

---

## PROPOSED ACQUISITION OF 13 ENTITIES IN PAWN BROKING BUSINESS IN MALAYSIA

---

### 1. INTRODUCTION

The board of directors (the “**Board**” or the “**Directors**”) of MoneyMax Financial Services Ltd. (the “**Company**” and together with its subsidiaries, the “**Group**”) refers to the announcement dated 20 June 2014 in relation to the Group’s joint venture with Mr. Chong Mei Sang (“**Chong**”) to carry on the business of pawn broking in Malaysia. The Board wishes to announce that its wholly-owned subsidiary, Cash Online Sdn. Bhd. (the “**Purchaser**”), had on 13 November 2017 entered into sale and purchase agreements (“**SPAs**”) with CMS Top Holdings Sdn. Bhd. and four individuals (the “**Vendors**”) to acquire interests in each of the following entities (the “**Targets**”) (the “**Proposed Acquisitions**”):

(i) 2,039,999 shares in the capital of each of:

1. Pajak Gadai Bukit Gambir Sdn. Bhd.;
2. Pajak Gadai Bukit Mertajam Sdn. Bhd.;
3. Pajak Gadai Butterworth Sdn. Bhd.;
4. Pajak Gadai Kulai Sdn. Bhd.;
5. Pajak Gadai Malim Maju Sdn. Bhd.;
6. Pajak Gadai Masai Sdn. Bhd.;
7. Pajak Gadai Pagoh Sdn. Bhd.;
8. Pajak Gadai Pasir Gudang Sdn. Bhd.;
9. Pajak Gadai Rengit Sdn. Bhd.;
10. Pajak Gadai Semabok Sdn. Bhd.;
11. Pajak Gadai Simpang Renggam Sdn. Bhd.;
12. Pajak Gadai Sungai Pentani Sdn. Bhd. ; and

(ii) 2,040,000 shares in the capital of Pajak Gadai Senai Sdn. Bhd.

The Vendors of the Targets are not related to the Directors or controlling shareholders of the Company and their respective associates.

Chong had separately, on 13 November 2017, entered into sale and purchase agreements with CMS Top Holdings Sdn. Bhd. and three individuals to acquire (i) 1,960,000 shares in the capital of each of Pajak Gadai Bukit Gambir Sdn. Bhd. and Pajak Gadai Senai Sdn. Bhd.; and (ii) 1,959,999 shares in the capital of each of the remaining Targets.

### 2. INFORMATION ON TARGETS

The Targets are incorporated in Malaysia and are in the business of pawn broking.

Based on unaudited management accounts of the Targets as at 31 August 2017, the book value and net tangible assets was approximately RM49.7 million. While no independent valuation was conducted on the Targets, management has conducted evaluations of the Targets, including taking into consideration the results of legal and financial due diligence conducted on the Targets’ business, prior to entering into the SPAs.

### 3. TERMS OF THE PROPOSED ACQUISITIONS

#### 3.1 Consideration and Payment

The aggregate cash consideration for the Proposed Acquisitions is approximately RM56.6 million (or equivalent to approximately S\$18.3 million based on an exchange rate of S\$1.00: RM3.08). The consideration was determined based on arms' length negotiations and arrived at on a willing-buyer and willing-seller basis and takes into account, *inter alia*, the net tangible assets of the Target.

The Proposed Acquisitions will be funded by the Group's internal resources.

#### 3.2 Completion

The completion of the Proposed Acquisitions is conditional upon the Purchaser being satisfied with, *inter alia*, the results and outcome of the valuation of the unredeemed pledges in the books of the Targets as well as approval from the relevant authorities ("**Completion**").

#### 3.3 Other salient terms

Pursuant to the SPAs, the Purchaser shall designate Easigold Sdn. Bhd., Yong Mei Group Sdn. Bhd. and Guan Sang Group Sdn. Bhd. (each a joint venture company held by the Group (51.0%) and Chong (49.0%)) as nominees to hold the shares of the respective Targets.

*Yong Mei Group Sdn. Bhd.*

1. Pajak Gadai Bukit Gambir Sdn. Bhd.;
2. Pajak Gadai Kulai Sdn. Bhd.;
3. Pajak Gadai Masai Sdn. Bhd.;
4. Pajak Gadai Pagoh Sdn. Bhd.;
5. Pajak Gadai Pasir Gudang Sdn. Bhd.;
6. Pajak Gadai Rengit Sdn. Bhd.;
7. Pajak Gadai Senai Sdn. Bhd.; and
8. Pajak Gadai Simpang Renggam Sdn. Bhd.

*Guan Sang Group Sdn. Bhd.*

1. Pajak Gadai Bukit Mertajam Sdn. Bhd.;
2. Pajak Gadai Butterworth Sdn. Bhd.; and
3. Pajak Gadai Sungai Pentani Sdn. Bhd.

*Easigold Group Sdn. Bhd.*

1. Pajak Gadai Malim Maju Sdn. Bhd.; and
2. Pajak Gadai Semabok Sdn. Bhd.

Chong shall similarly designate the above joint venture companies as nominees to hold the shares of the respective Targets.

