approximately S\$1,000 in 2Q-2018, due mainly to the absence of losses incurred on the disposal of fixed assets in 2Q-2018.

Other Expenses

Other expenses increased by S\$0.2 million or 2.4% from S\$7.3 million in 1H-2017 to S\$7.5 million in 1H-2018, and increased by S\$0.1 million or 4.6% from S\$3.6 million in 2Q-2017 to S\$3.7 million in 2Q-2018. This is mainly due to an increase in rental expenses of outlet premises, professional fees and other expenses.

Profit Before Tax

As a result of the above, profit before tax increased by S\$1.1 million or 30.0% from S\$3.7 million in 1H-2017 to S\$4.9 million in 1H-2018, and decreased by S\$0.1 million or 3.7% from S\$2.2 million in 2Q-2017 to S\$2.1 million in 2Q-2018.

Income Tax Expense

Income tax expense increased by S\$0.1 million or 14.5% from S\$0.7 million in 1H-2017 to S\$0.8 million in 1H-2018 due to the higher profits for 1H-2018.

Income tax expense decreased by S\$0.1 million or 21.9% from S\$0.3 million in 2Q-2017 to S\$0.2 million in 2Q-2018, due mainly to the decrease in profits for the period.

REVIEW OF THE GROUP'S FINANCIAL POSITION

Non-Current Assets

Non-current assets increased by S\$0.7 million or 5.4% from S\$13.6 million as at 31 December 2017 to S\$14.3 million as at 30 June 2018. The increase was mainly attributable to an increase in intangible assets due to goodwill of S\$1.3 million arising from the investment in pawnshops in Malaysia (the "Malaysia Investment")¹ and increase in fixed assets, including the fixed assets arising from Malaysia Investment of \$0.7 million, offset by the depreciation charge for the period of \$1.3 million.

Current Assets

Current assets increased by S\$7.6 million or 3.2% from S\$238.9 million as at 31 December 2017 to S\$246.5 million as at 30 June 2018. This was mainly due to an increase in trade and other receivables of S\$9.4 million mainly arising from an increase in pledged loans extended to customers, an increase in inventories of S\$2.0 million mainly due to the buildup of inventory for the retail and trading of pre-owned items segment, partially offset by a decrease in cash and cash equivalents of S\$3.5 million and a decrease in other assets of S\$0.3 million.

Non-Current Liabilities

Non-current liabilities decreased by S\$1.1 million or 34.9% from S\$3.1 million as at 31 December 2017 to S\$2.0 million as at 30 June 2018. This was due to reclassification of a portion of term loans from non-current liabilities to current liabilities.

Current Liabilities

Current liabilities increased by S\$7.3 million or 4.1% from S\$177.4 million as at 31 December 2017 to S\$184.7 million as at 30 June 2018. This was mainly due to an increase in other financial liabilities, current of S\$3.3 million resulting from increased drawdown of facilities and reclassification of a portion of term loans from non-current liabilities to current liabilities, as well as an increase in trade and other payables of S\$3.9 million.

Equity Attributable to Owners of the Company

Equity attributable to owners of the Company increased by S\$2.2 million or 3.2% from S\$69.3 million as at 31 December 2017 to S\$71.5 million as at 30 June 2018. The increase was mainly due to profit attributable to owners of the Company of S\$3.9 million for 1H-2018, offset by dividends paid in relation to FY2017 of \$1.8 million.

¹ As announced on 14 November 2017, the Group had entered into sale and purchase agreements to invest in 13 entities in the pawn broking business in Malaysia. On 28 March 2018, the Company announced the completion of the acquisitions of the entities.

REVIEW OF THE GROUP'S STATEMENT OF CASH FLOWS

Net cash generated from operating activities before changes in working capital in 1H-2018 was S\$9.5 million. Net cash used in working capital amounted to S\$8.9 million. This was mainly due to (i) an increase in inventories of S\$2.0 million due to the buildup of inventory for the retail and trading of pre-owned items segment, (ii) an increase in trade and other receivables of S\$9.3 million, and partially offset by (iii) an increase in trade and other payables of S\$1.9 million (iv) a decrease in other assets of S\$0.4 million and (v) an increase in other liabilities of S\$0.1 million. Net cash used in operating activities amounted to S\$0.4 million after deducting income tax paid of S\$1.0 million.

