VENTURING NEW GROUNDS

ANNUAL REPORT 2014

MONEYMAX 銀豐

MONEYMAX FINANCIAL SERVICES LTD.

CONTENTS

This Annual Report has been prepared by the Company and its contents have been reviewed by the Company's sponsor, United Overseas Bank Limited (the "Sponsor"), for the 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 Annual Report. This Annual Report has not been examined or approved by the SGX-ST. The Sponsor and the SGX-ST assume no responsibility for the contents of this Annual Report, including the correctness of any of the statements or opinions made or reports contained in this Annual Report. 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 6533 9898.

MoneyMax Online is available in desktop and mobile (Android and iOS) platforms.

1ST PAWNBROKER
IN SINGAPORE TO OFFER ONLINE VALUATION

Celebrating the successful launch of MoneyMax Online, at The Ritz-Carlton, Millenia Singapore.

ABOUT **MONEYMAX** FINANCIAL SERVICES LTD.

Listed on SGX Catalist since 2 August 2013, **MoneyMax Financial Services Ltd.** ("MoneyMax" and together with its subsidiaries, the "Group") is a pawnbroker, retailer and trader of pre-owned jewellery and watches. Since establishing its first outlet in Yishun in 2008, the Group has quickly expanded its reach to the mass market. Today, the Group is one of the largest pawnbroking chains in Singapore, with 38 outlets conveniently and strategically located across the island in Singapore. In 2014, the Group acquired a majority stake in a network of nine (9) pawnshops in Malaysia, making it the largest pawnbroking chain with a presence in Singapore and Malaysia.

As a customer-centric and innovative company, MoneyMax is constantly exploring new opportunities to enhance customer experience and service standards in the pawnbroking industry. In February 2015, MoneyMax launched MoneyMax Online, making it Singapore's first pawnbroking chain to offer an online platform to shop, sell and appraise their valuables.

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 a recipient of the Singapore Excellent Service Award commissioned by SPRING Singapore. MoneyMax has also won the Singapore Prestige Brand Award two years in a row since 2013.

MESSAGE FROM **EXECUTIVE CHAIRMAN** AND CEO

Dear Shareholders,

On behalf of the Board of Directors, I am pleased to present the annual report of MoneyMax Financial Services Ltd. ("MoneyMax" or the "Company") for the financial year ("FY") ended 31 December 2014.

FY2014 REVIEW

FY2014 was a challenging yet rewarding year for MoneyMax and its subsidiaries (the "Group"). We continued to strengthen our brand while achieving higher economies of scale and higher revenues. During the year, we expanded our reach in Singapore by launching six new retail outlets at Kovan, Tampines, Soon Lee, Zheng Hua, Ang Mo Kio and Jurong MRT. We also successfully initiated in FY2014 the Group's regional expansion into the Malaysian market. In June 2014, the Group signed an agreement with Mr. Chong Mei Sang for a 51% stake in a group of pawnshops located in Johor, Negeri Seremban and Selangor (the "Malaysian Investment"). We believe this strategic expansion into Malaysia will provide additional opportunities for the long-term growth of the Group, while increasing further opportunities for potential alliances with partners in other parts of the region.

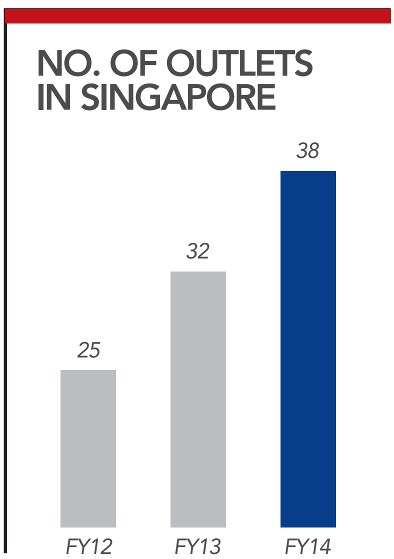
As at 31 March 2015, MoneyMax is the largest pawnbroking chain with presence in both Singapore and Malaysia with 38 outlets in Singapore and 9 outlets in Malaysia, giving us a total network of 47 outlets in both countries. The Group also expects to open additional outlets in Malaysia in 2015. We will continue to deepen our reach and capability in Singapore, while pursuing opportunities in other markets.

With our entry and investment into Malaysia, the Group will be subjected to currency fluctuations which may result in a foreign exchange gain or loss. In addition, gold prices continued to be volatile throughout FY2014.

Despite the challenging environment, we strongly believe that our strategy of expanding our regional presence for long-term growth, coupled with strong branding and people development will reap higher sustainable returns for our shareholders.

MoneyMax is dedicated to continual investment in our people, whom we believe are our core asset. We have put in place rigorous training programmes over the year to upgrade our employees' skills and to empower them with greater knowledge. We will continue to strengthen our team and nurture a talent pool who will drive our quest for excellence.

As testament to our continuous effort to build a strong MoneyMax team, we are also pleased to report that we have won significant accolades in branding (Singapore Prestige Brands Award 2014 – Established Brands) and service (Excellent Service Award 2014).



1. *Providing "almost instant" short term financing solutions for our customers*
2. *Our team of professional and experienced gemologists*
3. *Beautiful and wide selection of pre-owned jewellery at MoneyMax*
4. *Joint venture signing ceremony with Mr. Chong Mei Sang on 20 June 2014, which marks the exciting start of MoneyMax's regional expansion into Malaysia*

In addition, MoneyMax is the only pawnbroker in Singapore to be awarded both the ISO9001 (ISO9001:2008) certification and CaseTrust Accredited Pawnbroker, underscoring our commitment to consistently meet and deliver customer satisfaction as well as fair trading and transparency, respectively. These awards and accreditations further affirm our dedication to making MoneyMax a professional and trustworthy brand, as well as enhancing our capabilities to sharpen our competitive edge.

OUTLOOK FOR FY2015

Going into 2015, despite challenging conditions, we are optimistic that we will continue to grow financially and will strive to further build our presence in Singapore and Malaysia. In all our efforts, we will grow prudently, while ensuring that our infrastructure and available resources are able to fully support growth. With our strong financial position and established network in the region, we are confident that we are well-placed to deliver long term value and returns to all our shareholders.

As at 31 March 2015, MoneyMax is the largest pawnbroking chain with presence in both Singapore and Malaysia with 38 outlets in Singapore and 9 outlets in Malaysia, giving us a total network of 47 outlets in both countries.


PAWNSHOP
當
Your Instant Money Solution!
您的专业
典當顾问!
MONEYMAX
MONEYMAX
High Valuation
优惠當价

MoneyMax is dedicated to continual investment in our people, whom we believe are our core asset. We have put in place rigorous training programmes over the year to upgrade our employees' skills and to empower them with greater knowledge.

APPRECIATION

In closing, we would like to thank our Board of Directors for their advice and guidance during the year. We also wish to extend our gratitude to the management and employees of the Group for their untiring support and continued efforts. The accomplishments of MoneyMax would not have been possible without their leadership, contribution and commitment.

Lim Yong Guan
Executive Chairman and Chief Executive Officer

OUR **EXTENSIVE** NETWORK

SINGAPORE

MONEYMAX

WEST
- Boon Lay
- Bukit Gombak
- Bukit Panjang
- Choa Chu Kang MRT
- Clementi
- Jurong East
- Jurong East MRT
- Jurong Point
- Jurong West
- Yew Tee
- Soon Lee
- Zheng Hua

NORTH
- Ang Mo Kio
- Ang Mo Kio MRT
- Cheng San
- Chong Pang
- Hougang
- Kovan
- Sengkang
- Woodlands
- Woodlands MRT
- Yishun

CENTRAL
- Bendemeer
- Bishan MRT
- Bukit Merah
- Little India
- Redhill
- Serangoon
- Toa Payoh

EAST
- Bedok
- Geylang
- Pasir Ris
- Paya Lebar MRT
- Tampines 1
- Tampines 2
- Tampines St 21

CASH ONLINE
- Causeway Point
- Little India

MALAYSIA

PAWNSHOPS

JOHOR
- Kluang
- Kulai
- Masai
- Parit Sulong
- Pontian
- Taman Pandan
- Ulu Tiram

NEGERI SEMBILAN
- Seremban

SELANGOR
- Kapar

FINANCIAL AND **OPERATIONAL REVIEW**

REVIEW OF THE GROUP'S PERFORMANCE

REVENUE

The Group reported a 11.1% increase in revenue to S$72.9 million for the FY2014 compared to S$65.6 million in FY2013. The increase was mainly due to higher revenue from the retail and trading of pre-owned jewellery and watches segment as a result of higher sales of pre-owned jewellery and watches deemed to be unsuitable for retail sales. The Malaysian Investment also contributed S$1.0 million in revenue to the pawnbroking segment.

FY2014 gross profit(1) margin dipped slightly to 33.9% from 35.0% a year ago as yields from the trading of pre-owned jewellery and watches are generally lower than those from retail.

OTHER GAINS

The Group recorded a 199.7% rise in other gains to S$1.1 million in FY2014 from S$0.4 million in FY2013 mainly due to a rise in rental income and government grants in aggregate of S$0.4 million, as well as the reversal in the inventories provision of S$0.3 million made in FY2013.

EXPENSES

The Group recorded a 13.0% increase in material costs to S$48.2 million in FY2014 from S$42.6 million in FY2013, in line with the increase in trading activities from the retail and trading of pre-owned jewellery and watches segment.

Employee benefits expense increased by 29.6% to S$8.7 million in FY2014 from S$6.7 million in FY2013, mainly due to the increase in number of employees attributable to the addition of new retail outlets in Singapore and Malaysia and the increase in corporate headquarter activities in conjunction with the listing of the Company.

The launch of new retail outlets in Singapore and Malaysia and the refurbishment of existing outlets in FY2014 contributed to a 36.2% increase in depreciation and amortisation expenses to S$2.3 million in FY2014 from S$1.7 million in FY2013.

Finance costs increased by 12.0% to S$2.5 million in FY2014 from S$2.2 million in FY2013, mainly due to the increase in interest expense in line with the higher usage of bank facilities to fund the acquisition of inventories, pledged loans extended to customers and the Malaysian Investment.

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

Other losses remained stable at S$0.3 million in FY2014 and FY2013. It comprised of foreign exchange loss of S$0.2 million and plant and equipment written off of S$0.1 million in FY2014 and inventories written down of S$0.3 million in FY2013.

The Group recorded a 6.8% increase in other expenses to S$10.7 million in FY2014 from S$10.0 million in FY2013. Excluding a one-time non-recurring listing expenses of S$1.2 million charged in FY2013, there was an increase in other expenses of S$1.9 million in FY2014 over FY2013, mainly due to the increase in rental and other operating expenses relating to the new retail outlets opened in Singapore and the Malaysian Investment and partially offset by the decrease in advertising and promotion expenses.

PROFIT BEFORE TAX AND NET PROFIT ATTRIBUTABLE TO OWNERS OF THE COMPANY

As a result of the above, profit before income tax decreased by 40.8% to S$1.4 million in FY2014 from S$2.4 million in FY2013.

Income tax expense remained stable at S$0.6 million in FY2014 and FY2013 despite the decrease in profit before income tax in FY2014 as compared to FY2013, mainly due to under adjustments to tax in certain subsidiaries for prior years, and the Group reported a 48.3% decline in net profit attributable to owners of the Company to S$0.9 million in FY2014 from S$1.8 million in FY2013.

REVIEW OF THE GROUP'S FINANCIAL POSITION

The Group's non-current assets rose 73.4% to S$5.5 million as at 31 December 2014 from S$3.2 million a year ago, mainly due to an increase in plant and equipment of S$1.4 million pursuant to capital expenditure incurred for the launch of new retail outlets in Singapore and the acquired plant and equipment of S$0.6 million which were acquired pursuant to the Malaysian Investment as well as the capitalisation of a S$1.3 million in goodwill arising from the Malaysian Investment. The increase was partially offset by the decrease in intangible assets of S$0.2 million due to the amortisation of lease assignment fees and the decrease in deferred tax assets of S$0.2 million due to utilisation of tax losses via the claiming of group relief in FY2014.

Current assets increased by 10.2% to S$175.4 million as at 31 December 2014 from S$159.2 million as at 31 December 2013. Of the S$16.2 million, S$6.8 million was due to the current assets acquired pursuant to the Malaysian Investment.