The capital of each Target is RM4 million consisting of 4 million shares of RM1 each. Upon Completion, the shareholders of the Targets will be as follows:

- (i) Pajak Gadai Senai Sdn. Bhd. will be a wholly-owned subsidiary of Yong Mei Group Sdn. Bhd. (4,000,000 shares);
- (ii) Pajak Gadai Bukit Gambir Sdn. Bhd. will be held by Yong Mei Group Sdn. Bhd. (3,999,999 shares) and an individual (1 share); and
- (iii) each of the remaining Targets will be held by the respective joint venture companies set out above (3,999,998 shares) and two individuals (each holding 1 share).

None of the abovementioned individuals are related to the Directors or controlling shareholders of the Company and their respective associates.

#### 4. RATIONALE FOR THE PROPOSED ACQUISITION

The Proposed Acquisitions will provide the Group with a good opportunity to expand its geographical network of pawn broking operations in Malaysia. The Board believes that the Proposed Acquisitions is in the interest of the Group and the Company's shareholders.

#### 5. FINANCIAL EFFECTS OF THE PROPOSED ACQUISITION

By way of aggregation of the net profits/losses of the Targets over the 12 months ended 31 December 2016 based on their management accounts, where these Targets have been incorporated then, and without accounting for any inter-company adjustments or other adjustments to align the accounting principles and policies of the Targets with those of the Group, the aggregate net loss of the Targets for the 12 months ended 31 December 2016 was approximately RM1.02million (or approximately S\$0.33million).

By way of aggregation of the net tangible assets/liabilities of the Targets as at 31 December 2016 based on their management accounts, where these Targets have been incorporated then, and without accounting for any inter-company adjustments or other adjustments to align the accounting principles and policies of the Targets with those of the Group, the net tangible assets of the Targets as at 31 December 2016 was approximately RM50.1 million (or approximately S\$16.2 million).

Based on the above, the financial effects of the Proposed Acquisitions on the (a) earnings per share of the Group for the financial year ended 31 December 2016 assuming that the Proposed Acquisitions had been effected as at 1 January 2016; and (b) net tangible assets per share of the Group as at 31 December 2016 assuming that the Proposed Acquisitions had been effected as at 31 December 2016, is not material.

#### 6. RELATIVE FIGURES UNDER CHAPTER 10 OF THE LISTING MANUAL SECTION B: RULES OF CATALIST OF THE SGX-ST (THE "CATALIST RULES")

The relative figures for the Proposed Acquisitions computed on the bases set out in Rules 1006 (a) to (e) of the Catalist Rules are as follows:

Rule 1006	Bases	Relative Figures (%)
(a)	Net asset value of the assets to be disposed of, compared with the Group's net asset value.	Not applicable
(b)	Net profit attributable to the assets acquired or disposed of, compared with the net profits of the Group <sup>(1)</sup>	Not meaningful
(c)	The aggregate consideration for the Proposed Investment compared with the Group's market capitalisation <sup>(2)</sup>	28.97%
(d)	The number of equity securities to be issued by the Company as consideration for the Proposed Investment, compared with the number of equity securities previously in issue.	Not applicable
(e)	Aggregate volume or amount of proved and probable reserves to be disposed of, compared with the aggregate of the Group's proved and probable reserves.	Not applicable

**Notes:**

- (1) Not meaningful as the Targets incurred a net loss of approximately RM1.0 million (or approximately S\$0.3 million) over the 12 months ended 31 December 2016, which is obtained by aggregating the net loss of the Targets over the 12 months ended 31 December 2016 based on their management accounts and without accounting for any inter-company adjustments or other adjustments to align the accounting principles and policies of the Targets with those of the Group. The Group recorded net profits of S\$6.3 million based on its unaudited financial statements for the nine-month financial period ended 30 September 2017.
- (2) The market capitalisation of the Company of approximately S\$63.3 million is determined by multiplying the 353,800,000 ordinary shares of the Company in issue as at the date of this announcement by the weighted average price of such shares transacted on the market day preceding the date of the SPAs.

**7. INTEREST OF DIRECTORS AND CONTROLLING SHAREHOLDERS**

Save for their respective shareholding interest in the Company (if any), none of the Directors or controlling shareholders of the Company and their respective associates have any interest, direct or indirect, in the Proposed Acquisitions.

**8. SERVICE CONTRACTS**

No person is proposed to be appointed as a director of the Company in connection with the Proposed Acquisitions. As such, no service contracts are proposed to be entered into between the Company and any such person.

**9. DOCUMENTS AVAILABLE FOR INSPECTION**

Shareholders should note that copies of the SPAs will be available for inspection during normal business hours at the Company's registered office at 7 Changi Business Park Vista, #01-01 SOO KEE HQ, Singapore 486042 for a period of three (3) months from the date of this announcement.

**10. DIRECTORS' RESPONSIBILITY STATEMENT**

The Directors collectively and individually accept full responsibility for the accuracy of the information given in this announcement and confirm, after making all reasonable enquiries, that to the best of their knowledge and belief, this announcement constitutes full and true disclosure of all material facts about the Proposed Acquisitions, the Company and its subsidiaries, and the Directors are not aware of any facts the omission of which would make any statement in this announcement misleading. Where information in this announcement has been extracted from published or otherwise publicly available sources or obtained from a named source, the sole responsibility of the Directors has been to ensure that such information has been accurately and correctly extracted from those sources and/or reproduced in this announcement in its proper form and context.

**BY ORDER OF THE BOARD**

Dato' Sri Dr. Lim Yong Guan  
Executive Chairman and Chief Executive Officer

14 November 2017

---

*This announcement 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 announcement.*

*The 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.*