MONEYMAX 銀豐
MONEYMAX FINANCIAL SERVICES LTD

(Company Registration No: 200819689Z)
(Incorporated in the Republic of Singapore)

ANNUAL GENERAL MEETING ("AGM") FOR THE FINANCIAL YEAR ENDED 31 DECEMBER ("FY") 2024 TO BE HELD ON 25 APRIL 2025

RESPONSES TO QUESTIONS FROM SHAREHOLDERS

The Board of Directors (the "**Board**" or "**Directors**") of MoneyMax Financial Services Ltd. (the "**Company**", and together with its subsidiaries, the "**Group**") would like to thank the shareholders of the Company ("**Shareholders**") for the questions received in advance of the AGM to be held at 7 Changi Business Park Vista, #01-01, SOOKEE HQ, Singapore 486042 on Friday, 25 April 2025 at 09.30 a.m. (Singapore time).

The Company's responses to the questions received from the Shareholders are set out as below:

[Q1] Why is there no share buyback mandate incorporated into the Company's policies?

Response to Q1:

*The Company will consider and seek Shareholders' approval for the proposed adoption of a share buy-back mandate should it be in the best interests of the Company to do so after taking into consideration, inter alia, the market conditions, trading price and liquidity of the issued shares in the Company (the "**Shares**") and the proportion of the Shares which are held in the hands of the public (as defined in the Singapore Exchange Securities Trading Limited Listing Manual Section B: Rules of Catalist). This is to ensure that there is a sufficient number of Shares held in the hands of the public to permit the Company to undertake share buy-backs without affecting the listing status of the Company, causing market illiquidity or affecting the orderly trading of the Shares. As stated in the FY2024 Annual Report, approximately 11.93% of the Shares are held in the hands of the public as at 14 March 2025.*

[Q2] Why has the percentage quantum for the dividend dropped in FY2024?

[Q3] For FY2023, there was no special dividend declared to mark the 10-year milestone since the Company's listing on SGX-ST. For FY2024, MoneyMax's dividend payout ratio even dropped from the historical average of 20% to 16% in FY2024. Can the Board explain how was the 16% dividend payout ratio in FY2024 determined?

[Q4] Historically, MoneyMax's dividend payout ratio of about 20% is the lowest amongst our competitors i.e. the other SGX-listed pawnbrokers (ValueMax is about 30% and Maxi-Cash is about 90%). Given that our Independent Directors are newly appointed in FY2024 and brings with them fresh perspectives and less groupthink, can the Board review whether MoneyMax's dividend payout ratio can be increased to around 25% or 30% to be more on par with the biggest market capitalisation pawnbroker (i.e. ValueMax)?

Response to Q2 to Q4:

The proposed dividend of 1.4 Singapore cent per Share declared in respect of FY2024 is higher than FY2023's dividend of 1.0 Singapore cent per Share.

The Company currently does not have a fixed dividend policy. The Board takes into consideration various factors such as the Group's financial performance, capital requirements, expansion plans and prevailing market conditions in determining the amount of dividends to be declared. The Board seeks to prioritise long-term value creation over short-term distributions and is committed to rewarding Shareholders in a sustainable manner, which it believes is in the best interests of the Company and its Shareholders.

[Q5] When does the Company expect a Malaysian listing?

[Q6] Our competitor ValueMax's associated company, Well Chip Group Berhad, achieved a significant milestone with its successful listing on the Bursa Malaysia Main Market on 26 July 2024. During MoneyMax's AGM last year, the previous Board had mentioned that they "had considered such a possibility" for a listing on the stock exchange of Malaysia including a secondary listing. Is there any good news so far from the Board to play catch up with our competitor ValueMax/Well Chip?

Response to Q5 and Q6:

The Company will continue to evaluate all viable options with prudence and in the best interests of the Company and the Shareholders and will provide updates to Shareholders should there be any significant developments in relation thereto.

