

PROPOSED ACQUISITION OF PROPERTIES

The board of directors (the “**Board**” or “**Directors**”) of MoneyMax Financial Services Ltd. (the “**Company**” and together with its subsidiaries, the “**Group**”) wishes to announce that its wholly owned subsidiary, MoneyMax Credit Pte. Ltd. (“**MoneyMax Credit**”) has been granted two options to acquire two properties (“**Properties**”) (“**Proposed Acquisition**”). The seller of the Properties is an unrelated third party.

1. INFORMATION ON THE PROPERTIES

The details of the Properties are as follows:

S/No.	Address	Built-in area	Tenure	Consideration
1.	304 Orchard Road #01-65	47.0 sqm	Freehold	S\$8.5 million
2.	304 Orchard Road, #02-77/78	74.0 sqm	Freehold	S\$9.5 million

The aggregate purchase consideration for the Properties is S\$18.0 million, excluding transaction costs, and was arrived at on a willing buyer willing seller basis, taking into consideration desktop valuation on the Properties, relevant enquiries and references by the Group in relation to the current market prices of freehold properties of similar size in the vicinity.

The purchase consideration will be paid in tranches of 1% upon acceptance of the option, 4% upon exercise of the option and the final 95% upon completion of the Proposed Acquisition. The purchase consideration will be funded partially by bank borrowings and internal funds.

Completion of the Proposed Acquisition is expected to take place on 26 February 2020 in accordance to the terms of the options.

2. RATIONALE FOR THE PROPOSED ACQUISITION

The Proposed Acquisition is part of the Group’s strategy for business expansion. It is intended that the Properties will be used for future outlets and other possible source of income.

3. RELATIVE FIGURES COMPUTED PURSUANT TO RULE 1006 OF THE LISTING MANUAL SECTION B: RULES OF CATALIST OF THE SINGAPORE EXCHANGE SECURITIES TRADING LIMITED (“CATALIST RULES”)

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

Listing Rule	Content	Relative Figure
1006(a)	The net asset value of the assets to be disposed of compared with the Group’s net asset value. This basis is not applicable to an acquisition of assets.	Not applicable

Listing Rule	Content	Relative Figure
1006(b)	The net profits attributable to the assets acquired, compared with the Group's net profits.	Not meaningful ⁽¹⁾
1006(c)	The aggregate value of the consideration given or received, compared with the issuer's market capitalisation based on the total number of issued shares excluding treasury shares.	32.8% ⁽²⁾
1006(d)	The number of equity securities issued by the issuer as consideration for an acquisition, compared with the number of equity securities previously in issue.	Not applicable
1006(e)	The 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. This basis is applicable to a disposal of mineral, oil or gas assets by a mineral, oil and gas company, but not to an acquisition of such assets	Not applicable

Notes:

- (1) Assuming that the properties continue to be rented out at the current rental rate and taking into consideration related costs such as interest on bank loans, as well as other costs such as depreciation charges and property tax. The relative figure is less than negative one percent.
- (2) The market capitalisation of the Company of approximately S\$54,910,000 is based on 353,800,000 Shares and the volume weighted average price of S\$0.1552 per Share on 22 November 2019, being the market day preceding the date of this announcement on which the Company's shares were traded.

Having regard to the above, as the relative figures computed on the bases set out in Rule 1006 of the Catalist Rules exceed 5% but are less than 75%, the Proposed Acquisition constitutes a "discloseable transaction" under the Catalist Rules. Accordingly, the approval of shareholders of the Company for the Proposed Acquisition will not be required.

4. FINANCIAL EFFECTS OF THE PROPOSED ACQUISITION

The financial effects set out below are for illustrative purposes only and should not be taken as an indication of the actual financial performance or position of the Group following the Proposed Acquisition. The financial effects set out below are based on the Group's audited financial statements for the financial year ended 31 December 2018 ("FY2018").

Effect on net tangible assets ("NTA")

Assuming the Proposed Acquisition had been completed on 31 December 2018, the NTA per share of the Group as at 31 December 2018 would be as follows:

	Before Proposed Acquisition	After Proposed Acquisition
NTA (S\$'000)	67,598	67,598
Number of issued shares	353,800,000	353,800,000
NTA per share (cents)	19.11	19.11

Effect on earnings per share (“EPS”)

Assuming the Proposed Acquisition had been completed on 1 January 2018, the EPS of the Group for FY2018 would be as follows:

	Before Proposed Acquisition	After Proposed Acquisition⁽¹⁾
Net profit after tax attributable to owners of the Company (S\$'000)	4,980	4,934
Number of issued shares	353,800,000	353,800,000
EPS (cents)	1.41	1.39

Note:

(1) The proforma financial effects on the EPS of the Company for FY2018 are determined based on certain assumptions of interest costs on bank loan obtained to finance the Proposed Acquisition as well as other costs incurred in relation to the Properties such as depreciation charges and property tax.

5. INTEREST(S) OF DIRECTORS AND CONTROLLING SHAREHOLDERS

None of the Directors or the controlling shareholders of the Company or their respective associates has any interest, direct or indirect, in the Proposed Acquisition, save for their shareholdings in the Company (if any).

6. DOCUMENTS FOR INSPECTION

A copy of the options in respect of the Proposed Acquisition is 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.

7. OTHERS

The Company will make relevant announcement(s) in relation to the Proposed Acquisition as and when there are any material developments.

BY ORDER OF THE BOARD

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

27 November 2019

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 Rules 226(2)(b) and 753(2) of the Singapore Exchange Securities Trading Limited ("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.

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