
UNAUDITED FIRST QUARTER FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2014

MoneyMax Financial Services Ltd. (the “Company”) was listed on Catalist of the Singapore Exchange Securities Trading Limited (the “SGX-ST”) on 2 August 2013. The initial public offering (the “IPO”) of the Company was sponsored by United Overseas Bank Limited (the “Sponsor”).

This announcement has been prepared by the Company and its contents have been reviewed by the Sponsor, for compliance with the relevant rules of the SGX-ST. The Sponsor has not independently verified the contents of this announcement.

The 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, Corporate Finance and Mr David Tham, Senior Director, Corporate Finance, who can be contacted at 80 Raffles Place, #03-03 UOB Plaza 1, Singapore 048624, Telephone: +65 6539 1177.

Background

The Company was incorporated in the Republic of Singapore on 9 October 2008 under the Companies Act (Chapter 50) of Singapore as a private limited company under the name of “Soo Kee Financial Services Pte Ltd”. On 2 August 2012, the Company changed its name to “MoneyMax Financial Services Pte Ltd”. The Company subsequently changed its name to “MoneyMax Financial Services Ltd.” on 23 July 2013.

The group comprising the Company and its subsidiaries (the “Group”) was formed pursuant to a restructuring exercise (the “**Restructuring Exercise**”) undertaken as part of its corporate re-organisation, which involved the rationalisation of its corporate and shareholding structure for the purposes of the Company’s listing on Catalist. Please refer to the Company’s offer document dated 25 July 2013 (the “**Offer Document**”) for further details on the Restructuring Exercise.

For the purpose of this announcement, the results of the Group for the first quarter ended 31 March 2014 (“**Q1-2014**”) with the comparative results of the Group for the first quarter ended 31 March 2013 (“**Q1-2013**”) have been prepared on the assumption that the group structure following the completion of the Restructuring Exercise has been in place since 1 January 2013.

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		
	Q1-2014 S\$'000	Q1-2013 S\$'000	Change %
Revenue	19,184	13,146	45.9
Other Items of Income			
Other Credits	568	54	951.9
Other Items of Expense			
Material Costs	(13,794)	(7,655)	80.2
Employee Benefits Expense	(2,007)	(1,396)	43.8
Depreciation and Amortisation Expense	(525)	(287)	82.9
Finance Costs	(524)	(535)	(2.1)
Other Charges	(17)	-	NM
Other Expenses	(2,402)	(1,436)	67.3
Profit Before Tax	483	1,891	(74.5)
Income Tax Expense	(45)	(310)	(85.5)
Profit Net of Tax and Total Comprehensive Income	438	1,581	(72.3)
Attributable to: Equity holders of the Company	438	1,581	(72.3)

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		
	Q1-2014 S\$'000	Q1-2013 S\$'000	Change %
Rental income	(116)	(29)	300.0
Depreciation of plant and equipment	462	242	90.9
Amortisation of lease assignment fees	63	45	40.0
Foreign exchange (gain) / loss	3	-	NM
Inventories provision (written back)	(285)	-	NM
Inventories provision made	14	-	NM