The increase in current assets of S$16.2 million was a result of an increase in inventories and trade and other receivables of S$4.7 million and S$12.0 million, respectively. This was partially offset by a decrease in cash and cash equivalents of S$0.5 million. The increase in inventories was due to the opening of new retail outlets in FY2014 while the increase in trade and other receivables was mainly due to the increase in pledged loans extended to customers and pursuant to the Malaysian Investment.

Non-current liabilities increased to S$3.4 million as at 31 December 2014 mainly due to the drawdown of bank facilities to finance the acquisition of inventories, pledged loans extended to customers and the Malaysian Investment.

Current liabilities increased by 14.4% to S$119.5 million as at 31 December 2014 from S$104.5 million as at 31 December 2013. Of the S$15.0 million, S$6.7 million was due to the current liabilities acquired pursuant to the Malaysian Investment. The increase in current liabilities of S$15.0 million was a result of an increase in other financial liabilities, trade and other payables and other liabilities of S$13.7 million, S$1.4 million and S$0.3 million, respectively, partially offset by a decrease in income tax payable of S$0.4 million. The increase in other financial liabilities was due to the higher usage of bank facilities to finance the pawnshop business and the Malaysian Investment while the increase in trade and other payables was mainly due to the liabilities which were acquired pursuant to the Malaysian Investment.

Equity attributable to owners of the Company decreased by 0.2% to S$57.8 million as at 31 December 2014 from S$57.9 million as at 31 December 2013.

REVIEW OF THE GROUP'S CASHFLOW STATEMENT

Net cash generated from operating activities before changes in working capital was S$6.3 million in FY2014. Net cash used in working capital amounted to S$15.2 million. This was due to an increase in inventories and trade and other receivables as well as a decrease in trade and other payables of S$4.6 million, S$6.4 million and S$4.4 million, respectively. This was partially offset by a decrease in other assets of S$0.2 million. The net cash used in operating activities amounted to S$9.7 million.

Net cash used in investing activities of S$4.2 million was mainly due to the renovation costs related to the opening of new retail outlets and net cash consideration paid for the Malaysian Investment of S$2.7 million and S$1.5 million, respectively.

Net cash generated from financing activities was S$13.0 million, mainly due to proceeds from bank borrowings of S$16.6 million and this was partially offset by interest paid and dividends paid of S$2.5 million and S$1.1 million, respectively.

As a result of the above, there was a net decrease of S$0.9 million in cash and cash equivalents, from a net cash surplus of S$3.7 million as at 31 December 2013 to a net cash surplus of S$2.8 million as at 31 December 2014.

CHANGES IN ISSUED AND PAID-UP SHARE CAPITAL

The number of ordinary shares and paid-up share capital remains unchanged at 353.8 million and S$56.1 million as at 31 December 2014, respectively, as compared to a year ago.

As at 31 December 2014, the Group's net asset value per share was 16.34 Singapore cents as compared to 16.37 Singapore cents as at 31 December 2013.

CORPORATE INFORMATION

BOARD OF DIRECTORS
Lim Yong Guan, Executive Chairman and CEO
Lim Yong Sheng, Executive Director
Lim Liang Eng, Executive Director
Ng Cher Yan, Lead Independent Director
Ong Seh Hong, Independent Director
Khua Kian Kheng Ivan, Independent Director
Foo Say Tun, Independent Director

AUDIT COMMITTEE
Ng Cher Yan, Chairman
Ong Seh Hong
Khua Kian Kheng Ivan
Foo Say Tun

NOMINATING COMMITTEE
Ong Seh Hong, Chairman
Ng Cher Yan
Khua Kian Kheng Ivan
Foo Say Tun

REMUNERATION COMMITTEE
Khua Kian Kheng Ivan, Chairman
Ng Cher Yan
Ong Seh Hong
Foo Say Tun

COMPANY SECRETARY
Choi Swee Weng (CA)

SPONSOR
United Overseas Bank Limited
80 Raffles Place
UOB Plaza
Singapore 048624

COMPANY REGISTRATION NUMBER
200819689Z

REGISTERED OFFICE
51 Kaki Bukit Place
Eunos Techpark
Singapore 416228

Tel: 65 6512 6233
Fax: 65 6743 9533
Website: www.moneymax.com.sg

AUDITOR
RSM Chio Lim LLP
Public Accountants and Chartered Accountants
8 Wilkie Road
#03-08 Wilkie Edge
Singapore 228095

Audit Partner-in-Charge: Woo E-Sah

Appointed since financial year ended
31 December 2012

SHARE REGISTRAR
B.A.C.S. Private Limited
63 Cantonment Road
Singapore 089758

PRINCIPAL BANKERS
United Overseas Bank Limited
80 Raffles Place
UOB Plaza
Singapore 048624

DBS Bank Ltd.
12 Marina Boulevard
Marina Bay Financial Centre Tower 3
Singapore 018982

Overseas-Chinese Banking Corporation Limited
65 Chulia Street
#09-00 OCBC Centre
Singapore 049513

BOARD OF **DIRECTORS**

MR. LIM YONG GUAN, PETER

Executive Chairman and CEO,
Co-Founder

Mr. Peter Lim is one of the three founders of MoneyMax Financial Services Ltd. ("MoneyMax" or the "Company"), and was appointed Executive Chairman and CEO on 9 October 2008. Mr. Lim is responsible for the overall management, operations, strategic planning, and business development for the Company and its subsidiaries (the "Group"), and has been instrumental in its growth. He is responsible for driving the operational efficiency of the Group's work processes, monitoring the development and performance of the Group's business, and identifying new opportunities for expansion.

Prior to founding MoneyMax, Mr. Lim was involved in managing various family businesses, including the Soo Kee group of companies, which are engaged in the retailing of jewellery under the Soo Kee Jewellery, SK Jewellery and Love&Co. brands.

Mr. Lim currently serves as the Vice Chairman for the Radin Mas Citizens' Consultative Committee, the Teochew Poit Ip Huay Kuan, the Theng Hai Huay Kuan, the Bedok Centre Merchants' Association, the Federation of Merchants' Association and Sian Chay Medical Institution. He also sits on the management committee for Hua Yan Buddhist Society.

Mr. Lim holds a Diploma in Business Administration from the Singapore Chinese Chamber Institute of Business.

MR. LIM YONG SHENG, DANIEL

Executive Director, Head of Branding and Marketing,
Co-Founder

Mr. Daniel Lim is one of the three founders of MoneyMax, and was appointed Executive Director and Head – Branding and Marketing on 9 October 2008. Mr. Lim oversees and co-ordinates the marketing strategy and brand management for MoneyMax.

His duties include ensuring the consistency and cohesiveness in brand perception, developing integrated brand campaigns across various media platforms, and monitoring marketing and refurbishment budgets. Mr. Lim also oversees the development of the retail outlet concepts, the planning, execution and optimisation of branding strategies and renovation projects.

Prior to founding MoneyMax, Mr. Lim was involved in managing various family businesses, including the Soo Kee group of companies, which are engaged in the retailing of jewellery under the Soo Kee Jewellery, SK Jewellery and Love&Co. brands.

Mr. Lim holds a Bachelor of Science in Electrical Engineering from the National University of Singapore.

MDM. LIM LIANG ENG

Executive Director, Head of Merchandising,
Co-Founder

Mdm. Lim Liang Eng is one of the three founders of MoneyMax, and was appointed Executive Director and Head – Merchandising on 9 October 2008. Mdm. Lim supervises the Group's procurement operations, purchasing, merchandising and pricing strategies.

Prior to founding MoneyMax, Mdm. Lim was involved in managing various family businesses, including the Soo Kee group of companies, which are engaged in the retailing of jewellery under the Soo Kee Jewellery, SK Jewellery and Love&Co. brands.

Mdm. Lim holds educational certificates from National Junior College and Dunman High School.

MR. NG CHER YAN, PBM

Lead Independent Director

Mr. Ng Cher Yan was appointed Lead Independent Director of MoneyMax on 27 June 2013. Mr. Ng has almost 30 years of experience in the areas of accounting and finance, and is currently the managing partner of an accounting practice, Plus LLP, formerly known as CY Ng & Co..

Prior to the above, Mr. Ng worked for an international accounting firm for six (6) years. Mr. Ng currently also serves as an independent director on the boards of several SGX-ST listed companies, namely, Samko Timber Limited, Ecowise Holdings Limited, Mermaid Maritime Public Co Ltd., and Vicplas International Limited. He is also the immediate past Chairman of the Citizens' Consultative Committee of the Braddell Heights Constituency.

Mr. Ng holds a Bachelor of Accountancy from the National University of Singapore and is qualified as a Chartered Accountant, Australia. He is a Fellow Member of the Institute of Singapore Chartered Accountants, as well as a member of the Institute of Chartered Accountants in Australia. In 2007, Mr. Ng was awarded the Pingat Bakti Masyarakat, or the Public Service Medal.

DR. ONG SEH HONG, PBM

Independent Director

Dr. Ong Seh Hong was appointed Independent Director of MoneyMax on 27 June 2013. Dr. Ong presently serves as a Senior Consultant Psychiatrist at Khoo Teck Puat Hospital, Alexandra Health Group.

Prior to joining Alexandra Health Group in 2009, Dr. Ong served as clinical director and chief operating officer of Ren Ci Hospital and Medicare Centre between 2000 and 2009. He was also vice-president of corporate services with Government of Singapore Investment Corporation (GIC) Special Investments Pte. Ltd. between 1997 and 1999.

Dr. Ong was previously a Member of Parliament for the Marine Parade Group Representation Constituency (GRC) between 2006 and 2011, and for the Aljunied GRC between 2001 and 2006. He also serves as an independent director on the boards of several SGX-ST listed companies, namely, Dyna-Mac Holdings Ltd, Zhongmin Baihui Retail Group Ltd and Hock Lian Seng Holdings Limited.

Dr. Ong holds a Bachelor of Medicine, Bachelor of Surgery (MBBS), and a Masters of Science in Applied Finance, from the National University of Singapore. He is also a Member of the Royal College of Psychiatrists in the United Kingdom and a Fellow of the Academy of Medicine, Singapore. In 2001, Dr. Ong was awarded the Pingat Bakti Masyarakat, or the Public Service Medal.

MR. KHUA KIAN KHENG, IVAN

Independent Director

Mr. Khua Kian Kheng, Ivan was appointed Independent Director of MoneyMax on 27 June 2013. Mr. Khua is currently the executive director of Hock Leong Enterprises Pte. Ltd. (HLE), where he oversees the financial, administrative, human resource and business development aspects of HLE's business and operations.

Prior to joining HLE, Mr. Khua worked with Rider Hunt Levett and Bailey, a consultancy firm, between 2000 and 2004. Mr. Khua also currently serves as an independent director of the SGX-ST listed KSH Holdings Limited.

Mr. Khua holds a Diploma in Building (with Merit) from Singapore Polytechnic, and a Bachelor's degree in Building Construction Management (First Class Honours) from the University of New South Wales, Australia. He is also a member of the Singapore Institute of Arbitrators, and an associate of the Singapore Institute of Building. He is a member of Singapore Polytechnic's School of Architecture and the Built Environment Advisory Committee, and is a full member of the Singapore Institute of Directors.

MR. FOO SAY TUN

Independent Director

Mr. Foo Say Tun was appointed Independent Director of MoneyMax on 27 June 2013. Mr. Foo was called to the Singapore Bar in 1995 and the Malaysian Bar in 1992. Mr Foo was a lawyer practicing civil litigation, arbitration and corporate law.

Mr. Foo also serves as an independent director on the boards of several SGX-ST listed companies, namely, Fu Yu Corporation Limited, Qingmei Group Holdings Limited, Jubilee Industries Holdings Limited (previously known as JLJ Holdings Limited) and Sino Techfibre Limited.

Mr. Foo holds a Bachelor of Laws degree from the University of East Anglia (UK), and was admitted to Middle Temple (UK) as a Barrister-at-Law in 1991.

MANAGEMENT TEAM

MDM. TAN YANG HONG

Chief Operating Officer (COO)

Mdm. Tan Yang Hong was appointed Chief Operating Officer of the Group on 1 October 2010. Mdm. Tan oversees the Group's operations, including dealings with financial institutions, relevant government authorities, Management Integrated Systems (MIS), human resources, management and general administration. She is also involved in determining and executing operational audit plans and schedules.

Mdm. Tan has more than 20 years of experience in the jewellery industry, and was responsible for human resource, operational and administrative matters for the Soo Kee group of companies from 1991 to 2012. She holds a Diploma in Electronics Engineering from Ngee Ann Polytechnic.