[Q7] Within a fortnight from 30 October 2024 to 15 November 2024, gold prices had declined rapidly and sharply from US$2,800/oz to US$2,570/oz. In the unfortunate event the world experiences a sudden liquidity crisis, and all asset classes (including gold) drops rapidly and significantly (such that current gold price falls below the loan amounts of pledged gold for pawnbroking, or net realisable value is less than cost), has the Board considered a worst-case scenario planning to minimise losses?

[Q8] If there is a need to sell unredeemed pledges (i.e. gold and gold jewellery) and/or gold inventories for cash capital during a period of significant decline in gold prices, how does the Group prevent/minimise losses arising from the sale of these unredeemed pledges and gold inventories?

Response to Q7 and Q8:

The Company is mindful of the potential risks arising from sharp fluctuations in gold prices, including in extreme scenarios such as a sudden liquidity crisis. While gold is generally considered a defensive asset, the Board and management have been taking proactive steps to assess and plan for worst-case scenarios to minimise any potential losses.

The Company noted that the market average loan size per pledge in 2024 ranged from approximately S$2,100 to S$2,350, which reflects a low concentration risk within the pawnbroking portfolio. This small average loan size per pledge helps to reduce the impact of any sharp decline in gold prices.

The Company also observed from publicly available statistics that the amount of pawnbroking loans redeemed in November 2024 had increased by S$39 million from October 2024 to S$739 million, despite the decline in gold prices in the abovementioned period.

The Company has multiple channels to dispose of unredeemed pledges and takes a balanced approach to ensure losses (if any) are minimised.

[Q9] Please refer to page 105 of the FY2024 Annual Report under "Intangible assets", particularly "Goodwill". May I ask the Board and management why the lower end of the "Pledged loan growth rates (per annum)" of the 5 CGUs (Easimine group of companies, Kedai Pajak Heng Soon Sdn. Bhd., Pajak Gadai T&M Sdn. Bhd., Pajak Gadai Money Mine Sdn. Bhd. and 2017 Investments) declined by as much as 18.3% in FY2024?

Response to Q9:

Pledged loan growth rate (per annum) is a projection based on a combination of factors, including historical performance, market trends, and prevailing market conditions. The lower end of the projected growth rate reflects a conservative scenario to ensure prudent projections.

[Q10] Please refer to page 96 of the FY2024 Annual Report under "Other income and gains and (other losses)". While revenue had increased by 36.5% year-on-year, may I ask the Audit Committee why "Allowance for expected credit losses" had increased by as much as 2.2 times to S$1.226 million in FY2024?

[Q11] Under Note 19, there was an allowance for impairment of S$2.180 million (a huge jump compared to year FY2023). Can we have more details on this?

Response to Q10 and Q11:

The increase in the allowance for expected credit losses and the allowance for impairment in FY2024 was mainly due to the increase in overdue hire purchase instalment receivables within the auto-financing business, which is classified under the Group's secured lending business segment.

Management continues to take active steps to recover the outstanding loans, including taking legal actions where appropriate. Concurrently, the management maintains a prudent approach in the credit assessment process when granting loans under the auto-financing business. These measures are part of the ongoing efforts to manage and minimise credit losses to the Group. Notwithstanding this, the Company noted that profit before income tax of the Group's secured lending business segment had increased from S$10.0 million in FY2023 to S$10.2 million in FY2024.

[Q12] Under Note 14 of the FY2024 Annual report, there was a write-off of S$14.543 million of right-of-use ("ROU") assets. Can the Company share more information on this?

Response to Q12:

The write-off of ROU assets is a requirement under accounting standards (IFRS 16 - Leases) for leases that have expired and were subsequently renewed. Upon expiry of the leases, these ROU assets are written-off and the new leases (if any) will be assessed and recognised as an addition to ROU assets.

By Order of the Board

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

Date: 17 April 2025

The contact person for the sponsor is Mr. Lim Hoon Khiat, Senior Director, Equity Capital Markets, who can be contacted at 80 Raffles Place, #03-03 UOB Plaza 1, Singapore 048624, telephone: +65 6533 9898.