NM: Not meaningful

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

STATEMENTS OF FINANCIAL POSITION

	Group		Company	
	31 March 2014 S\$'000	31 December 2013 S\$'000	31 March 2014 S\$'000	31 December 2013 S\$'000
ASSETS				
<u>Non-Current Assets</u>				
Plant and Equipment	2,763	2,379	-	-
Intangible Assets	385	448	-	-
Investment in Subsidiaries	-	-	46,405	44,405
Deferred Tax Assets	376	376	-	-
Total Non-Current Assets	3,524	3,203	46,405	44,405
<u>Current Assets</u>				
Inventories	12,516	14,113	-	-
Trade and Other Receivables	133,965	133,008	9,000	12,225
Other Assets	3,027	3,433	157	176
Cash and Cash Equivalents	7,312	8,658	2,344	1,200
Total Current Assets	156,820	159,212	11,501	13,601
Total Assets	160,344	162,415	57,906	58,006
EQUITY AND LIABILITIES				
<u>Equity</u>				
Share Capital	56,144	56,144	56,144	56,144
Retained Earnings	2,205	1,767	1,097	1,305
Total Equity	58,349	57,911	57,241	57,449
<u>Non-Current Liabilities</u>				
Other Financial Liabilities	22	25	-	-
Total Non-Current Liabilities	22	25	-	-
<u>Current Liabilities</u>				
Income Tax Payable	937	941	-	-
Trade and Other Payables	9,216	9,723	665	557
Other Financial Liabilities	91,433	93,447	-	-
Other Liabilities	387	368	-	-
Total Current Liabilities	101,973	104,479	665	557
Total Liabilities	101,995	104,504	665	557
Total Equity and Liabilities	160,344	162,415	57,906	58,006
Capital and reserves attributable to equity holders of the Company	58,349	57,911	57,241	57,449

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 31 March 2014		As at 31 December 2013	
Secured S\$'000	Unsecured S\$'000	Secured S\$'000	Unsecured S\$'000
91,433	-	93,447	-

Amount repayable by the Group after one year

As at 31 March 2014		As at 31 December 2013	
Secured S\$'000	Unsecured S\$'000	Secured S\$'000	Unsecured S\$'000
22	-	25	-

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) Joint and several guarantees from all the Executive Directors;
- iii) Corporate guarantee from a related party; and
- iv) Deeds of assignment of all rights, interests and benefits from insurance policies for pledged articles.

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 STATEMENTS OF CASH FLOWS

	Q1-2014 S\$'000	Q1-2013 S\$'000
<u>Cash Flows From Operating Activities</u>		
Profit Before Tax	483	1,891
Adjustments for:		
Interest Expense	524	535
Depreciation of Plant and Equipment	462	242
Amortisation of Intangible Assets	63	45
Operating Cash Flows before Changes in Working Capital	1,532	2,713
Inventories	1,596	(3,211)
Trade and Other Receivables	(1,027)	(255)
Other Assets, Current	406	(390)
Trade and Other Payables	(507)	(1,727)
Other Liabilities	18	1
Net Cash Flows from/(Used in) Operations	2,018	(2,869)
Income Taxes Refunded	22	-
Net Cash Flows From/(Used in) Operating Activities	2,040	(2,869)
<u>Cash Flows From Investing Activities</u>		
Purchase of Plant and Equipment	(846)	(297)
Net Cash Flows Used in Investing Activities	(846)	(297)
<u>Cash Flows From Financing Activities</u>		
Increase in New Borrowings	300	1,440
Finance Lease Repayments	(8)	(27)
Interest Paid	(524)	(535)
Net Cash Flows From/(Used in) Financing Activities	(232)	878
Net Increase/(Decrease) in Cash and Cash Equivalents	962	(2,288)
Cash and Cash Equivalents, Statement of Cash Flows, Beginning Balance	3,667	1,777
Cash and Cash Equivalents, Statement of Cash Flows, Ending Balance	4,629	(511)

Cash and cash equivalents

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

	As at 31 March 2014 S\$'000	As at 31 March 2013 S\$'000
Cash at bank and in hand	7,312	6,389
Bank overdrafts	(2,683)	(6,900)
Cash and cash equivalents for statement of cash flows purposes	4,629	(511)

- 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	Total Equity S\$'000	Share Capital S\$'000	Retained Earnings S\$'000
Balance as at 1 January 2014	57,911	56,144	1,767
Total comprehensive income for the period	438	-	438
Balance as at 31 March 2014	58,349	56,144	2,205
Balance as at 1 January 2013	39,400	31,001	8,399
Issue of share capital	3,000	3,000	-
Share swap pursuant to the Restructuring Exercise	42,400	34,001	8,399
Issue of shares pursuant to the acquisition of subsidiaries as part of the Restructuring Exercise	(39,405)	(31,001)	(8,404)
	37,651	37,651	-
	40,646	40,651	(5)
Total comprehensive income for the period	1,581	-	1,581
Balance as at 31 March 2013	42,227	40,651	1,576