MDM. LIM LIANG SOH

Head – Retail Operations

Mdm. Lim Liang Soh was appointed Head – Retail Operations on 1 October 2010. Since 2010, she has been managing the overall brand strategy and activities for MoneyMax. She is currently responsible for, overseeing the Group's operations, day-to-day business processes, controls, talent management and recruitment.

Mdm. Lim has more than 20 years of experience in the jewellery industry, and was responsible for retail operational matters for the Soo Kee group of companies from 1991 to 2012. She holds a Diploma in Chemical Process Technology from Singapore Polytechnic.

MR. CHOI SWEE WENG

Chief Financial Officer (CFO)

Mr. Choi Swee Weng was appointed Chief Financial Officer of the Group on 16 April 2012. He is responsible for the overall financial functions and accounting matters of the Group.

Mr. Choi has extensive experience in accountancy and finance, having previously served as the group financial controller of Goldbell Corporation Pte Ltd between 2011 and 2012, the chief financial officer for JLJ Holdings Ltd (now known as Jubilee Industries Holdings Limited which was listed on Catalist on 2009) between 2007 and 2010, the vice-president of finance and operations of Hotel Information Systems Asia Pte Ltd, a subsidiary of MAI Systems Corporation (then listed on the American Stock Exchange (AMEX)) between 1997 and 2007 and the financial controller to Quest Technology (S) Pte Ltd between 1994 and 1996.

Mr. Choi is a Fellow Member of the Association of Chartered Certified Accountants (ACCA).

CORPORATE GOVERNANCE REPORT

The board of directors (the "**Board**") of MoneyMax Financial Services Ltd. (the "**Company**", together with its subsidiaries, the "**Group**") is committed to ensuring a high standard of corporate governance to protect the interests of the shareholders of the Company (the "**Shareholders**") and to maximise long term Shareholders' value.

This report (this "**Report**") describes the Group's corporate governance structures and practices currently in place with specific reference made to the principles and guidelines of the Code of Corporate Governance 2012 (the "**Code**") and, where applicable, the Singapore Exchange Securities Trading Limited (the "**SGX-ST**") Listing Manual: Section B Rules of Catalist (the "**Catalist Rules**").

The Board is pleased to report on the compliance of the Group with the Code. Such compliance is regularly reviewed to ensure transparency and accountability.

Principle 1: The Board's Conduct of its Affairs

The primary function of the Board is to provide effective leadership and direction to enhance the long-term value of the Group to Shareholders and other stakeholders. The Board oversees the business affairs of the Group. The Board has the overall responsibility for reviewing the Group's strategic plans and performance objectives, financial plans and annual budget, key operational initiatives, major funding and investment proposals, financial performance and corporate governance practices.

In addition, the principal functions of the Board include:

- Approving the broad policies, strategies and financial objectives of the Group and ensuring that the necessary financial and human resources are in place for the Group to meet its objectives;
- Overseeing the processes for evaluating the adequacy of internal controls, risk management, financial reporting and compliance;
- Reviewing the performance of the management and approving the nominations of directors of the Company (the "**Directors**") and appointment of key management personnel;
- Approving annual budgets, major funding proposals, investment and divestment proposals;
- Setting the Group's values and standards (including ethical standards) and ensuring that the obligations to the Shareholders and other stakeholders are met; and
- Assuming responsibility for corporate governance.

The Board exercises due diligence and independent judgement in dealing with the business affairs of the Group and works with the management to make objective decisions in the interest of the Group.

The Board is supported by a number of board committees (the "Board Committees") to assist it in the discharge of its responsibilities. These Board Committees operate under clearly defined terms of reference. The three (3) Board Committees are:

- Audit Committee (the "**AC**");
- Nominating Committee (the "**NC**"); and
- Remuneration Committee (the "**RC**").

The Board accepts that while the Board Committees have the authority to examine particular issues and will report back to the Board with their decisions and/or recommendations, the ultimate responsibility on all matters lies with the Board.

CORPORATE GOVERNANCE REPORT

The Board meets at least four (4) times a year to review and approve, inter alia, the quarterly financial results of the Group, including the half-year and full year results. The Board also meets as warranted by circumstances to supervise, direct and control the Group's business and affairs. Apart from approvals obtained at Board meetings, important matters are also put to the Board for approval by way of circulating resolutions in writing. As provided in the Company's Articles of Association, the Board may convene telephonic and videoconferencing meetings.

The attendances of the Directors at meetings of the Board and Board Committees, as well as the frequency of such meetings held during the financial year ended 31 December ("FY") 2014 are as follows:

	Board and Board Committees			
	Board	Audit Committee	Nominating Committee	Remuneration Committee
No. of meetings held	4	4	1	1
No. of meetings attended by the Directors				
Mr. Lim Yong Guan	4*	–	–	–
Mr. Lim Yong Sheng	4	–	–	–
Mdm. Lim Liang Eng	4	–	–	–
Mr. Ng Cher Yan	4	4*	1	1
Dr. Ong Seh Hong	4	4	1*	1
Mr. Khua Kian Kheng Ivan	4	4	1	1*
Mr. Foo Say Tun	4	4	1	1

* Chairman

The Group has adopted guidelines setting forth matters that require Board approval. The types of material transactions that require Board approval under such guidelines include:

- Strategies and objectives of the Group;
- Budgets/forecasts;
- Announcement of quarterly, including the half-year and full year results, and release of annual reports;
- Issuance of securities;
- Declaration of interim dividends and proposed final dividends;
- Convening of Shareholders' meetings;
- Material acquisition/investment, divestment or capital expenditure;
- Corporate or financial restructuring;
- Diversification of business; and
- Interested person transactions.

The management keep the Directors up-to-date on pertinent developments in the business, financial reporting standards and industry-related matters. Such periodic updates provided to the Directors facilitate the discharge of their duties. The Directors are also encouraged to keep abreast of developments in regulatory, legal and accounting frameworks that are of relevance to the Group through the extension of opportunities for participation in training courses, seminars and workshops as relevant and/or applicable. At each Board meeting, the Chief Executive Officer (the "**CEO**") updates the Board on the business and strategic developments of the Group.

CORPORATE **GOVERNANCE REPORT**

The Company has a policy that new incoming Directors are to be briefed on the Group's business, strategies, operations and organisation structures to enable them to assimilate into their new roles. The new incoming Directors are also welcome to request further explanations, briefings or informal discussions on any aspects of the Group's operational or business issues from the management. The Company will make the necessary arrangements for the site visits, briefings, informal discussions or explanations required by the new incoming Directors.

Newly appointed Directors will be provided with a formal letter setting out their duties and obligations.

There were no newly appointed Directors during FY2014.

Principle 2: Board Composition and Guidance

The Board currently comprises seven (7) Directors, three (3) executive Directors (each the "**Executive Director**" or the "**Executive Directors**") and four (4) independent non-executive Directors (each the "**Independent Director**" or the "**Independent Directors**"). As four (4) out of seven (7) Directors are Independent Directors, the requirement of the Code that the Independent Directors must make up at least half of the Board, where the Chairman of the Board (the "**Chairman**") and the CEO is the same person, the Chairman is part of the management team or the Chairman is not an Independent Director, is satisfied.

The Independent Directors have each confirmed that they do not have any relationship with the Company, its related corporations, its officers or its Shareholders with shareholdings of 10.0% or more in the voting shares of the Company that could interfere, or be reasonably perceived to interfere, with the exercise of their independent business judgement with a view to the best interests of the Group.

The NC, in its deliberations as to the independence of the Independent Directors, has reviewed, determined and confirmed the independence of the Independent Directors.

There are no Independent Directors who have served on the Board beyond nine (9) years from the date of his first appointment.

The NC reviews the size and composition of the Board and Board Committees. While reviewing the composition of the Board and Board Committees, the NC takes into account the balance and diversity of the Board's skills, competencies, experience, gender and knowledge of the Group, among other factors. These competencies include accounting and finance, business acumen, management experience, industry knowledge, strategic planning experience, familiarity with regulatory requirements and knowledge of risk management. As mentioned under Principle 5 below, the NC also conducts an annual assessment of the performance and effectiveness of the Board as a whole.

The Board comprises six (6) male Directors and one (1) female Director. The Executive Directors are co-founders of the Group who each has over seven (7) years of experience in the pawnbroking industry. Each of the Independent Directors is qualified and experienced in various fields including accounting and finance, business and management and legal practices. Prior to the Company's listing on Catalist of the SGX-ST on 2 August 2013 (the "**Listing**"), the Independent Directors were also briefed on the Group's business, strategies, operations and organisation structures to enable them to assimilate into their roles as independent directors.

The NC has reviewed and is satisfied that the current size and composition of the Board and Board Committees is appropriate for effective decision making, having taken into consideration the nature and scope of the Group's operations, the balance and diversity of the Board's skills, competencies, experience, gender and knowledge of the Group, among other factors. The NC is also of the view that the Directors possess as a group the necessary competencies and knowledge to lead and govern the Group effectively.

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Principle 3: Chairman and CEO

The Code advocates that there should be a clear division of responsibilities between the leadership of the Board and the executives responsible for managing the Group's business and no one individual should represent a considerable concentration of power.

The Company has the same Chairman and CEO, Mr. Lim Yong Guan and he is an Executive Director.

The Board has not adopted the recommendation of the Code to have separate Directors appointed as the Chairman and the CEO as it is of the view that it is in the best interests of the Group to adopt a single leadership structure, whereby the Chairman and CEO is the same person, so as to ensure that the decision-making process of the Group could function expeditiously. In addition, all major proposals and decisions made by the Chairman and CEO are discussed, reviewed and approved by the Board. As the AC, RC and NC consist of all Independent Directors, the Board believes that there are sufficient strong and independent elements and safeguards in place against an uneven concentration of power and authority in a single individual.

Mr. Lim Yong Guan brings with him a wealth of experience and leads the Board to ensure its effectiveness on all aspects of its role. As the Executive Chairman and CEO, he assumes responsibility for the smooth functioning of the Board and ensures the timely flow of information between the management and the Board, sets the agenda for Board meetings, ensures sufficient allocation of time for thorough discussion of each agenda item, promotes a culture of openness and debate at the Board and promotes high standards of corporate governance. In addition, he also assumes the responsibility for running the day-to-day business of the Group, ensures the implementation of policies and strategies across the Group as set by the Board, manages the management team and leads the development of the Group's future strategies including identifying and assessing risks and opportunities for the growth of its business and reviewing the performance of its existing business.

Mr. Ng Cher Yan, being the Lead Independent Director of the Company, will be able to address the concerns of the Shareholders, employees or other persons in the event that interactions with the Executive Chairman and CEO or the Chief Financial Officer (the "CFO") cannot satisfactorily resolve their concerns or where such channel of communications is considered inappropriate.

Principle 4: Board Membership

The NC comprises four (4) members, all of whom, including the NC Chairman, are independent.

Chairman:	Dr. Ong Seh Hong	(Independent Director)
Members:	Mr. Ng Cher Yan	(Independent Director)
	Mr. Khua Kian Kheng Ivan	(Independent Director)
	Mr. Foo Say Tun	(Independent Director)

The NC is guided by its written terms of reference which stipulates that its principal roles include, inter alia, maintaining a formal and transparent process for the appointment of new Directors to the Board, determining the independence of the Directors and the appropriate size and composition of the Board and Board Committees, and reviewing and approving the appointment of key management personnel of the Group.

Currently, there is no succession plan put in place by the Executive Chairman and CEO. Going forward and at the relevant time, the Executive Chairman and CEO will look into formulating such a plan in close consultation with the NC.

As mentioned under Principle 1 above, the Directors are encouraged to constantly keep abreast of developments in regulatory, legal and accounting frameworks that are of relevance to the Group through the extension of opportunities for participation in the relevant training courses, seminars and workshops as relevant and/or applicable.

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Key responsibilities of the NC include making recommendations to the Board on relevant matters such as the process for evaluating the performance of the Board and each Director. It also ensures compliance with the requirements of the Company's Articles of Association which stipulates that at each annual general meeting ("AGM"), one-third of the Board is required to retire and that every Director shall retire from office at least once every three (3) years. In this respect, the NC has recommended, and the Board has agreed for the following Directors to retire and seek re-election at the forthcoming AGM:

- Mr. Lim Yong Guan (Article 89);
- Mr. Lim Yong Sheng (Article 89); and
- Mr. Ng Cher Yan (Article 89).

