

UNAUDITED FINANCIAL STATEMENTS AND DIVIDEND ANNOUNCEMENT FOR THE SECOND QUARTER AND SIX-MONTH PERIOD ENDED 30 JUNE 2019

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-2019 ⁽¹⁾ S\$'000	Unaudited 2Q-2018 ⁽²⁾ S\$'000	Change %	Unaudited 1H-2019 ⁽³⁾ S\$'000	Unaudited 1H-2018 ⁽⁴⁾ S\$'000	Change %
	Revenue	45,850	34,384	33.3	85,656	71,719
Other Items of Income						
Other Gains	100	147	(32.0)	703	822	(14.5)
Other Items of Expense						
Material Costs	(32,461)	(22,818)	42.3	(60,023)	(48,072)	24.9
Employee Benefits Expense	(4,028)	(3,703)	8.8	(8,113)	(7,814)	3.8
Depreciation and Amortisation Expenses	(2,947)	(698)	NM ⁽⁶⁾	(6,022)	(1,381)	NM ⁽⁶⁾
Finance Costs	(2,023)	(1,500)	34.9	(3,963)	(2,871)	38.0
Other Losses	(191)	(1)	NM ⁽⁶⁾	(393)	(55)	NM ⁽⁶⁾
Other Expenses	(1,572)	(3,728)	(57.8)	(3,439)	(7,481)	(54.0)
Profit Before Tax	2,728	2,083	31.0	4,406	4,867	(9.5)
Income Tax Expense	(379)	(235)	61.3	(881)	(846)	4.1
Profit Net of Tax	2,349	1,848	27.1	3,525	4,021	(12.3)
Other Comprehensive Income	(59)	(8)	NM ⁽⁶⁾	(30)	61	NM ⁽⁶⁾
Total Comprehensive Income	2,290	1,840	24.5	3,495	4,082	(14.4)
Attributable to:						
Owners of the Company	2,104	1,745	20.6	3,142	3,847	(18.3)
Non-controlling Interests	245	103	NM ⁽⁶⁾	383	174	NM ⁽⁶⁾
Profit Net of Tax	2,349	1,848	27.1	3,525	4,021	(12.3)
Attributable to:						
Owners of the Company	2,045	1,737	17.7	3,112	3,908	(20.4)
Non-controlling Interests	245	103	NM ⁽⁶⁾	383	174	NM ⁽⁶⁾
Total Comprehensive Income	2,290	1,840	24.5	3,495	4,082	(14.4)

Notes:-

- (1) "2Q-2019" refers to the second quarter ended 30 June 2019.
- (2) "2Q-2018" refers to the second quarter ended 30 June 2018.
- (3) "1H-2019" refers to the half year ended 30 June 2019.
- (4) "1H-2018" refers to the half year ended 30 June 2018.
- (5) The Group has adopted the new Singapore Financial Reporting Standards (International) ("SFRS(I)") 16 Leases with effect from 1 January 2019. The detailed impact from the adoption is presented in paragraph 5 of this announcement.
- (6) 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-2019 S\$'000	Unaudited 2Q-2018 S\$'000	Change %	Unaudited 1H-2019 S\$'000	Unaudited 1H-2018 S\$'000	Change %
Rental Income	(126)	(129)	(2.3)	(256)	(258)	(0.8)
Government Grants	-	(34)	(100.0)	(169)	(204)	(17.2)
Depreciation of Plant and Equipment	505	662	(23.7)	1,089	1,308	(16.7)
Depreciation of Rights of Use	2,378	-	NM	4,803	-	NM
Amortisation of Lease Assignment Fees	30	-	NM	60	-	NM
Amortisation of Other Intangible Assets	34	37	(8.1)	70	73	(4.1)
Foreign Exchange Loss/(Gain)	234	37	NM	161	(272)	(159.2)
Loss on Collateral Loan Services	12	-	NM	13	1	NM
Loss on Disposal of Plant and Equipment	18	-	NM	219	54	NM
Dividend income	-	-	NM	(196)	-	NM

Notes:

