

MoneyMax Makes Foray into China with Joint Venture to Provide Financial Leasing Services in Chongqing

- Enters into joint venture (“JV”) with SGX-listed AP Oil International, SZSE-listed 重庆宗申动力机械股份有限公司 and 重庆保税港区开发管理集团有限公司
- Takes 12.5% stake of the initial registered capital of RMB200 million
- Enables Company to tap into the huge potential of the growing financial services leasing market in China, which is second largest in the world¹



Mr. Ho Chee Hon, Group CEO of AP Oil International (3rd from left), Mr. Huang Pei Guo, Director and Group Manager of Zongshen (4th from left), Mr. Kenneth Teo Teck Leong, Regional Director of West China Region (China Group) from International Enterprise Singapore (5th from left), Ms. Zhang Li, Deputy Director General of China-Singapore (Chongqing) Demonstration Initiative on Strategic Connectivity Administrative Bureau, (6th from left), Dato Sri Dr. Lim Yong Guan, Executive Chairman and CEO of MoneyMax (6th from right) and Mr. Xiao Zhong Ping, Deputy General Manager of Free Trade Port Co (2nd from right) who are accompanied by key management from the JV parties

18 October 2016, Singapore – MoneyMax Financial Services Ltd. (“MoneyMax” or the “Company”) announced today it has entered into a joint venture agreement with SGX-listed AP Oil International Limited (“AP Oil International”), 重庆宗申动力机械股份有限公司 (“Zongshen”) and 重庆保税港区开发管理集团有限公司 (“Free Trade Port Co”) to provide financial leasing services in Chongqing, China.

The Company, which has one of the largest pawnbroking chain with a presence in both Singapore and Malaysia, will make its maiden foray into the Chinese market through a 12.5% equity stake in the JV. AP Oil International, Zongshen and Free

Trade Port Co will take the remaining 12.5%, 70.0% and 5.0% stake in the JV respectively. The JV, with an initial registered capital of RMB200 million, will service various fast-growing industries in China.

China is the second largest financial services leasing market in the world¹ and has a relatively low penetration rate of 3.1%² of leasing activities, as compared to penetration rates of nearly 20.0%³ in more developed markets, indicating its great growth potential. Healthy development of the industry is expected to be accelerated by efforts by the Chinese government which aims to build a world-class industry with a group of leading enterprises and an effective regulation system by 2020⁴.

Commenting on the JV, Dato' Sri Dr. Lim Yong Guan, Executive Chairman and Chief Executive Officer of MoneyMax, said "The entry into China marks a significant milestone for our Company. We are very excited to enter China through this consortium, which is made up of three listed companies and a government-linked company, and to tap into the huge potential of this mammoth financial services market.

This JV will be able to provide companies with a convenient and efficient solution to invest in productive and logistic equipment by facilitating the process for users financing or purchasing equipment. In addition, this is also in line with our Company's strategy as we remain on the lookout for more overseas opportunities to expand our service offerings and innovative ways to provide financial services.

Leveraging on our strong brand credibility as a competitive edge, we believe that the JV offers our Company a good opportunity to invest in the growing financial services industry in China, and a stepping stone to expand our business into the China market."

¹ "Navigating China's Financial Leasing Industry – Setup Procedures and Market Opportunities", China Briefing, February 12 2016. Extracted from <http://www.china-briefing.com/news/2016/02/12/navigating-chinas-financial-leasing-industry-setup-procedures-market-opportunities.html>

² Penetration rate = Percentage of a nation's annual leasing volume to its total fixed investment amounts in plant and equipment. "Risks rise for China's leasing market", Finance Asia, 28 October 2015, Extracted from: <http://www.financeasia.com/News/403198,risks-rise-for-china8217s-leasing-market.aspx>

³ "Equipment and auto leasing in China – how normal is the 'new normal'?", White Clarke Group, June 8 2016, Extracted from: <http://www.whiteclarkegroup.com/news/view/equipment-and-auto-leasing-in-china-how-normal-is-the-new-normal>

⁴ "China boosts financial leasing industry to better serve the real economy", Bank of Tokyo- Mitsubishi UFJ – News Focus No.18 2015, September 16 2015. Extracted from: http://rmb.bk.mufg.jp/files/topics/248_ext_02_en_0.pdf

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About MoneyMax Financial Services Ltd. (SGX: 5WJ)

Listed on the SGX Catalist since August 2013, MoneyMax Financial Services Ltd. (“**MoneyMax**”) is a leading pawnbroker, retailer and trader of pre-owned jewellery and watches. Since its first outlet in 2008, MoneyMax has expanded to 50 outlets and is one of the largest pawnbroking chain with a presence in both Singapore and Malaysia.

MoneyMax explores new opportunities through innovation to enhance customer experience and service standards. In February 2015, the Group launched MoneyMax Online, making it Singapore’s first pawnbroking chain to offer an online platform to shop, sell and appraise their valuables. The Group also pioneered the pawning, selling and trade-in services for pre-owned luxury bags in Singapore. MoneyMax was awarded the ISO9001 for its commitment in meeting and delivering customers’ satisfaction and CaseTrust Accredited Pawnbroker in Singapore for fair trading and transparency. It is also a recipient of multiple awards from the Singapore Prestige Brands Award and has been inducted into its prestigious Hall of Fame in 2015.

About AP Oil International Limited (SGX: 5AU)

AP Oil International is a company limited by shares incorporated in Singapore and listed on the Main Board of the Singapore Exchange Securities Trading Limited. It is an investment holding company, with businesses in the manufacture and supply of lubricants and specialty chemical products in Asia Pacific.

About 重庆宗申动力机械股份有限公司 (Shenzhen: 001696)

Zongshen is a company incorporated in China and listed on the Shenzhen Stock Exchange. It is a subsidiary of the Zongshen Industrial Group, a large China-based manufacturing group making a variety of specialised small-size thermal power machinery. Zongshen’s businesses include provision of financial services and manufacture of motorcycle engines.

About 重庆保税港区开发管理集团有限公司

Free Trade Port Co is a company incorporated in China, under the Chongqing State-Owned Assets Supervision and Administration Commission. It is responsible for the development and management of the Chongqing Free Trade Port Area, investing directly in businesses and assets located within such area.

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*This press release has been prepared by 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 press release.*

This press release has not been examined or approved by the SGX-ST and the SGX-ST assumes no responsibility for the contents of this press release, including the correctness of any of the statements or opinions made or reports contained in this press release.

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