As mentioned under Principle 2 above, the NC has reviewed the independence of the Directors as set out under Guideline 2.3 of the Code and is satisfied with the independence of the Independent Directors. Guideline 2.4 of the Code is not applicable to the Board as none of the Independent Directors has served beyond nine (9) years from his date of appointment.

All Directors are required to declare their board representations. There is no maximum number of listed board representations currently prescribed for the Directors. The NC, at the relevant time, will look into reviewing and making a recommendation to the Board on the maximum number of listed board representations which any Director may hold.

When a Director has multiple board representations, the NC will consider whether the Director is able to adequately carry out his or her duties as a Director of the Company, taking into consideration the Director's number of listed board representations, the Director's other principal commitments, the roles and scope of responsibilities of these principal commitments and involvement of any other activities outside of these principal commitments, among other factors. The NC has reviewed and is satisfied that each current Director of the Company has been able to devote sufficient time and attention to the affairs of the Group to adequately discharge his or her duties as a Director of the Company, notwithstanding his or her respective board representations.

As at the date of this Report, the Company does not have any alternate director.

The Company has established the following process for the selection and appointment of new Directors:

- The NC determines a suitable size of the Board and evaluates the balance and diversity of skills, competencies, experience, gender and knowledge of members of the Board required to add value and facilitate effective decision-making, after taking into consideration the scope and nature of the Group's operations;

- The NC considers various sources of seeking suitable candidate(s) or recommendations from, among others, Directors, business associates and advisors;

- Short-listed candidate(s) will be required to furnish their curriculum vitae stating in detail, among others, their qualification, working experience and employment history;

- The NC evaluates candidate(s) in areas of academic and professional qualifications, knowledge and experiences in relation to the business of the Group, independence status and other present and past directorships; and

- The NC makes recommendation to the Board for approval. The Board is to ensure that the candidate is aware of the expectations and the level of commitment required.

Key information of each member of the Board including directorships and chairmanships, both present and those held over the preceding five (5) years, in other listed companies and other major appointments, academic/professional qualifications, membership/chairmanship in the Board Committees can be found under pages 14 and 15 of this Annual Report.

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Principle 5: Board Performance

The NC has established a review process to assess the performance and effectiveness of the Board as a whole on an annual basis. The objective of the annual review is to identify areas for improvement and to implement appropriate action.

All the Directors were requested to complete a Board Assessment Checklist designed to seek their views on the various performance criteria so as to assess the overall performance and effectiveness of the Board. The checklists were completed and submitted to the company secretary (the "**Company Secretary**") for collation and the consolidated responses were presented to the NC for review and discussion before making any recommendations to the Board. The NC has reviewed the overall performance and effectiveness of the Board and is of the view that the performance and effectiveness of the Board as a whole has been satisfactory.

The NC will at the relevant time look into adopting guidelines for annual assessment of the contribution of each Director to the performance and effectiveness of the Board and also the assessment of Board Committees. The NC is of the view that despite multiple board appointments held by the Directors, each Director has been adequately carrying out his or her duties as a Director of the Company.

The Board has not engaged any external facilitator in conducting the assessment of the Board's performance. Where relevant, the NC will consider such an engagement.

Principle 6: Access to Information

The management recognises the importance of ensuring the flow of complete, adequate and timely information to the Directors on an ongoing basis to enable them to make informed decisions to discharge their duties and responsibilities. To allow the Directors sufficient time to prepare for the meetings, all Board and Board Committee papers are distributed to the Directors in advance of the meetings. Any additional material or information requested by the Directors is promptly furnished.

The management's proposals to the Board for approval provide background and explanatory information such as facts, resources needed, risk analysis and mitigation strategies, financial impact, regulatory implications, expected outcomes, conclusions and recommendations. Employees and professional advisors who can provide additional insight into matters to be discussed will be present at the relevant time during the Board and Board Committee meetings. In order to keep Directors abreast of the Group's operations, the Directors are also updated on initiatives and developments on the Group's business as soon as practicable and/or possible and on an on-going basis. In order to ensure that the Board is able to fulfill its responsibilities, the management provides quarterly reports on the operational, financial performance and financial position of the Group.

To facilitate separate and independent access, the Directors have been provided with the phone numbers and email particulars of the following:

- key management personnel;
- the Company Secretary;
- the external auditor, RSM Chio Lim LLP (the "**External Auditor**");
- the internal auditor, Nexia TS Risk Advisory Pte. Ltd. (the "**Internal Auditor**"); and
- other professional parties (where relevant).

The Independent Directors have also held separate sessions with the External and Internal Auditors without the presence of the management, to discuss any matters deemed appropriate to be discussed privately.

Should Directors, whether as a group or individually, need independent professional advice, the Board will appoint a professional advisor to render the advice. The cost of such professional advice will be borne by the Company.

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The Company Secretary is responsible for, among others, ensuring that the Board procedures are observed and that the Company's Memorandum and Articles of Association, and relevant rules and regulations, including the Catalist Rules, are complied with. The Company Secretary also assists the Executive Chairman and CEO and the Board in implementing and strengthening corporate governance practices and processes, with a view to enhancing long-term Shareholders' value.

The Company Secretary assists the Executive Chairman and CEO in ensuring good information flows within the Board and Board Committees and between the management and Independent Directors. The Company Secretary also facilitates the orientation and assists with the professional development of the Directors, if required.

The Company Secretary attends and prepares minutes for all Board and Board Committee meetings. As secretary for the Board Committees, the Company Secretary assists in ensuring co-ordination and liaison between the Board, the Board Committees and the management. The Company Secretary also assists the Executive Chairman and CEO, the Chairman of each Board Committee and the management in the development of the agendas for the various Board and Board Committee meetings.

The appointment and removal of the Company Secretary is a matter for the Board as a whole to approve.

Principle 7: Procedures for Developing Remuneration Policies

The RC comprises four (4) members all of whom, including the RC Chairman, are independent.

Chairman:	Mr. Khua Kian Kheng Ivan	(Independent Director)
Members:	Mr. Ng Cher Yan	(Independent Director)
	Dr. Ong Seh Hong	(Independent Director)
	Mr. Foo Say Tun	(Independent Director)

The principal responsibilities of the RC are to review and recommend, for the endorsement of the Board, the following:

- the framework of the remuneration packages for the Directors and key management personnel. The framework covers all aspects of remuneration, including and not limited to, Directors' fees, salaries, allowances, bonuses, options, share-based incentives and awards and benefits in kind;
- the specific remuneration packages for each Director and key management personnel so as to ensure that the packages are competitive and sufficient to attract, retain and motivate the Directors and key management personnel of the required quality to run the Group successfully;
- the remuneration of employees related to the Directors to ensure that their remuneration packages are in line with the Group's staff remuneration guidelines and commensurate with their respective job scope and level of responsibility; and
- the Group's obligations arising in the event of termination of the Executive Directors' and key management personnel's contracts of service to ensure that such contracts of service contain fair and reasonable termination clauses which are not overly generous.

The RC is guided by its written terms of reference which clearly set out its authority and duties.

Each member of the RC shall abstain from voting on any resolution in respect of his own remuneration package.

The RC will be provided with access to expert professional advice on remuneration matters, as and when necessary. The expenses of such services shall be borne by the Company.

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Principle 8: Level and Mix of Remuneration

The Group's remuneration structure for its Executive Directors and key management personnel comprised both fixed and variable components. The fixed component is in the form of a monthly base salary. The variable component is in the form of a variable bonus that is performance-related and is linked to the Group's performance as well as the individual's performance. This is designed to align remuneration with the interests of Shareholders and link rewards to corporate and individual performance so as to promote the long term success of the Group.

Each Executive Director has a service agreement with the Company valid for an initial period of three (3) years with effect from the date of the Listing. Upon the expiry of the initial period of three (3) years, the employment of each Executive Director shall be renewed for a further three (3) years on such terms and conditions as may be agreed by the RC unless terminated by either party giving three (3) months' written notice of intention not to renew the employment.

All revisions to the remuneration packages for the Directors and key management personnel are subjected to the review by and recommendation of the RC and the approval of the Board.

Directors' fees are payable to the Independent Directors taking into account factors such as the effort and time spent and their scope of responsibilities. Directors' fees are recommended by the Board for approval of Shareholders at the AGM. Executive Directors do not receive Directors' fees.

No Director is involved in deciding his or her own remuneration package.

There are no termination or retirement benefits that are granted to the Directors. The Company does not intend to use contractual provisions to allow the Company to reclaim incentive components of remuneration from the Executive Directors and key management personnel in exceptional circumstances of misstatement of financial results, or of misconduct resulting in financial loss to the Group. The Executive Directors owe a fiduciary duty to the Company and the Company should be able to avail itself to remedies against the Executive Directors in the event of such breach of fiduciary duties. In addition, the Company has in place strong corporate governance practices described herein such as the processes put in place for the selection and appointment of new Directors as disclosed under Principle 4 above, the review process to assess the performance and effectiveness of the Board as a whole on an annual basis as disclosed under Principle 5 above and the Whistle Blowing Policy as defined and disclosed under Principle 12 below, among others, as checks and balances to prevent the occurrence of such instances.

Principle 9: Disclosure on Remuneration

As mentioned under Principle 8 above, each Executive Director has a service agreement with the Company for an initial period of three (3) years with effect from the date of the Listing. Please refer to the Company's offer document dated 25 July 2013 (the "**Offer Document**") for further information on the remuneration packages of the Executive Directors, which comprise of fixed and variable components.

The Executive Directors were not eligible for variable bonus for FY2014.

As mentioned under Principle 8 above, the remuneration structure of key management personnel also comprised both fixed and variable components. The adjustment to the fixed monthly base salary takes into consideration the key management personnel's performance against key performance indicators as well as the general economic conditions and prevailing inflation rates, among others. The variable component is in the form of a variable bonus that is performance-related and is linked to the Group's performance as compared to the budgeted performance.

Details on the remuneration of Directors and key management personnel for FY2014 are presented below.

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Remuneration of Directors payable by the Group for FY2014

Remuneration Band and Name of Director	Fee (%)	Salary (%)	Benefits in Kind (%)	Variable Bonus (%)	Total (%)
Above S$250,000 to S$500,000					
Mr. Lim Yong Guan	–	96.4%	3.6%	–	100.0%
Up to S$250,000					
Mr. Lim Yong Sheng	–	100.0%	–	–	100.0%
Mdm. Lim Liang Eng	–	100.0%	–	–	100.0%
Mr. Ng Cher Yan	100.0%	–	–	–	100.0%
Dr. Ong Seh Hong	100.0%	–	–	–	100.0%
Mr. Khua Kian Kheng Ivan	100.0%	–	–	–	100.0%
Mr. Foo Say Tun	100.0%	–	–	–	100.0%

Remuneration of key management personnel payable by the Group for FY2014

Remuneration Band and Name of key management personnel(1)	Fee (%)	Salary (%)	Benefits in Kind (%)	Variable Bonus (%)	Total (%)
Up to S$250,000					
Mr. Choi Swee Weng	–	80.6%	5.6%	13.8%	100.0%
Mdm. Tan Yang Hong(2)	–	77.7%	5.5%	16.8%	100.0%
Mdm. Lim Liang Soh(3)	–	76.0%	7.7%	16.3%	100.0%
Mr. Chong Mei Sang	–	100.0%	–	–	100.0%

Notes:

(1) The Company has only 4 key management personnel who are not Directors and the CEO.
(2) Mdm. Tan Yang Hong is the wife of the Executive Chairman and CEO, Mr. Lim Yong Guan.
(3) Mdm. Lim Liang Soh is the sister of the Executive Directors, namely, Mr. Lim Yong Guan, Mr. Lim Yong Sheng and Mdm. Lim Liang Eng.

In considering the disclosure of remuneration of the Directors and key management personnel, the Company has regarded the industry conditions in which the Group operates as well as the confidential nature of such remuneration. The Company believes that full detailed disclosure of the remuneration of each Director and each key management personnel as recommended by the Code would be prejudicial to the Group's interest and hamper its ability to retain and nurture the Group's talent pool. The Company has instead presented such information in remuneration bands.

The Board is of the opinion that the information as disclosed above would be sufficient for the Shareholders to have an adequate appreciation of the Company's compensation policies and practices and therefore does not intend to issue a separate remuneration report, the contents of which would be largely similar.

In FY2014, the total remuneration (including Directors' fees) paid and payable to the Directors and key management personnel was approximately S$874,000 and S$642,000, respectively.