- (1) The Group has adopted the new SFRS(I)16 Leases with effect from 1 January 2019. The detailed impact from the adoption is presented in paragraph 5 of this announcement.
- (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 2019 S\$'000	Audited 31 December 2018 S\$'000	Unaudited 30 June 2019 S\$'000	Audited 31 December 2018 S\$'000
ASSETS				
<u>Non-Current Assets</u>				
Plant and Equipment	3,689	4,467	-	-
Rights-of-use Assets	10,421	-	-	-
Intangible Assets	4,298	4,464	-	-
Investment in Subsidiaries	-	-	57,930	57,930
Other Financial Assets	5,471	5,471	5,471	5,471
Trade and Other Receivables, Non-Current	6,839	48	-	-
Deferred Tax Assets	205	163	-	-
Total Non-Current Assets	30,923	14,613	63,401	63,401
<u>Current Assets</u>				
Inventories	35,861	34,808	-	-
Trade and Other Receivables, Current	206,112	205,588	24,354	20,877
Other Assets	3,494	4,355	34	66
Cash and Cash Equivalents	14,017	11,153	258	48
Total Current Assets	259,484	255,904	24,646	20,991
Total Assets	290,407	270,517	88,047	84,392
EQUITY AND LIABILITIES				
<u>Equity Attributable to Owners of the Company</u>				
Share Capital	56,144	56,144	56,144	56,144
Retained Earnings	17,737	16,364	2,769	4,183
Reserves	(476)	(446)	-	-
	73,405	72,062	58,913	60,327
Non-controlling Interests	3,992	3,609	-	-
Total Equity	77,397	75,671	58,913	60,327
<u>Non-Current Liabilities</u>				
Other Financial Liabilities, Non-Current	6,309	800	-	-
Lease Liabilities, Non-Current	2,730	-	-	-
Deferred Tax Liabilities	4	30	-	-
Total Non-Current Liabilities	9,043	830	-	-
<u>Current Liabilities</u>				
Income Tax Payable	1,333	1,506	51	52
Trade and Other Payables	24,944	21,868	26,083	21,013
Other Financial Liabilities, Current	168,108	169,025	3,000	3,000
Lease Liabilities, Current	7,779	-	-	-
Other Liabilities	1,803	1,617	-	-
Total Current Liabilities	203,967	194,016	29,134	24,065
Total Liabilities	213,010	194,846	29,134	24,065
Total Equity and Liabilities	290,407	270,517	88,047	84,392

Note:

- (1) The Group has adopted the new SFRS(I)16 Leases with effect from 1 January 2019. The detailed impact from the adoption is presented in paragraph 5 of this announcement.

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 2019		As at 31 December 2018	
Secured S\$'000	Unsecured S\$'000	Secured S\$'000	Unsecured S\$'000
167,502	-	168,419	-

Amount repayable by the Group after one year

As at 30 June 2019		As at 31 December 2018	
Secured S\$'000	Unsecured S\$'000	Secured S\$'000	Unsecured S\$'000
6,309	-	800	-

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-2019 S\$'000	Unaudited 2Q-2018 S\$'000	Unaudited 1H-2019 S\$'000	Unaudited 1H-2018 S\$'000
<u>Cash Flows From Operating Activities</u>				
Profit Before Tax	2,728	2,083	4,406	4,867
Adjustments for:				
Finance Costs	2,023	1,500	3,963	2,871
Depreciation Expenses	2,883	662	5,892	1,308
Amortisation Expenses	64	37	130	73
Loss on Disposal of Plant and Equipment	18	-	219	54
Foreign Currency Translation	(182)	202	(116)	368
Operating Cash Flows before Changes in Working Capital	7,534	4,484	14,494	9,541
Inventories	(575)	(1,036)	(1,053)	(1,975)
Trade and Other Receivables	(5,038)	(7,387)	(7,315)	(9,335)
Other Assets	305	(89)	861	416
Trade and Other Payables	471	2,835	1,289	1,860
Other Liabilities	(2,456)	18	(4,849)	112
Net Cash Flows From/(Used in) Operations	241	(1,175)	3,427	619
Income Taxes Paid	(702)	(872)	(1,051)	(1,019)
Net Cash Flows Used in Operating Activities	(461)	(2,047)	2,376	(400)
<u>Cash Flows From Investing Activities</u>				
Purchase of Plant and Equipment	(129)	(298)	(508)	(420)
Acquisition of Subsidiaries (Net of Cash Acquired)	-	-	-	(225)
Net Cash Flows Used in Investing Activities	(129)	(298)	(508)	(645)
<u>Cash Flows From Financing Activities</u>				
Issue of Shares to Non-Controlling Interest	-	-	-	257
Increase in New Borrowings	5,382	6,579	12,803	6,729
Decrease in Other Financial Liabilities	(1,201)	(3,607)	(7,542)	(5,254)
Finance Lease Repayments	(3)	(3)	(5)	(4)
Interest Paid	(1,873)	(1,500)	(3,674)	(2,871)
Dividends Paid	-	(1,769)	-	(1,769)
Net Cash Flows From/(Used In) Financing Activities	2,305	(300)	1,582	(2,912)
Net Increase/(Decrease) in Cash and Cash Equivalents				
Cash and Cash Equivalents, Statement of Cash Flows, Beginning Balance	6,961	3,223	5,223	4,526
Effects of Exchange Rate Changes on Cash and Cash Equivalents	(5)	(1)	(2)	8
Cash and Cash Equivalents, Statement of Cash Flows, Ending Balance	8,671	577	8,671	577