Company	Total Equity S\$'000	Share Capital S\$'000	Accumulated Losses S\$'000
Balance as at 1 January 2014	57,449	56,144	1,305
Total comprehensive (loss) for the period	(208)	-	(208)
Balance as at 31 March 2014	57,241	56,144	1,097
Balance as at 1 January 2013	(2)	+	(2)
Issue of share capital	3,000	3,000	-
Issue of shares pursuant to the acquisition of subsidiaries as part of the Restructuring Exercise	2,998	3,000	(2)
	37,651	37,651	-
Total comprehensive income for the period	40,649	40,651	(2)
	+	-	+
Balance as at 31 March 2013	40,649	40,651	(2)

+ Amount less than S\$1,000.

- 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

	Company			
	Number of Shares '000 2014	Paid-up Capital S\$'000 2014	Number of Shares '000 2013	Paid-up Capital S\$'000 2013
Issued and fully paid-up share capital				
Balance as at 1 January	353,800	56,144	+	+
Issue of ordinary shares	-	-	3,372	3,000
Issue of shares pursuant to the Restructuring Exercise	-	-	46,628	37,651
Balance as at 31 March	353,800	56,144	50,000⁽¹⁾	40,651

+ Amount less than 1,000

Note:

- (1) Pursuant to the sub-division of each share into 6 shares in July 2013 prior to the IPO, 250,000,000 new shares were issued with the resultant number of shares and paid-up capital being 300,000,000 shares and S\$40,651,000 respectively.

- 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 31 March 2014 '000	As at 31 December 2013 '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 31 March 2014 and 31 December 2013.

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

Not applicable.

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

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

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

Not applicable.

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

The Group has applied the same accounting policies and methods of computation in the financial statements for the three-month period ended 31 March 2014 as its most recently audited combined financial statements for the financial year ended 31 December 2013.

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	
	Q1-2014	Q1-2013
Profit, Net of Tax attributable to equity holders of the Company (S\$'000)	438	1,581
EPS (cents):-		
(a) Based on the weighted average number of ordinary shares ⁽¹⁾⁽²⁾	0.12	0.53
(b) On a fully diluted basis ⁽³⁾	0.12	0.53

NM: Not meaningful

Notes:

- (1) EPS of the Group for Q1-2013 has been computed based on the pre-IPO share capital of 300,000,000 shares.
- (2) EPS of the Group for Q1-2014 has been computed based on the share capital of 353,800,000 shares.
- (3) The EPS based on the number of ordinary shares in issue and the EPS on a fully diluted basis were the same as there were no potentially dilutive instruments as at 31 March 2014 and 31 March 2013.

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	
	31 March 2014	31 December 2013	31 March 2014	31 December 2013
NAV per ordinary share ⁽¹⁾ (cents)	16.49	16.37	16.18	16.24

Note:

- (1) NAV per ordinary share as at 31 March 2014 and as at 31 December 2013 have been computed based on the share capital of 353,800,000.

8. **A review of the performance of the group, to the extent necessary for a reasonable understanding of the group’s business. It must include a discussion of the following:-**
- (a) any significant factors that affected the turnover, costs, and earnings of the group for the current financial period reported on, including (where applicable) seasonal or cyclical factors; and
 (b) any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on.

REVIEW OF THE GROUP’S PERFORMANCE

Revenue

Revenue increased by approximately S\$6.0 million or 45.9% from approximately S\$13.1 million in Q1-2013 to approximately S\$19.2 million in Q1-2014. This was mainly due to higher revenue from the retail and trading of pre-owned jewellery and watches segment as a result of an increase in revenue from trading pursuant to the higher disposal of pre-owned jewellery and watches which were accumulated and were deemed to be unsuitable for retail sales. Generally, yields from the trading of pre-owned jewellery and watches are lower than those from retail. Hence, even though the revenue in Q1-2014 had increased by 45.9% as compared to the revenue in Q1-2013, gross profit⁽¹⁾ remained relatively stable.