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In FY2014, employees who are not key management personnel but are immediate family members of the Directors or the CEO are Mdm. Lim Liang Keng, who is the sister of the Executive Directors, and Ms. Lau Wan Lin Elim, who is the daughter of the Executive Director, Mdm. Lim Liang Eng. The remuneration of Mdm. Lim Liang Keng and Ms. Lau Wan Lin Elim falls within the bands of up to S$150,000 and up to S$100,000, respectively.

Save as disclosed above, there is no other employee who is related to a Director, the CEO or substantial shareholder of the Company and whose remuneration exceeded S$50,000 during FY2014.

In connection with the Listing, the MoneyMax Performance Share Plan was adopted with the objectives of, among others, motivating the management personnel to achieve key financial and operational goals of the Company and recognising the efforts of and retaining existing management personnel whose contributions are important to the long-term development and profitability of the Group.

During FY2014, no awards have been granted to eligible participants under the MoneyMax Performance Share Plan.

Principle 10: Accountability

The Board recognises the importance of providing accurate and relevant information on a timely basis in compliance with statutory and regulatory requirements. Hence, the Directors receive quarterly financial reports from the management. Such reports keep the Directors informed of the Group's financial performance, position and prospects and consist of the consolidated profit and loss accounts, analysis of sales, operating profit, pre-tax profit by operating segments together with explanations for significant variances for the quarter and year-to-date.

In accordance with the Catalist Rules, the Board issued negative assurance statements in the financial results announcements, confirming to the best of its knowledge that nothing had come to the attention of the Board which might render the financial statements false or misleading in any material aspect.

Principle 11: Risk Management and Internal Controls

The Board determines the nature and extent of the significant risks that it is prepared to take in achieving the Group's strategic objectives. The Board is responsible for the governance of risk and it recognises the importance of maintaining a sound system of risk management and internal controls to safeguard Shareholders' interests and the Group's assets. It therefore acknowledges that it is responsible for reviewing the adequacy and effectiveness of the Group's risk management and internal control systems including financial, operational, compliance and information technology ("**IT**") controls.

The management is responsible to the Board for the design, implementation and monitoring of the Group's risk management and internal control systems and to provide the Board with a basis to determine the Group's level of risk exposure, risk tolerance and risk policies.

The AC will ensure that a review of the effectiveness of the Group's material internal controls, including, financial, operational, compliance and IT controls and risk management, is conducted annually. In this respect, the AC will review the audit plans and the findings of the External and Internal Auditors, and will ensure that the management follows up on the External and Internal Auditors' recommendations raised, if any, during the audit process.

Based on the internal control policies and procedures established and maintained by the Group, work performed by the External and Internal Auditors and reviews performed by the Board, the AC and the management, the Board, with the concurrence of the AC, is of the view that the internal control systems of the Group addressing financial, operational, compliance and IT risks are adequate as at the date of this Annual Report.

The Board and the AC have also received assurances from the Executive Chairman and CEO and the CFO that the Group's internal control systems in place is adequate and effective in addressing the material risks of the Group in its current business environment including financial, operational, compliance and IT risks and also that the financial records have been properly maintained and the financial statements give a true and fair view of the Group's business operations and finances.

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Principle 12: Audit Committee

The AC comprises four (4) members all of whom, including the AC Chairman, are independent.

Chairman:	Mr. Ng Cher Yan	(Independent Director)
Members:	Dr. Ong Seh Hong	(Independent Director)
	Mr. Khua Kian Kheng Ivan	(Independent Director)
	Mr. Foo Say Tun	(Independent Director)

The AC meets at least on a quarterly basis.

The AC is guided by its terms of reference which stipulate that its principal functions include, *inter alia*, reviewing the Group's annual audit plans (internal and external), its system of internal controls and management of financial risks, the effectiveness and adequacy of its internal audit function which is currently outsourced to the Internal Auditor, regulatory compliance matters, its risk management framework, interested person transactions and financial results announcements. The AC is also responsible for making recommendations to the Board on the appointment/re-appointment/removal of external auditor and its remuneration.

The AC has explicit authority to investigate any matter within its terms of reference. It has full access to and has had the full cooperation of the management and employees. It also has the full discretion to invite any Director or any member of the management to attend its meetings.

The AC has met the External and Internal Auditors, without the presence of the management, and is not aware of any materially adverse findings.

The AC is satisfied that based on the nature and extent of non-audit service provided to the Group by the External Auditor in FY2014, it would not prejudice the independence and objectivity of the External Auditor and has recommended the External Auditor's re-appointment as external auditor of the Company to the Board for FY2015. A breakdown of the fees in total for audit and non-audit services is set out in the Notes to the Financial Statements on page 64 of this Annual Report.

The Company confirms that it is in compliance with Rules 712 and 715 of the Catalist Rules in relation to the External Auditor.

The Group has put in place a whistle-blowing framework (the "**Whistle Blowing Policy**"), endorsed by the AC where the employees of the Group or any other person may, in confidence, raise concerns about possible corporate improprieties on matters of financial reporting or other matters. A dedicated secured email address has been set up to allow whistle-blowers to contact the AC Chairman directly.

Details of the Whistle Blowing Policy and arrangements have been made available to all employees of the Group. It has a well-defined process which ensures independent investigation of issues/concerns raised and appropriate follow-up action, and provides assurance that whistle blowers will be protected from reprisal within the limits of the law.

The AC reports to the Board on such matters at the Board meetings. Should the AC receive reports relating to serious offences and/or criminal activities in the Group, the AC and the Board have access to appropriate external advice where necessary.

There were no reported incidents pertaining to whistle blowing during FY2014 and as at the date of this Report.

No former partner or director of the Company's External and Internal Auditors is a member of the AC.

CORPORATE GOVERNANCE REPORT

Principle 13: Internal Audit

The Board approves, with the AC's recommendation, the hiring, removal, evaluation and compensation of the internal auditor. The internal audit function of the Group has currently been out-sourced to an external professional firm, Nexia TS Risk Advisory Pte. Ltd.

The Internal Auditor reports directly to the AC and has full access to documents, records, properties and personnel of the Company and the Group. The Internal Auditor plans its internal audit schedules in consultation with the management and its plans are reviewed and approved by the AC. The results of the internal audit will be presented to and reviewed by the AC and the Board. The internal auditor had conducted an annual review of the effectiveness of the Group's internal controls in FY2014.

The Board recognises that it is responsible for maintaining a system of internal controls to safeguard Shareholders' interests and the Group's businesses and assets while the management is responsible for establishing and implementing the internal control procedures in a timely and appropriate manner. The role of the Internal Auditor is to assist the AC in ensuring that the controls are effective and functioning as intended, to undertake investigations as directed by the AC, to conduct regular audits of high risk areas and to report its findings to the AC for review by both the AC and the Board.

Following the review of the Internal Auditor's internal audit plan and its evaluation of the system of internal controls, the AC is satisfied that the internal audit function is adequately resourced.

Principle 14: Shareholder Rights

The Company believes in providing sufficient and regular information to its Shareholders and ensures that all of its Shareholders are treated equitably and the rights of all Shareholders are protected.

In this respect, the Board adopts a comprehensive policy to provide clear, timely and fair disclosure of information about the Group's business developments and financial performance that could have a material impact on the price or value of the Company's shares.

Shareholders are informed of general meetings through notices published in the newspaper and the Company's announcements and press releases via SGXNET as well as through reports/circulars sent to all Shareholders.

The Company's Articles of Association allow a Shareholder of the Company to appoint one or two proxies to attend and vote instead of the Shareholder.

Principle 15: Communication with Shareholders

In line with the continuing disclosure obligations under the Catalist Rules, the Board informs Shareholders promptly of all major developments that may have a material impact on the Group. All of the Company's announcements are released via SGXNET, including the financial results, annual reports, distribution of notices, press releases, analyst briefings, presentations, announcements on acquisitions and other material developments. The Company does not practise selective disclosure of material information and price sensitive information is publicly released as soon as is practicable as required by the Catalist Rules.

General meetings are still the principal forum for dialogue with Shareholders. To promote a better understanding of Shareholders' views, the Board encourages Shareholders to participate during the Company's general meetings. At these meetings, Shareholders are able to engage the Board and the management on the Group's business activities, financial performance and other business-related matters. The Company could also gather views and address Shareholders' concerns at general meetings.

CORPORATE GOVERNANCE REPORT

Currently, the Company does not have a fixed dividend policy. As disclosed in the Offer Document, any declaration and payment of dividends in the future will depend on, inter alia, the Group's operating results, financial conditions, other cash requirements including capital expenditures, and other factors deemed relevant by the Directors. For FY2014, the Board has proposed a final cash dividend of 0.3 Singapore cent per ordinary share.

Principle 16: Conduct of Shareholder Meetings

The Company supports active shareholder participation at general meetings. If Shareholders are unable to attend the meetings, the Articles of Association of the Company allow a Shareholder of the Company to appoint up to two proxies to attend and vote in place of the Shareholder.

The Board ensures that separate resolutions are proposed for approval on each distinct issue at general meetings.

The Chairman of the Board, the Board Committees and the CFO attend all general meetings to address issues raised by Shareholders. The External Auditor is also invited to attend the AGM and is available to assist the Directors and the CFO in addressing any relevant queries by the Shareholders relating to the conduct of the audit and the preparation of the contents of the auditor's report.

The minutes of general meetings which include queries from Shareholders and responses from the Board will be made available to Shareholders upon written request.

The Company will be required to conduct its voting at general meetings by poll effective from 1 August 2015 where Shareholders are accorded voting rights proportionate to their shareholding and all votes will be counted.

In view of the above, the Company will be reviewing its Articles of Association in preparation for the adoption of poll voting and to align the relevant provisions with the requirements of the Catalist Rules.

DEALING IN SECURITIES

The Company has adopted a policy whereby its Directors and employees are prohibited from dealing in the securities of the Company while in possession of price-sensitive information as well as during the period commencing one (1) month before the announcement of the Company's full year results and two (2) weeks before the announcement of the first, second and third quarter financial results till the day of the announcements. The Directors and officers are to refrain from dealing in the Company's securities on short-term considerations.

The Directors and employees are also required to adhere to the provisions of the Securities and Futures Act, Companies Act, the Catalist Rules and any other relevant regulations with regard to their securities transactions.

Directors and employees are also expected to observe insider trading laws at all times even when dealing with securities within the permitted trading period.

NON-SPONSOR FEES

In compliance with Rule 1204(21) of the Catalist Rules, non-sponsor fees of S$5,000 were paid to the Company's Sponsor, United Overseas Bank Limited, in FY2014 for the review of transaction documents in relation to the Company's Malaysian Investment as announced on the SGXNET on 20 June 2014.

CORPORATE GOVERNANCE REPORT

INTERESTED PERSON TRANSACTIONS

The Group has established internal control policies to ensure that transactions with interested persons are properly reviewed and approved, and are conducted at an arm's length commercial terms basis. Any Director who is interested in a transaction will abstain and refrain from deliberating, discussing, making recommendations and approving the transaction. The Group does not have a general mandate from Shareholders for interested person transactions pursuant to Rule 920(1)(a) of the Catalist Rules.

However, pursuant to Rule 905 of the Catalist Rules, the aggregate value of interested person transactions entered into during FY2014 is as follows:

Name of Interested Person	Aggregate value of all interested person transactions during FY2014 (excluding transactions less than S$100,000 and transactions conducted under Shareholders' mandate pursuant to Rule 920 of the Catalist Rules) S$'000
Purchases of pre-owned jewellery for melting	
Soo Kee Jewellery	9
Central support services	
Soo Kee Jewellery	180
Lease of premises	
Soo Kee Jewellery	347
SK Jewellery Pte. Ltd.	37
SK Properties Pte. Ltd.	238
Soo Kee Investment Pte. Ltd.	542
Heng Seng Pte. Ltd.	96
Lim Yong Guan	106
Total	**1,555**

MATERIAL CONTRACTS

Save for the material contracts previously disclosed in the Offer Document and in the Company's announcements, there are no other material contracts entered into by the Company or any of its subsidiaries involving the interest of any Director, CEO or controlling Shareholder either still subsisting as at 31 December 2014 or if not then subsisting or entered into since 31 December 2014.

CORPORATE SOCIAL RESPONSIBILITY

The Group is committed to contributing towards sustainable development and making a positive impact on local communities.