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 2019 S\$'000	As at 30 June 2018 S\$'000
Cash at bank and in hand	14,017	8,398
Bank overdrafts	(5,346)	(7,821)
Cash and cash equivalents for statements of cash flows purposes	8,671	577

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 2019 S\$'000	As at 30 June 2018 S\$'000
Total purchase consideration fully paid in cash	-	356
Less: Cash and cash equivalents	-	(131)
Acquisition of subsidiaries, net of cash acquired	-	225

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-	Total Equity S\$'000
	Share Capital S\$'000	Retained Earnings S\$'000	Reserves S\$'000	Sub-total S\$'000	controlling Interests S\$'000	
Current Year:						
Opening balance at 1 January 2019	56,144	16,364	(446)	72,062	3,609	75,671
Movements in equity:						
Total comprehensive income for the period	-	3,142	(30)	3,112	383	3,495
Dividends declared	-	(1,769)	-	(1,769)	-	(1,769)
Closing balance at 30 June 2019	56,144	17,737	(476)	73,405	3,992	77,397
Previous 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

Company	Share Capital S\$'000	Retained Earnings S\$'000	Total Equity S\$'000
Current Year:			
Opening balance at 1 January 2019	56,144	4,183	60,327
Movements in Equity:			
Total comprehensive income for the period	-	355	355
Dividends declared	-	(1,769)	(1,769)
Closing Balance at 30 June 2019	56,144	2,769	58,913
Previous 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

- 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 2019 and 31 March 2019	353,800	56,144

During 1H-2019, 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 2019 and 30 June 2018.

- 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 2019 '000	As at 31 December 2018 '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 SFRS(I)16 Leases 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 2018.

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.**

The Group has adopted the new and revised SFRS(I) which are effective for its financial year beginning 1 January 2019. This includes the adoption of SFRS(I)16 Leases which recognises a right-of-use assets and lease liability representing the underlying asset and obligation to make lease payments. The Group has elected to apply the simplified approach of the standard with the cumulative effect of balance lease payments as at 1 January 2019. In accordance to the new SFRS(I)16 Leases, the Group recognised a right-of-use asset of S\$10.4 million, and lease liabilities of S\$10.5 million in the statement of financial position, as well as depreciation expenses and interest expenses of S\$4.8 million and S\$0.3 million respectively.

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-2019	2Q-2018	1H-2019	1H-2018
Profit net of tax attributable to owners of the Company (S\$'000)	2,104	1,745	3,142	3,847
Basic and diluted EPS based on the weighted average number of shares (cents)	0.59	0.49	0.89	1.09

EPS of the Group for 1H-2019 and 1H-2018 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-2019 and 1H-2018 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 2019	31 December 2018	30 June 2019	31 December 2018
NAV per share (cents)	20.75	20.37	16.65	17.05

NAV per share as at 30 June 2019 and as at 31 December 2018 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 increased by S\$14.0 million or 19.4% from S\$71.7 million in 1H-2018 to S\$85.7 million in 1H-2019, and increased by S\$11.5 million or 33.3% from \$34.4 million in 2Q-2018 to \$45.9 million in 2Q-2019, due mainly to increase in revenue in the retail and trading of pre-owned items segment, and pawnbroking segment.

Other Gains

Other gains decreased by approximately S\$0.1 million or 14.5% from S\$0.8 million in 1H-2018 to approximately S\$0.7 million in 1H-2019, due mainly to absence of foreign exchange gain in 1H-2019 which was partially offset by dividend income of S\$0.2 million.

Other gains remained comparable for 2Q-2018 and 2Q-2019.

Material Costs

Material costs increased by S\$11.9 million or 24.9% from S\$48.1 million in 1H-2018 to S\$60.0 million in 1H-2019, and increased by S\$9.7 million or 42.3% from \$22.8 million in 2Q-2018 to \$32.5 million in 2Q-2019. The increase in material costs was due to the increase in revenue from the retail and trading of pre-owned items segment.

Employee Benefits Expense

Employee benefits expense increased by S\$0.3 million or 3.8% from S\$7.8 million in 1H-2018 to S\$8.1 million in 1H-2019 and increased by S\$0.4 million or 8.8% from \$3.7 million in 2Q-2018 to \$4.0 million in 2Q-2019. The increase in employee benefit expenses was due to annual salary increment and salary adjustments.