Other Credits

Other credits increased by approximately S\$0.5 million or 951.9% from approximately S\$0.1 million in Q1-2013 to approximately S\$0.6 million in Q1-2014. The increase was mainly due to the reversal of inventories provision which was made in the previous quarter further to the re-assessment of any impairment in inventories taken up under other charges pursuant to the sale of such inventories in the current quarter.

Material Costs

Material costs increased by approximately S\$6.1 million or 80.2% from approximately S\$7.7 million in Q1-2013 to approximately S\$13.8 million in Q1-2014. This was attributable to the increase in revenue from the retail and trading of pre-owned jewellery and watches segment.

(1) “Gross profit” is defined as the difference between “Revenue” and “Material costs”.

Employee Benefits Expense

Employee benefits expense increased by approximately S\$0.6 million or 43.8% from approximately S\$1.4 million in Q1-2013 to approximately S\$2.0 million in Q1-2014. This was mainly due to the increase in number of employees in line with the addition of new retail outlets and the increase in corporate headquarter activities in conjunction with the listing of the Company.

Depreciation and Amortisation Expense

Depreciation and amortisation expense increased by approximately S\$0.2 million or 82.9% from approximately S\$0.3 million in Q1-2013 to approximately S\$0.5 million in Q1-2014. This was mainly due to the higher depreciation in renovation and plant and equipment in line with the launch of new retail outlets and refurbishment of existing outlets in Q1-2014 as compared to Q1-2013.

Finance Costs

Finance costs in Q1-2014 and Q1-2013 remained relatively stable at approximately S\$0.5 million.

Other Charges

Other charges of approximately S\$17,000 in Q1-2014 relate mainly to the additional inventories provision made of S\$14,000.

Other Expenses

Other expenses increased by approximately S\$1.0 million or 67.3% from approximately S\$1.4 million in Q1-2013 to approximately S\$2.4 million in Q1-2014. This was mainly due to an increase in advertising and promotion expenses and the increase in rental and related costs for the new retail outlets opened.

Profit Before Tax

As a result of the above, profit before income tax decreased by approximately S\$1.4 million or 74.5% from approximately S\$1.9 million in Q1-2013 to approximately S\$0.5 million in Q1-2014.

Income Tax Expense

Income tax expense decreased by approximately S\$265,000 or 85.5% from approximately S\$0.3 million in Q1-2013 to approximately S\$45,000 in Q1-2014. This was mainly due to the lower profit before tax.

REVIEW OF THE GROUP'S FINANCIAL POSITION

Non-Current Assets

Non-current assets increased by approximately S\$0.3 million or 10.0% from S\$3.2 million as at 31 December 2013 to S\$3.5 million as at 31 March 2014. This was due to an increase in plant and equipment of S\$0.4 million pursuant to capital expenditure incurred for the opening of new retail outlets and this was partially offset by the decrease in intangible assets of S\$0.1 million which was due to the amortisation on the lease assignment fees.

Current Assets

Current assets decreased by approximately S\$2.4 million or 1.5% from S\$159.2 million as at 31 December 2013 to S\$156.8 million as at 31 March 2014. This was mainly due to a decrease in inventories, other assets and cash and cash equivalents of S\$1.6 million, S\$0.4 million and S\$1.3 million, respectively. This was partially offset by an increase in trade and other receivables of S\$1.0 million. The decrease in inventories was mainly due to higher disposal of pre-owned jewellery and watches which were accumulated and deemed to be unsuitable for retail sales and the increase in trade and other receivables was mainly due to the increase in pledged loans extended to customers.

Non-Current Liabilities

Non-current liabilities as at 31 December 2013 and 31 March 2014 remained relatively stable at approximately S\$0.1 million.