As part of the Group's community development efforts, the Group has participated in and supported the fundraising and charity projects of various local community organisations, including, the People's Association Community Centres/Clubs Building Fund and People's Action Party Community Foundation and Sian Chay Medical Institution, a charitable organisation registered with the Ministry of Health of Singapore which offers traditional chinese medicine treatment and provides free medical care to the local community.

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DIRECTORS' **REPORT**

The directors of the company are pleased to present their report together with the audited financial statements of the company and of the group for the reporting year ended 31 December 2014.

1. Directors at date of report

The directors of the company in office at the date of this report are:

Lim Yong Guan
Lim Yong Sheng
Lim Liang Eng
Ng Cher Yan
Ong Seh Hong
Khua Kian Kheng Ivan
Foo Say Tun

2. Arrangements to enable directors to acquire benefits by means of the acquisition of shares and debentures

Neither at the end of the reporting year nor at any time during the reporting year did there subsist any arrangement whose object is to enable the directors of the company to acquire benefits by means of the acquisition of shares or debentures in the company or any other body corporate.

3. Directors' interests in shares and debentures

The directors of the company holding office at the end of the reporting year had no interests in the share capital of the company and related corporations as recorded in the register of directors' shareholdings kept by the company under section 164 of the Companies Act, Chapter 50 ("the Act") except as follows:

Name of directors and companies in which interests are held	Direct Interest		Deemed Interest	
	At beginning of the reporting year	At end of the reporting year	At beginning of the reporting year	At end of the reporting year
The company		**Number of shares of no par value**		
Lim Yong Guan	44,370,000	44,370,000	213,000,000	213,000,000
Lim Yong Sheng	38,280,000	38,280,000	213,000,000	213,000,000
Lim Liang Eng	4,350,000	4,350,000	213,000,000	213,000,000
Ng Cher Yan	25,000	25,000	–	–
Ong Seh Hong	25,000	25,000	–	–
Khua Kian Kheng Ivan	25,000	25,000	–	–
Foo Say Tun	25,000	25,000	–	–

The directors' interests as at 21 January 2015 were the same as those at the end of the reporting year.

4. Contractual benefits of directors

Since the beginning of the reporting year, no director of the company has received or become entitled to receive a benefit which is required to be disclosed under section 201(8) of the Act by reason of a contract made by the company or a related corporation with the director or with a firm of which he is a member, or with a company in which he has a substantial financial interest except as disclosed in the financial statements.

There were certain transactions (shown in the financial statements under related party transactions) with corporations in which certain directors have an interest.

DIRECTORS' REPORT

5. **Share options**

During the reporting year, no option to take up unissued shares of the company or any subsidiary was granted.

During the reporting year, there were no shares of the company or any subsidiary issued by virtue of the exercise of an option to take up unissued shares.

At the end of the reporting year, there were no unissued shares of the company or any subsidiary under option.

6. **Independent auditor**

The independent auditor, RSM Chio Lim LLP, has expressed their willingness to accept re-appointment.

7. **Report of audit committee**

The members of the audit committee at the date of this report are as follows:

Ng Cher Yan	(Chairman of audit committee and independent and non-executive director)
Ong Seh Hong	(Independent and non-executive director)
Khua Kian Kheng Ivan	(Independent and non-executive director)
Foo Say Tun	(Independent and non-executive director)

The audit committee performs the functions specified by section 201B (5) of the Act. Among other functions, it performed the following:

- Reviewed with the independent external auditor their audit plan;
- Reviewed with the independent external auditor their evaluation of the company's internal accounting controls relevant to their statutory audit, and their report on the financial statements and the assistance given by management to them;
- Reviewed with the internal auditor the scope and the results of the internal audit procedures (including those relating to financial, operational and compliance controls and risk management) and the assistance given by the management to the internal auditors;
- Reviewed the financial statements of the group and the company prior to the submission to the directors of the company for adoption; and
- Reviewed the interested person transactions (as defined in Chapter 9 of the Singapore Exchange Securities Trading Limited Listing Manual Section B: Rules of Catalist).

Other functions performed by the audit committee are described in the report on corporate governance included in the annual report of the company. It also includes an explanation of how independent auditor objectivity and independence are safeguarded where the independent auditor provide non-audit services.

The audit committee has recommended to the board of directors that the independent auditor, RSM Chio Lim LLP, be nominated for re-appointment as independent auditor at the next annual general meeting of the company.

DIRECTORS' REPORT

8. **Directors' opinion on the adequacy of internal controls**

Based on the internal controls established and maintained by the group, work performed by the internal and external auditors, and reviews performed by the board, the audit committee and the management, the board, with the concurrence of the audit committee, is of the opinion that internal control systems of the group, addressing financial, operational, compliance and information technology risks, are adequate as at the end of the reporting year 31 December 2014.

9. **Subsequent developments**

There are no significant developments subsequent to the release of the group's and the company's preliminary financial statements, as announced on 24 February 2015, which would materially affect the group's and the company's operating and financial performance as of the date of this report.

On Behalf of The Directors

Lim Yong Guan	Lim Yong Sheng
Director	Director

27 February 2015

STATEMENT BY **DIRECTORS**

In the opinion of the directors,

(a) the accompanying consolidated statement of profit or loss and other comprehensive income, statements of financial position, statements of changes in equity, consolidated statement of cash flows, and notes thereto are drawn up so as to give a true and fair view of the state of affairs of the company and of the group as at 31 December 2014 and of the results and cash flows of the group and changes in equity of the company and of the group for the reporting year then ended; and

(b) at the date of this statement there are reasonable grounds to believe that the company will be able to pay its debts as and when they fall due.

The board of directors approved and authorised these financial statements for issue.

On Behalf of The Directors

Lim Yong Guan Director	Lim Yong Sheng Director

27 February 2015

INDEPENDENT **AUDITOR'S REPORT**

TO THE MEMBERS OF MONEYMAX FINANCIAL SERVICES LTD.
(Registration No: 200819689Z)

Report on the financial statements

We have audited the accompanying financial statements of MoneyMax Financial Services Ltd. (the "company") and its subsidiaries (the "group"), which comprise the consolidated statement of financial position of the group and the statement of financial position of the company as at 31 December 2014, and the consolidated statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows of the group, and statement of changes in equity of the company for the reporting year then ended, and a summary of significant accounting policies and other explanatory information.

Management's responsibility for the financial statements

Management is responsible for the preparation of the financial statements that give a true and fair view in accordance with the provisions of the Singapore Companies Act, Chapter 50 (the "Act") and Singapore Financial Reporting Standards, and for devising and maintaining a system of internal accounting controls sufficient to provide a reasonable assurance that assets are safeguarded against loss from unauthorised use or disposition; and transactions are properly authorised and that they are recorded as necessary to permit the preparation of true and fair consolidated statement of profit or loss and other comprehensive income and statements of financial position and to maintain accountability of assets.

Auditor's responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Singapore Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements of the group and the statement of financial position and statement of changes in equity of the company are properly drawn up in accordance with the provisions of the Act and Singapore Financial Reporting Standards so as to give a true and fair view of the state of affairs of the group and the company as at 31 December 2014 and of the results, changes in equity and cash flows of the group and the changes in equity of the company for the reporting year ended on that date.

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF MONEYMAX FINANCIAL SERVICES LTD.
(REGISTRATION NO: 200819689Z)

Report on other legal and regulatory requirements

In our opinion, the accounting and other records required by the Act to be kept by the company and by those subsidiaries incorporated in Singapore of which we are the auditors have been properly kept in accordance with the provisions of the Act.

RSM Chio Lim LLP
Public Accountants and
Chartered Accountants
Singapore

27 February 2015

Partner in charge of audit: Woo E-Sah
Effective from year ended 31 December 2012

CONSOLIDATED STATEMENT OF PROFIT OR LOSS **AND OTHER COMPREHENSIVE INCOME**

YEAR ENDED 31 DECEMBER 2014

	Notes	Group 2014	Group 2013
		$'000	$'000
Revenue	5	**72,857**	65,556
Other items of income			
Other gains	8	**1,145**	382
Other items of expense			
Material costs		**(48,150)**	(42,594)
Employee benefits expense	6	**(8,720)**	(6,728)
Depreciation and amortisation expense		**(2,271)**	(1,667)
Other losses	8	**(287)**	(342)
Finance costs	7	**(2,485)**	(2,219)
Other expenses	9	**(10,667)**	(9,986)
Profit before tax		**1,422**	2,402
Income tax expense	10	**(607)**	(630)
Profit net of tax		**815**	1,772
Other comprehensive income for the year	21	**35**	–
Total Comprehensive Income		**850**	1,772
Profit attributable to owners of the parent, net of tax		**916**	1,772
Loss attributable to non-controlling interest, net of tax		**(101)**	–
Profit, net of tax		**815**	1,772
Total comprehensive income attributable to owners of the parent,		**951**	1,772
Total comprehensive loss attributable to Non-controlling interests		**(101)**	–
Total comprehensive income		**850**	1,772
Earnings per share			
Earnings per share currency unit		Cents	Cents
Basic and diluted	11	**0.26**	0.55

The accompanying notes form an integral part of these financial statements.

STATEMENTS OF **FINANCIAL POSITION**

AS AT 31 DECEMBER 2014

	Notes	Group 2014	Group 2013	Company 2014	Company 2013
		$'000	$'000	$'000	$'000
ASSETS					
Non-current assets					
Plant and equipment	13	**3,805**	2,379	**–**	–
Intangible assets	14	**1,539**	448	**–**	–
Investments in subsidiaries	15	**–**	–	**50,405**	44,405
Deferred tax assets	10	**208**	376	**–**	–
Total non-current assets		**5,552**	3,203	**50,405**	44,405
Current assets					
Inventories	16	**18,835**	14,113	**–**	–
Trade and other receivables	17	**145,012**	133,008	**12,298**	12,225
Other assets	18	**3,392**	3,433	**80**	176
Cash and cash equivalents	19	**8,193**	8,658	**928**	1,200
Total current assets		**175,432**	159,212	**13,306**	13,601
Total assets		**180,984**	162,415	**63,711**	58,006
EQUITY AND LIABILITIES					
Equity					
Share capital	20	**56,144**	56,144	**56,144**	56,144
Retained earnings		**1,622**	1,767	**1,607**	1,305
Other reserves	21	**35**	–	**–**	–
Equity, attributable to owners of the parent		**57,801**	57,911	**57,751**	57,449
Non-controlling interests		**239**	–	**–**	–
Total Equity		**58,040**	57,911	**57,751**	57,449
Non-current liabilities					
Other financial liabilities, non-current	23	**3,410**	25	**–**	–
Deferred tax liabilities	10	**49**	–	**–**	–
Total non-current liabilities		**3,459**	25	**–**	–
Current liabilities					
Income tax payable		**534**	941	**–**	–
Trade and other payables	22	**11,119**	9,723	**2,960**	557
Other financial liabilities, current	23	**107,122**	93,447	**3,000**	–
Other liabilities	24	**710**	368	**–**	–
Total current liabilities		**119,485**	104,479	**5,960**	557
Total liabilities		**122,944**	104,504	**5,960**	557
Total equity and liabilities		**180,984**	162,415	**63,711**	58,006

The accompanying notes form an integral part of these financial statements.

STATEMENTS OF **CHANGES IN EQUITY**

YEAR ENDED 31 DECEMBER 2014

Group:	Share Capital	Retained Earnings	Reserves	Attributable to parent Sub-Total	Non-Controlling Interests	Total Equity
	$'000	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**
Current year:						
Opening balance at 1 January 2014	56,144	1,767	–	57,911	–	57,911
Movements in equity:						
Total comprehensive income for the year	–	916	35	951	(101)	850
Dividends paid (Note 12)	–	(1,061)	–	(1,061)	–	(1,061)
Acquisition of interest in subsidiaries	–	–	–	–	340	340
Closing balance at 31 December 2014	**56,144**	**1,622**	**35**	**57,801**	**239**	**58,040**
Previous year:						
Opening balance at 1 January 2013	31,001	8,399	–	39,400	–	39,400
Movements in equity:						
Total comprehensive income for the year	–	1,772	–	1,772	–	1,772
Issue of share capital (Note 20)	3,000	–	–	3,000	–	3,000
Share swap pursuant to the restructuring exercise (Note 20)	(31,001)	(8,404)	–	(39,405)	–	(39,405)
Issue of share capital pursuant to the acquisition of subsidiaries as part of the restructuring exercise (Note 20)	37,651	–	–	37,651	–	37,651
Issue of share capital pursuant to the IPO (Note 20)	16,140	–	–	16,140	–	16,140
Listing expenses taken to equity (Note 20)	(647)	–	–	(647)	–	(647)
Closing balance at 31 December 2013	**56,144**	**1,767**	**–**	**57,911**	**–**	**57,911**

The accompanying notes form an integral part of these financial statements.