Depreciation and Amortisation Expenses

Depreciation and amortisation expenses increased by S\$4.6 million from S\$1.4 million in 1H-2018 to S\$6.0 million in 1H-2019 and increased by S\$2.3 million from \$0.7 million in 2Q-2018 to \$3.0 million in 2Q-2019. The increase was mainly due to the depreciation of leases arising from the adoption of SFRS(I)16 Leases.

Finance Costs

Finance costs increased by S\$1.1 million or 38.0% from S\$2.9 million in 1H-2018 to S\$4.0 million in 1H-2019 and increased by S\$0.5 million or 34.9% from \$1.5 million in 2Q-2018 to \$2.0 million in 2Q-2019. The increase was due to the accounting for interest of S\$0.3 million on leases arising from the adoption of SFRS(I)16 Leases and increased utilisation of bank facilities for the Group's operational cash requirements as well as expansion into vehicle financing.

Other Losses

Other losses increased by approximately S\$338,000 or 614.5%, from approximately S\$55,000 in 1H-2018 to approximately S\$393,000 in 1H-2019, and increased by approximately S\$190,000 from S\$1,000 in 2Q-2018 to \$191,000 in 2Q-2019. This is due mainly to losses from disposal of fixed assets resulting from rationalisation of outlet locations and closures.

Other Expenses

Other expenses decreased by S\$4.0 million or 54.0% from S\$7.5 million in 1H-2018 to S\$3.4 million in 1H-2019, and decreased by S\$2.1 million or 57.8% from \$3.7 million in 2Q-2018 to \$1.6 million in 2Q-2019. This is due mainly to the allocation of rental expenses to depreciation of rights-of-use assets and interest adjustment arising from the adoption of SFRS(I)16 Leases partially offset by the increase in other expenses.

Profit Before Tax

As a result of the above, profit before tax decreased by S\$0.5 million or 9.5% from S\$4.9 million in 1H-2018 to S\$4.4 million in 1H-2019 and increased by S\$0.6 million or 31.0% from \$2.1 million in 2Q-2018 to \$2.7 million in 2Q-2019.

Income Tax Expense

Income tax expense increased by approximately S\$35,000 or 4.1% from S\$846,000 in 1H-2018 to S\$881,000 in 1H-2019, due to the decrease in overall taxable profits for the 1H-2019. The decrease in taxable profits was due to a decrease in profit before tax resulting from increased operating expenses and start-up costs.

Income tax expense increased by approximately S\$144,000 or 61.3% from \$235,000 in 2Q-2018 to \$379,000 in 2Q-2019. This is in line with the increase in overall taxable profits for the 2Q-2019.

REVIEW OF THE GROUP'S FINANCIAL POSITION

Non-Current Assets

Non-current assets increased by S\$16.3 million or 111.6% from S\$14.6 million as at 31 December 2018 to S\$30.9 million as at 30 June 2019. The increase was mainly attributable to an increase in right-of-use assets of S\$10.4 million pertaining to the Group's leases arising from the adoption of SFRS(I)16 Leases and an increase in trade and other receivables, non-current of S\$6.8 million for the vehicle financing business.

Current Assets

Current assets increased by S\$3.6 million or 1.4% from S\$255.9 million as at 31 December 2018 to S\$259.5 million as at 30 June 2019. This was mainly due to an increase in inventories of S\$1.1 million from higher trading activities, an increase in trade and other receivables of S\$0.5 million mainly due to an increase in loans extended to customers and an increase in cash and cash equivalents of S\$2.9 million, offset by a decrease in other assets of S\$0.8 million.

Non-Current Liabilities

Non-current liabilities increased by S\$8.2 million or 989.5% from S\$0.8 million as at 31 December 2018 to S\$9.0 million as at 30 June 2019. This was due to increase drawdown of bank facilities and the recognition of non-current portion of lease liabilities arising from the adoption of SFRS(I)16 Leases of S\$2.7 million.

Current Liabilities

Current liabilities increased by S\$10.0 million or 5.1% from S\$194.0 million as at 31 December 2018 to S\$204.0 million as at 30 June 2019. This was mainly due to an increase in lease liabilities of S\$7.8 million as a result of the adoption of SFRS(I)16 Leases on the accounting for leases, an increase in trade and other payables of S\$3.1 million, including dividends payable of S\$1.8 million as well as an increase in other liabilities of \$0.2 million, partially offset by a decrease in other financial liabilities, current of S\$0.9 million resulting from repayment of short term loans and a decrease in tax payables of S\$0.2 million.