Current Liabilities

Current liabilities decreased by approximately S\$2.5 million or 2.4% from S\$104.5 million as at 31 December 2013 to S\$102.0 million as at 31 March 2014. This was mainly due to a decrease in other financial liabilities and trade and other payables of S\$2.0 million and S\$0.5 million, respectively. The decrease in other financial liabilities was due to the lower usage of bank facilities to finance the pawnshop business.

Total Equity

Total equity increased by approximately S\$0.4 million or 0.8% from S\$57.9 million as at 31 December 2013 to S\$58.3 million as at 31 March 2014. The increase was due to the profit net of tax of S\$0.4 million for Q1-2014.

REVIEW OF THE GROUP'S CASHFLOW STATEMENT

In Q1-2014, the net cash generated from operating activities before changes in working capital was approximately S\$1.5 million. Net cash from working capital amounted to approximately S\$0.5 million. This was due to a decrease in inventories and other assets of approximately S\$1.6 million and S\$0.4 million, respectively. This was partially offset by an increase in trade and other receivables and a decrease in trade and other payables of S\$1.0 million and S\$0.5 million, respectively. The net cash generated from operating activities amounted to approximately S\$2.0 million.

Net cash used in investing activities of approximately S\$0.8 million was due to the renovation costs and purchase of plant and equipment related to the opening of new retail outlets in Q1-2014.

Net cash used in financing activities was approximately S\$0.2 million due to interest paid of approximately S\$0.5 million and this was partially offset by proceeds from bank borrowings of approximately S\$0.3 million.

As a result of the above, there was a net increase of S\$1.0 million in cash and cash equivalents, from a net cash surplus of approximately S\$3.6 million as at 31 December 2013 to a net cash surplus of approximately S\$4.6 million as at 31 March 2014.

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 financial period ended 31 March 2014 was provided.

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

The Group is continuing to execute its strategies to strengthen its market position by expanding its network of outlets, increasing allocation of inventories to retail outlets and investing in advertising and promotions to reinforce brand awareness. Since the beginning of 2014 and up to the date of this announcement, the Group has opened seven new retail outlets at Paya Lebar MRT, Bukit Gombak, Cheng San, Redhill, Kovan, Clementi Avenue 3 and Tampines Street 21. To-date the Group has a total of 35 retail outlets.

Business conditions are expected to remain challenging with rising staff, operational and other costs. During Q1-2014, there was a modest recovery in gold prices but volatility in gold prices is expected to continue in view of the geo-political uncertainties around the world.

The Group will continue to leverage on our branding, training and operational efficiencies even as it explores potential partnerships and alliances.

11. Dividend

- (a) Any dividend declared for the current financial period reported on?**
None.
- (b) Corresponding period of the immediately preceding financial year**
None.
- (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/recommended for the three-month period ended 31 March 2014.

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 Catalist Rules. However, pursuant to Rule 905 of the Catalist 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 \$100,000 and transactions conducted under Shareholders' Mandate pursuant to Rule 920 of the Catalist Rules)	
	Q1-2014 S\$'000	Q1-2013 S\$'000
Purchases of pre-owned jewellery for melting		
Soo Kee Jewellery	2	109
SK Jewellery Pte Ltd	-	19
Sales of gold		
Soo Kee Jewellery	-	114
SK Jewellery Pte Ltd	-	22
Central support services		
Soo Kee Jewellery	45	-
Lease of premises		
Soo Kee Jewellery	87	89
SK Jewellery Pte Ltd	22	24
SK Properties Pte Ltd	10	9
Soo Kee Investment Pte Ltd	135	132
SKC Pte Ltd	-	24
Heng Seng Pte Ltd	24	-
	325	542

14. NEGATIVE CONFIRMATION BY THE BOARD PURSUANT TO RULE 705(5)

The board of Directors of the Company (the "Board") confirms that, to the best of our knowledge, nothing has come to the attention of the Board which may render the unaudited interim financial statements for the period ended 31 March 2014 to be false or misleading in any material aspect.

ON BEHALF OF THE BOARD OF DIRECTORS

Lim Yong Guan
Executive Chairman and Chief Executive Director

Lim Yong Sheng
Executive Director

12 May 2014