STATEMENTS OF **CHANGES IN EQUITY**

YEAR ENDED 31 DECEMBER 2014

Company:	Share Capital	Retained Earnings/ (Accumulated Losses)	Total Equity
	$'000	**$'000**	**$'000**
Current year:			
Opening balance at 1 January 2014	56,144	1,305	57,449
Movements in equity:			
Total comprehensive income for the year	–	1,363	1,363
Dividends paid (Note 12)	–	(1,061)	(1,061)
Closing balance at 31 December 2014	56,144	1,607	57,751
Previous year:			
Opening balance at 1 January 2013	–	(2)	(2)
Movements in equity:			
Total comprehensive income for the year	–	1,307	1,307
Issue of share capital (Note 20)	3,000	–	3,000
Issue of share capital pursuant to the acquisition of subsidiaries as part of the restructuring exercise (Note 20)	37,651	–	37,651
Issue of share capital pursuant to the IPO (Note 20)	16,140	–	16,140
Listing expenses taken to equity (Note 20)	(647)	–	(647)
Closing balance at 31 December 2013	56,144	1,305	57,449

The accompanying notes form an integral part of these financial statements.

CONSOLIDATED STATEMENT OF **CASH FLOWS**

YEAR ENDED 31 DECEMBER 2014

	Group	
	2014	2013
	$'000	$'000
Cash flows from operating activities		
Profit before tax	**1,422**	2,402
Adjustments for:		
Interest income	**(13)**	–
Interest expense	**2,485**	2,219
Depreciation of plant and equipment	**2,065**	1,522
Amortisation of intangible assets	**206**	145
Plant and equipment written off	**50**	29
Net effect of exchange rate changes in consolidating foreign operations	**62**	–
Operating cash flows before changes in working capital	**6,277**	6,317
Inventories	**(4,579)**	(7,604)
Trade and other receivables	**(6,441)**	(7,687)
Other assets, current	**152**	(1,559)
Trade and other payables	**(4,396)**	(4,758)
Other liabilities	**30**	99
Net cash flows used in operations	**(8,957)**	(15,192)
Income taxes paid	**(759)**	(1,143)
Net cash flows used in operating activities	**(9,716)**	(16,335)
Cash flows from investing activities		
Purchase of plant and equipment	**(2,744)**	(2,170)
Purchase of intangible assets	**–**	(360)
Payment to ex-shareholders of subsidiaries due to the restructuring exercise	**–**	(1,754)
Interest received	**13**	–
Acquisition of subsidiaries (net of cash acquired) (Note 26)	**(1,486)**	–
Net cash flows used in investing activities	**(4,217)**	(4,284)
Cash flows from financing activities		
Issue of shares (Note 20)	**–**	3,000
Issue of shares pursuant to the IPO, net of listing expenses taken to equity (Note 20)	**–**	15,493
Increase in new borrowings	**16,625**	6,314
Finance lease repayments	**(19)**	(79)
Interest paid	**(2,485)**	(2,219)
Dividend paid	**(1,061)**	–
Net cash flows from financing activities	**13,060**	22,509
Net (decrease) increase in cash and cash equivalents	**(873)**	1,890
Cash and cash equivalents, statement of cash flows, beginning balance	**3,667**	1,777
Effects of exchange rate changes on cash and cash equivalents	**(27)**	–
Cash and cash equivalents, statement of cash flows, ending balance (Note 19A)	**2,767**	3,667

The accompanying notes form an integral part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2014

1. GENERAL

The company is incorporated in Singapore with limited liability. The financial statements are presented in Singapore dollars and they cover the company (referred to as "parent") and the subsidiaries.

The board of directors approved and authorised these financial statements for issue on the date of the statement by directors.

The company changed its name from MoneyMax Financial Services Pte. Ltd. to MoneyMax Financial Services Ltd. in connection with its conversion to a public company limited by shares on 23 July 2013.

On 2 August 2013, the company was listed on the Catalist Board of the Singapore Exchange Securities Trading Limited.

The principal activity of the company is that of investment holding. The principal activities of the subsidiaries are described in Note 15 to the financial statements.

The registered office is: 51 Kaki Bukit Place, Eunos Techpark, Singapore 416228. The company is situated in Singapore.

Restructuring exercise

Prior to the invitation of the company in respect of new shares, a restructuring exercise was carried out to rationalise and streamline the corporate structure, resulting in the company becoming the parent company of the group. The details of the restructuring exercise are as follows:

(a) Acquisition of, inter alia, shares in MoneyMax Group Pte. Ltd. ("MMG") by Lim Yong Guan, Lim Yong Sheng and Lim Liang Eng (collectively known as "executive directors"), from SK Jewellery Pte. Ltd. ("SK Jewellery")

On 27 June 2013, the executive directors entered into an agreement with SK Jewellery to, inter alia, acquire (i) all of the 9,999,997 ordinary shares held by SK Jewellery in MMG for a purchase consideration of $12,476,627 based on the net asset value of MMG as at 31 December 2012; and (ii) loan receivables of $1,550,000 based on the dollar value of such receivables.

In connection with the acquisition of MMG by the company as described in step (c) below, the executive directors subsequently directed that the above-mentioned shares be transferred to the company as the executive directors' nominee.

(b) Acquisition of, inter alia, shares in MoneyMax Pte. Ltd. ("MPL") by the executive directors, from SK Jewellery

On 27 June 2013, the executive directors entered into an agreement with SK Jewellery to, inter alia, acquire all of the 5,001,000 ordinary shares held by SK Jewellery in MPL for an aggregate purchase consideration of $4,681,859, based on the net asset value of MPL as at 31 December 2012.

In connection with the acquisition of MPL by the company as described in step (c) below, the executive directors subsequently directed that the above-mentioned shares be transferred to the company as the executive directors' nominee.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2014

1. **GENERAL** (CONT'D)

Restructuring exercise (Cont'd)

(c) Acquisition of shares in MoneyMax Capital Pte. Ltd. ("MMC"), MoneyMax Jewellery Pte. Ltd. ("MMJ"), MoneyMax Pawnshop Pte. Ltd. ("MMP"), MMG and MPL by the company

On 27 June 2013, the company entered into an agreement with the executive directors, to acquire 100% of the equity interests in MMC, for a consideration of $5, on a "willing buyer, willing seller" basis, taking into consideration the net asset value of MMC as at 31 December 2012, and to be satisfied in cash.

On 27 June 2013, the company entered into an agreement with the executive directors, to acquire 100% of the equity interests in each of (i) MMG; (ii) MMJ; (iii) MMP; and (iv) MPL, for an aggregate purchase consideration of $37,650,877, on a "willing buyer, willing seller" basis, taking into consideration the net asset values of the relevant companies as at 31 December 2012, and to be satisfied by the allotment and issuance of 46,628,000 new shares credited as fully paid to the executive directors and their nominee, Money Farm Pte. Ltd. as described in steps (b) and (c) above, certain shares in MMG and MPL were transferred by SK Jewellery to the company as the executive directors' nominee.

(d) Acquisition of Cash Online Jewellery Pte. Ltd. ("COJ") by the company from chief operating officer, Tan Yang Hong ("COO"), and associates of executive directors, Sharon Patricia Wong Mei Ching and Lau Wan Kei Angelina ("associates")

On 27 June 2013, the company entered into an agreement with COO and associates, to acquire 100% of the equity interests in COJ, for an aggregate purchase consideration of $29,087, on a "willing buyer, willing seller" basis, taking into consideration the net asset value of COJ as at 31 December 2012, and to be satisfied in cash. To facilitate this purchase and the acquisition of COP (as described in step (e) below), on 27 June 2013, the executive directors and Money Farm Pte. Ltd. subscribed for 3,371,900 new shares for an aggregate consideration of $3,000,000, to be satisfied in cash.

(e) Acquisition of Cash Online Pawnshop Pte. Ltd. ("COP") by the company from Guan Sheng Capital Pte. Ltd. ("Guan Sheng")

On 27 June 2013, the company entered into an agreement with Guan Sheng to acquire 100% of the equity interests in COP, for an aggregate purchase consideration of $2,724,758, on a "willing buyer, willing seller" basis, taking into consideration (i) the net asset value of COP as at 31 December 2012; and (ii) adjusted for the equity injection of $1,000,000 by Guan Sheng on 18 April 2013, and to be satisfied in cash.

(f) Acquisition of Malaysian subsidiaries by the company from the executive directors

On 27 June 2013, the company entered into an agreement with the executive directors, to acquire 100% of the equity interests in (i) MoneyMax Pawnshop Sdn. Bhd.; (ii) MoneyMax Jewellery Sdn. Bhd.; and (iii) Cash Online Sdn. Bhd., for an aggregate purchase consideration of MYR9, on a "willing buyer, willing seller" basis, taking into consideration the net asset values of the relevant companies as at 31 December 2012, and to be satisfied in cash.

The subsidiaries held by the company on the basis that the group had existed since 1 January 2012 are disclosed in Note 15.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2014

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Accounting convention

The financial statements have been prepared in accordance with the Singapore Financial Reporting Standards ("FRS") and the related Interpretations to FRS ("INT FRS") as issued by the Singapore Accounting Standards Council and the Companies Act, Chapter 50. The financial statements are prepared on a going concern basis under the historical cost convention except where an FRS requires an alternative treatment (such as fair values) as disclosed where appropriate in these financial statements. The accounting policies in FRSs need not be applied when the effect of applying them is immaterial. The disclosures required by FRSs need not be made if the information is immaterial. Other comprehensive income comprises items of income and expense (including reclassification adjustments) that are not recognised in the income statement, as required or permitted by FRS. Reclassification adjustments are amounts reclassified to profit or loss in the income statement in the current period that were recognised in other comprehensive income in the current or previous periods.

Basis of presentation

The restructuring exercise in 2013 involved companies under common control. The consolidated financial statements have been prepared using the "pooling-of-interests" method. Such manner of presentation reflects the economic substance of the combining entities as a single economic enterprise, although the legal parent-subsidiary relationship was only established just prior to the public listing of the company. Accordingly, the group's consolidated financial statements for the reporting year ended 31 December 2013 have been prepared as if the group had been in existence prior to the restructuring exercise. The assets and liabilities were brought into the consolidated statement of financial position at the existing carrying amounts. The figures of the group for the reporting year ended 31 December 2013 represented the combined results, state of affairs, changes in equity and cash flows as if the group had existed since 1 January 2012.

The consolidated financial statements include the financial statements made up to the end of the reporting year of the company and all of its subsidiaries. The consolidated financial statements are the financial statements of the group in which the assets, liabilities, equity, income, expenses and cash flows of the parent and its subsidiaries are presented as those of a single economic entity and are prepared using uniform accounting policies for like transactions and other events in similar circumstances. All significant intragroup balances and transactions, including income, expenses and cash flows are eliminated on consolidation. Subsidiaries are consolidated from the date the reporting entity obtains control of the investee and ceases when the reporting entity loses control of the investee. Control exists when the group has the power to govern the financial and operating policies so as to gain benefits from its activities.

Changes in the group's ownership interest in a subsidiary that do not result in the loss of control are accounted for within equity as transactions with owners in their capacity as owners. The carrying amounts of the group's and non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiary. When the group loses control of a subsidiary it derecognises the assets and liabilities and related equity components of the former subsidiary. Any gain or loss is recognised in profit or loss. Any investment retained in the former subsidiary is measured at fair value at the date when control is lost and is subsequently accounted for as available-for-sale financial assets in accordance with FRS 39.

The company's separate financial statements have been prepared on the same basis, and as permitted by the Companies Act, Chapter 50, the company's separate statement of profit or loss and other comprehensive income is not presented.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2014

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Basis of preparation of the financial statements

The preparation of financial statements in conformity with generally accepted accounting principles requires the management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting year. Actual results could differ from those estimates. The estimates and assumptions are reviewed on an ongoing basis. Apart from those involving estimations, management has made judgements in the process of applying the entity's accounting policies. The areas requiring management's most difficult, subjective or complex judgements, or areas where assumptions and estimates are significant to the financial statements, are disclosed at the end of this footnote, where applicable.

