

MoneyMax Announces 1H2014 Results; Sets Sights on Regional Expansion

<i>((S\$'000))</i>	Q2-2014	Q2-2013	Change (%)	1H-2014	1H-2013	Change (%)
Revenue	15,238	14,197	7.3	34,422	27,343	25.9
Gross Profit ¹	6,085	4,786	27.1	11,475	10,277	11.7
Gross Profit Margin	39.9	33.7	6.2 <i>pt</i>	33.3	37.6	(4.3) <i>pt</i>
Net Profit After Tax	283	174	62.6	721	1,755	(58.9)
Earnings per Share on Fully Diluted Basis (<i>S\$ Cent</i>)	0.08 ²	0.06 ³	33.3	0.20 ²	0.59 ³	(66.1)

¹ "Gross Profit" is defined as the difference between "Revenue" and "Material Costs"

² Computed based on the weighted average ordinary share capital of 353,800,000 shares.

³ Computed based on pre-IPO share capital of 300,000,000 shares.

Singapore, 11 August 2014 – MoneyMax Financial Services Ltd. ("MoneyMax" or "the Company") – a leading pawnbroker, retailer and trader of pre-owned jewellery and watches which is pursuing a regional expansion strategy while recovering from a sharp fall in gold prices last year – announced today its results for the six months ended 30 June 2014 ("1H-2014").

The SGX Catalist-listed Company and its subsidiaries ("the Group") reported a 25.9% growth in 1H2014 revenue to S\$34.4 million from S\$27.3 million a year ago ("1H-2013") mainly due to increased trading of pre-owned jewellery and watches – mostly in first quarter ended 31 March 2014 ("Q1-2014") – accumulated from last year and deemed unsuitable for retail sales, as well as improved retail sales this quarter when gold prices recovered modestly.

Due to the lower yields from trading compared to that of retail sales, coupled with lower fluctuations in gold prices in the second quarter ended 30 June 2014 ("Q2-2014") compared to the equivalent quarter last year ("Q2-2013"), MoneyMax's Q2-2014 gross profit grew 27.1% to S\$6.1 million, while 1H-2014 gross profit grew 11.7% to S\$11.5 million. Consequentially, gross profit margin improved to 39.9% from 33.7% quarter-on-quarter.

The Group had announced during its public listing last August a multi-pronged strategy to solidify market leadership, build a strong brand and to refurbish existing stores. In line with this, it launched 3 new outlets in Q2-2014 to bring its total outlets in Singapore to 37 currently.

As a result of the expansion in Singapore, the Group incurred higher expenses this quarter – employee benefits expense rose 24.1% with more headcount while depreciation and amortization expense increased 95.5% due to higher

depreciation in renovation and plant and equipment related to the launch of new outlets and refurbishment of existing stores.

In line with this strategy, MoneyMax announced on 20 June 2014 that it will invest RM15.6 million – funded by internal resources and borrowings – to take a 51.0% stake in a Malaysian network of initially eight pawnshops to kick-start its regional expansion. It plans to grow its Malaysian network substantially over the next few years.

While it is still in the process of recovering from last year's sharp decline in gold prices and in view of the above, the Group reported Q2-2014 net profit after tax ("NPAT") of S\$283,000 compared to S\$174,000 a year ago, while 1H2014 NPAT declined to S\$721,000 from S\$1.8 million in 1H2013.

Earnings per share on a fully diluted basis declined to 0.20 cent in 1H-2014 from 0.59 cent in 1H-2013. The Group's net asset value per share as at 30 June 2014 stood at 16.27 cents compared to 16.37 cents as at 31 December 2013 due in part to the payment of dividends in Q2-2014.

Commenting on the results, Executive Chairman and Chief Executive Officer, Mr. Peter Lim, said: "While working aggressively to recover from the impact of volatile gold prices last year, we remain committed to our long-term growth and intend to solidify our market leadership through regional expansion."

"In view of intense competition and escalating costs in Singapore, we intend to leverage on our proven processes and strong brand through strategic partnerships or acquisitions in select overseas markets. This will allow us to reap greater economies of scale and enhance shareholder value."

Barring any unforeseen circumstances and large fluctuations in gold prices, the Group is cautiously optimistic on its financial performance for the current financial year.

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Issued on behalf of the Group By WeR1 Consultants Pte Ltd

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About MoneyMax Financial Services Ltd.

Listed on SGX Catalist since 2 August 2013, MoneyMax Financial Services Ltd. (“MoneyMax”) is a pawnbroker, retailer and trader of pre-owned jewellery and watches. Since establishing its first outlet in Yishun in 2008, MoneyMax quickly expanded its reach to the mass market. Today, MoneyMax is one of the largest pawnbroking chains in Singapore, with 37 outlets conveniently and strategically located across the island.

MoneyMax is proud to be awarded the *ISO9001 (ISO9001:2008)* 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 the *Singapore Excellent Service Award* commissioned by *SPRING Singapore*.

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.

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