Equity Attributable to Owners of the Company

Equity attributable to owners of the Company increased by S\$1.3 million or 1.8% from S\$72.1 million as at 31 December 2018 to S\$73.4 million as at 30 June 2019. The increase was mainly due to profit attributable to owners of the Company of S\$3.0 million for 1H-2019, offset by dividends of S\$1.8M declared.

REVIEW OF THE GROUP'S STATEMENT OF CASH FLOWS

Net cash generated from operating activities before changes in working capital in 1H-2019 was S\$14.4 million. Net cash used in working capital amounted to S\$11.1 million. This was mainly due to (i) an increase in inventories of S\$1.1 million relating to the retail and trading of pre-owned items segment, (ii) an increase in trade and other receivables of S\$7.3 million, (iii) a decrease in lease liabilities of S\$4.8 million arising from adoption of SFRS(I)16 Leases, partially offset by (iv) an increase in trade and other payables of S\$1.3 million and (v) a decrease in other assets of S\$0.9 million. Net cash generated from operating activities amounted to S\$2.4 million after deducting income tax paid of S\$1.1 million.

Net cash used in investing activities amounted to S\$0.5 million, mainly due to purchase of plant and equipment in relation to our expansion in existing and new businesses.

Net cash from financing activities of S\$1.6 million was mainly due to interest paid and repayment of bank borrowings of \$3.7 million and S\$7.5 million respectively, offset by an increase in new bank borrowings of S\$12.8 million.

As a result of the above, there was a net increase of S\$3.5 million in cash and cash equivalents from a net cash balance of S\$5.2 million as at 31 December 2018 to a net cash balance of S\$8.7 million as at 30 June 2019.

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.

In lieu of rising global tensions and economic uncertainties across various regions, we foresee an impact on our economic situation and business environment. This will further affect our retail and services industry, which is already facing various challenges from weaker consumer sentiments.

Amidst the uncertain economic climate, we will continue to make the most of the opportunities still available in the region and focus on our branding, innovation efforts and productivity to help us to remain competitive and to deliver sustainable growth.

11. Dividend

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

Name of Dividend	Ordinary cash dividend
Dividend Type	Interim
Dividend Amount per Share	0.5 cent per share
Tax Rate	Tax exempt one-tier

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

No dividend was declared or recommended for 1H-2018.

(c) Whether the dividend is before tax, net of tax or tax exempt. If before tax or net of tax, state the tax rate and the country where the dividend is derived. (if the dividend is not taxable in the hands of shareholders, this must be stated).

Dividends are one-tier tax exempted.

(d) Date payable

The date payable is to be advised.

(e) Date on which Registrable Transfers received by the company (up to 5.00 pm) will be registered before entitlements to the dividends are determined.

To be advised.

12. If no dividend has been declared/ recommended, a statement to the effect and the reason(s) for the decision.

Not applicable.

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 Catalyst of the Singapore Exchange Securities Trading Limited (“**Catalist Rules**”). However, pursuant to Rule 905 of the Catalyst Rules, the following is disclosed:

Name of Interested Person	Aggregate value of all Interested Person Transactions during the year under review (excluding transactions less than S\$100,000 and transactions conducted under Shareholders’ Mandate pursuant to Rule 920 of the Catalyst Rules)	
	1H-2019 S\$’000	1H-2018 S\$’000
Purchases of products		
SK Jewellery Group Ltd. and its subsidiaries (the “ SK Group of Companies ”)	30	2
Sin Lian Pawnshop Pte. Ltd.	102	-
Sales of products		
SK Group of Companies	177	5
Central support services		
SK Group of Companies	156	99
Rental expenses		
SK Group of Companies	155	156
SK Properties Pte Ltd	424	266
Soo Kee Investment Pte Ltd	277	277
Sin Lian Pawnshop Pte. Ltd.	6	-
Interest payable/paid		
Soo Kee Capital Pte Ltd	25	25
Money Farm Pte Ltd	20	20
Lim Yong Guan	150	35
Lim Yong Sheng	53	20
	1,575	925

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 Catalyst 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 2Q-2019 and 1H-2019 of the Group and the Company 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

13 August 2019

*This announcement has been prepared by MoneyMax Financial Services Ltd. (the “**Company**”) and has been reviewed by the Company’s sponsor, United Overseas Bank Limited (the “**Sponsor**”), for compliance with Rules 226(2)(b) and 753(2) of the Singapore Exchange Securities Trading Limited (the “**SGX-ST**”) Listing Manual Section B: Rules of Catalyst. This announcement has not been examined or approved by the SGX-ST. 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.*