Net cash used in investing activities amounted to S\$0.6 million, mainly due to (i) purchase of plant and equipment in relation to the expansion in Singapore and Malaysia of S\$0.4 million, and (ii) net cash paid for the Malaysia Investment of S\$0.2 million.

Net cash used in financing activities of S\$2.9 million was mainly due to dividends paid, interest paid and repayment of bank borrowings of \$1.8 million, S\$2.9 million and S\$5.3 million respectively, partially offset by an increase in new bank borrowings of S\$6.7 million and issue of shares to non-controlling interest of S\$0.3 million².

As a result of the above, there was a net decrease of S\$4.0 million in cash and cash equivalents from a net cash balance of S\$4.5 million as at 31 December 2017 to a net cash balance of S\$0.6 million as at 30 June 2018.

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

Not applicable. No forecast or prospect statement has been previously disclosed to shareholders.

10. A commentary at the date of the announcement of the significant trends and competitive conditions of the industry in which the group operates and any known factors or event that may affect the group in the next reporting period and the next 12 months.

Intensifying competition, global macroeconomic uncertainty as well as interest rates hikes are expected to affect the Group's operating environment, creating challenges for the pawnbroking industry in general. Despite this, the Group remains confident of its future prospects as it continues to focus on its commitment to drive new service innovations to enhance brand equity value and to explore bank and other initiatives to manage its funding mix.

In May 2018, the Group launched MoneyMax e-Renewal services which offer customers the convenience and ease of paying their pawn interest online. This digital service has since gained momentum and received favourable responses from our customers.

On 26 July 2018, the Group announced the completion of its proposed acquisition of Ban Joo Pawnshop Pte Ltd. This provides the Group with a good opportunity to establish its presence in a strategically located area as well as grow its network presence in Singapore. This follows the Group's recent launch of SG e-Auction, Singapore's first business to business Live e-auction platform for luxury goods to tap into the growing market of pre-owned luxury goods in Southeast Asia.

Going forward, the Group intends to grow its network of outlets and focus on increasing its product and service offerings to create greater value for shareholders. Barring any unforeseen circumstances, the Group remains cautiously optimistic of its performance for the financial year ending 31 December 2018.

² As announced on 8 March 2018, the Group and Aucnet Inc. had increased their respective investments in SG e-Auction Pte Ltd by USD204,000 and USD196,000 respectively.

11. Dividend

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

No dividend has been declared or recommended for 2Q-2018.

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

No dividend has been declared or recommended for 2Q-2017.

(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-2018.

13. Interested person transactions

The Group does not have a general mandate from shareholders for interested person transactions pursuant to Rule 920(1)(a)(ii) of the Listing Manual Section B: Rules of Catalist of the Singapore Exchange Securities Trading Limited ("**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 (excluding transactions less than S\$100,000 and transactions conducted under Shareholders' Mandate pursuant to Rule 920 of the Catalist Rules)	
Name of Interested Person	1H-2018 S\$'000	1H-2017 S\$'000
Purchases of products Soo Kee Group Ltd. and its subsidiaries (the "Soo Kee Group of Companies")	2	347
Sales of products Soo Kee Group of Companies	25	5
Central support services Soo Kee Group of Companies	99	99
Rental expenses Soo Kee Group of Companies	156	112
SK Properties Pte Ltd	266	258
Soo Kee Investment Pte Ltd	277	277
Interest payable/paid Soo Kee Capital Pte Ltd	25	8
Money Farm Pte Ltd	20	7
Lim Yong Guan	35	17
Lim Yong Sheng	20	14
	925	1,144

14. Confirmation by the issuer pursuant to Rule 720(1)

The Company confirms that it has procured undertakings from all of its directors and executive officers as required under Rule 720(1) of the 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 financial statements for 1H-2018 of the Group to be false or misleading in any material aspect.

ON BEHALF OF THE BOARD OF DIRECTORS

Lim Yong Guan
Executive Chairman and CEO

Lim Yong Sheng
Non-Executive Director

10 August 2018

*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 and the SGX-ST assumes no responsibility for the contents of this announcement, including the correctness of any of the statements or opinions made or reports contained in this announcement.

The contact person for the Sponsor is Mr Chia Beng Kwan, Senior Director, Equity Capital Markets, who can be contacted at 80 Raffles Place, #03-03 UOB Plaza 1, Singapore 048624, telephone: +65 6533 9898.