Segment reporting

The group discloses financial and descriptive information about its consolidated reportable segments. Reportable segments are operating segments or aggregations of operating segments that meet specified criteria. Operating segments are components about which separate financial information is available that is evaluated regularly by the chief operating decision maker in deciding how to allocate resources and in assessing performance. Generally, financial information is reported on the same basis as is used internally for evaluating operating segment performance and deciding how to allocate resources to operating segments.

Revenue recognition

The revenue amount is the fair value of the consideration received or receivable from the gross inflow of economic benefits during the reporting year arising from the course of the activities of the entity and it is shown net of any related sales taxes, returns and rebates. Revenue from the sale of goods is recognised when significant risks and rewards of ownership are transferred to the buyer, there is neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold, and the amount of revenue and the costs incurred or to be incurred in respect of the transaction can be measured reliably.

Revenue from the sales of unredeemed pledges comprising pre-owned jewellery and watches is recognised upon the transfer of significant risks and rewards of ownership of the goods to the buyer, which generally coincides with delivery and acceptance of the pledged articles sold. Revenue is not recognised to the extent where there are significant uncertainties regarding recovery of the consideration due, associated costs or the possible return of goods.

Interest income from loans to customers and from banks is recognised on a time-proportion basis using the effective interest method.

Rental income is recognised on a time-proportion basis that takes into account the effective yield on the asset on a straight-line basis over the lease term.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2014

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Employee benefits

Contributions to a defined contribution retirement benefit plan are recorded as an expense as they fall due. The entity's legal or constructive obligation is limited to the amount that it agrees to contribute to an independently administered fund (such as the Central Provident Fund in Singapore, a government managed defined contribution retirement benefit plan). For employee leave entitlement the expected cost of short-term employee benefits in the form of compensated absences is recognised in the case of accumulating compensated absences, when the employees render service that increases their entitlement to future compensated absences; and in the case of non-accumulating compensated absences, when the absences occur. A liability for bonuses is recognised where the entity is contractually obliged or where there is constructive obligation based on past practice.

Income tax

The income taxes are accounted using the asset and liability method that requires the recognition of taxes payable or refundable for the current year and deferred tax liabilities and assets for the future tax consequence of events that have been recognised in the financial statements or tax returns. The measurements of current and deferred tax liabilities and assets are based on provisions of the enacted or substantially enacted tax laws; the effects of future changes in tax laws or rates are not anticipated. Tax expense (tax income) is the aggregate amount included in the determination of profit or loss for the reporting year in respect of current tax and deferred tax. Current and deferred income taxes are recognised as income or as an expense in profit or loss unless the tax relates to items that are recognised in the same or a different period outside profit or loss. For such items recognised outside profit or loss the current tax and deferred tax are recognised (a) in other comprehensive income if the tax is related to an item recognised in other comprehensive income and (b) directly in equity if the tax is related to an item recognised directly in equity. Deferred tax assets and liabilities are offset when they relate to income taxes levied by the same income tax authority. The carrying amount of deferred tax assets is reviewed at each end of the reporting year and is reduced, if necessary, by the amount of any tax benefits that, based on available evidence, are not expected to be realised. A deferred tax amount is recognised for all temporary differences, unless the deferred tax amount arises from the initial recognition of an asset or liability in a transaction which (i) is not a business combination; and (ii) at the time of the transaction, affects neither accounting profit nor taxable profit (tax loss). A deferred tax liability or asset is recognised for all taxable temporary differences associated with investments in subsidiaries except where the reporting entity is able to control the timing of the reversal of the taxable temporary difference and it is probable that the taxable temporary difference will not reverse in the foreseeable future or for deductible temporary differences, they will not reverse in the foreseeable future and they cannot be utilised against taxable profits.

Foreign currency transactions

The functional currency is the Singapore dollar as it reflects the primary economic environment in which the entity operates. Transactions in foreign currencies are recorded in the functional currency at the rates ruling at the dates of the transactions. At each end of the reporting year, recorded monetary balances and balances measured at fair value that are denominated in non-functional currencies are reported at the rates ruling at the end of the reporting year and fair value measurement dates respectively. All realised and unrealised exchange adjustment gains and losses are dealt with in profit or loss except when recognised in other comprehensive income and if applicable deferred in equity such as for qualifying cash flow hedges. The presentation is in the functional currency.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2014

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Translation of financial statements of other entities

Each entity in the group determines the appropriate functional currency as it reflects the primary economic environment in which the relevant reporting entity operates. In translating the financial statements of such an entity for incorporation in the consolidated financial statements in the presentation currency the assets and liabilities denominated in other currencies are translated at end of the reporting year rates of exchange and the income and expense items for each statement presenting profit or loss and other comprehensive income are translated at average rates of exchange for the reporting year. The resulting translation adjustments (if any) are recognised in other comprehensive income and accumulated in a separate component of equity until the disposal of that relevant reporting entity.

Borrowing costs

Borrowing costs are interest and other costs incurred in connection with the borrowing of funds. The interest expense is calculated using the effective interest rate method. Borrowing costs are recognised as an expense in the period in which they are incurred except that borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset that necessarily take a substantial period of time to get ready for their intended use or sale are capitalised as part of the cost of that asset until substantially all the activities necessary to prepare the qualifying asset for its intended use or sale are complete.

Government grants

A government grant is recognised at fair value when there is reasonable assurance that the conditions attaching to it will be complied with and that the grant will be received. Grants in recognition of specific expenses are recognised as income over the periods necessary to match them with the related costs that they are intended to compensate, on a systematic basis. A grant related to depreciable assets is allocated to income over the period in which such assets are used in the project subsidised by the grant. A government grant related to assets, including non-monetary grants at fair value, is presented in the statement of financial position by setting up the grant as deferred income.

Subsidiaries

A subsidiary is an entity including unincorporated and special purpose entity that is controlled by the reporting entity and the reporting entity is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. The existence and effect of substantive potential voting rights that the reporting entity has the practical ability to exercise (that is, substantive rights) are considered when assessing whether the reporting entity controls another entity.

In the reporting entity's separate financial statements, an investment in a subsidiary is accounted for at cost less any allowance for impairment in value. Impairment loss recognised in profit or loss for a subsidiary is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. The carrying value and the net book value of the investment in a subsidiary are not necessarily indicative of the amount that would be realised in a current market exchange.

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2014

2. **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (CONT'D)

Business combinations

Business combinations not under common control are accounted for by applying the acquisition method.

A business combination is a transaction or other event which requires that the assets acquired and liabilities assumed constitute a business. It is accounted for by applying the acquisition method of accounting. The cost of a business combination includes the fair values, at the date of exchange, of assets given, liabilities incurred or assumed, and equity instruments issued by the acquirer, in exchange for control of the acquiree. The acquisition-related costs are expensed in the periods in which the costs are incurred and the services are received except for any costs to issue debt or equity securities are recognised in accordance with FRS 32 and FRS 39. As of the acquisition date, the acquirer recognises, separately from goodwill, the identifiable assets acquired, the liabilities assumed and any non-controlling interest in the acquiree measured at acquisition-date fair values as defined in and that meet the conditions for recognition under FRS 103. If there is gain on bargain purchase, for the gain on bargain purchase a reassessment is made of the identification and measurement of the acquiree's identifiable assets, liabilities and contingent liabilities and the measurement of the cost of the business combination and any excess remaining after this reassessment is recognised immediately in profit or loss. For business combinations achieved in stages, any equity interest held in the acquiree is remeasured immediately before achieving control at its acquisition-date fair value and any resulting gain or loss is recognised in profit or loss.

Where the fair values are measured on a provisional basis they are finalised within one year from the acquisition date with consequent retrospective changes to the amounts recognised at the acquisition date to reflect new information obtained about facts and circumstances that existed as of the acquisition date and, if known, would have affected the measurement of the amounts recognised as of that date.

There was no gain on bargain purchase during the reporting year.

Goodwill and fair value adjustments resulting from the application of purchase accounting at the date of acquisition are treated as assets and liabilities of the foreign entity and are recorded at the exchange rates prevailing at the acquisition date and are subsequently translated at the period end exchange rate.

Non-controlling interests

The non-controlling interest is equity in a subsidiary not attributable, directly or indirectly, to the reporting entity as the parent. The non-controlling interest is presented in the consolidated statement of financial position within equity, separately from the equity of the owners of the parent. For each business combination, any non-controlling interest in the acquiree (subsidiary) is initially measured either at fair value or at the non-controlling interest's proportionate share of the acquiree's identifiable net assets. Where the non-controlling interest is measured at fair value, the valuation techniques and key model inputs used are disclosed in the relevant Note. Profit or loss and each component of other comprehensive income are attributed to the owners of the parent and to the non-controlling interests. Total comprehensive income is attributed to the owners of the parent and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

Goodwill

Goodwill is an asset representing the future economic benefits arising from other assets acquired in a business combination that are not individually identified and separately recognised. Goodwill is recognised as of the acquisition date measured as the excess of (a) over (b); (a) being the aggregate of: (i) the consideration transferred which generally requires acquisition-date fair value; (ii) the amount of any non-controlling interest in the acquiree measured in accordance with FRS 103 (measured either at fair value or as the non-controlling interest's proportionate share of the acquiree's net identifiable assets); and (iii) in a business combination achieved in stages, the acquisition-date fair value of the acquirer's previously held equity interest in the acquiree; and (b) being the net of the acquisition-date amounts of the identifiable assets acquired and the liabilities assumed measured in accordance with this FRS 103.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2014

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Goodwill (Cont'd)

After initial recognition, goodwill acquired in a business combination is measured at cost less any accumulated impairment losses. Goodwill is not amortised. Irrespective of whether there is any indication of impairment, goodwill and also any intangible asset with an indefinite useful life or any intangible asset not yet available for use are tested for impairment at least annually. Goodwill impairment is not reversed in any circumstances.

For the purpose of impairment testing and since the acquisition date of the business combination, goodwill is allocated to each cash-generating unit, or groups of cash-generating units that are expected to benefit from the synergies of the combination, irrespective of whether other assets or liabilities of the acquiree were assigned to those units or groups of units. Each unit or group of units to which the goodwill is so allocated represents the lowest Level within the entity at which the goodwill is monitored for internal management purposes and is not larger than a segment.

Plant and equipment

Depreciation is provided on a straight-line basis to allocate the gross carrying amounts of the assets less their residual values over their estimated useful lives of each part of an item of these assets. The annual rates of depreciation are as follows:

Plant and equipment	–	20% to 100%
Renovations	–	Over lease term

An asset is depreciated when it is available for use until it is derecognised even if during that period the item is idle. Fully depreciated assets still in use are retained in the financial statements.

Plant and equipment are carried at cost on initial recognition and after initial recognition at cost less any accumulated depreciation and any accumulated impairment losses. The gain or loss arising from the derecognition of an item of plant and equipment is measured as the difference between the net disposal proceeds, if any, and the carrying amount of the item and is recognised in profit or loss. The residual value and the useful life of an asset is reviewed at least at each end of the reporting year and, if expectations differ significantly from previous estimates, the changes are accounted for as a change in an accounting estimate, and the depreciation charge for the current and future periods are adjusted.

Cost includes acquisition cost, borrowing cost capitalised and any cost directly attributable to bringing the asset or component to the location and condition necessary for it to be capable of operating in the manner intended by management. Subsequent costs are recognised as an asset only when it is probable that future economic benefits associated with the item will flow to the entity and the cost of the item can be measured reliably. All other repairs and maintenance are charged to profit or loss when they are incurred.

Cost also includes the initial estimate of the costs of dismantling and removing the item and restoring the site on which it is located, the obligation for which an entity incurs either when the item is acquired or as a consequence of having used the item during a particular period for purposes other than to produce inventories during that period.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2014

2. **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (CONT'D)

Leases

Whether an arrangement is, or contains, a lease, it is based on the substance of the arrangement at the inception date, that is, whether (a) fulfilment of the arrangement is dependent on the use of a specific asset or assets (the asset); and (b) the arrangement conveys a right to use the asset. Leases are classified as finance leases if substantially all the risks and rewards of ownership are transferred to the lessee. All other leases are classified as operating leases. At the commencement of the lease term, a finance lease is recognised as an asset and as a liability in the statement of financial position at amounts equal to the fair value of the leased asset or, if lower, the present value of the minimum lease payments, each measured at the inception of the lease. The discount rate used in calculating the present value of the minimum lease payments is the interest rate implicit in the lease, if this is practicable to determine, the lessee's incremental borrowing rate is used. Any initial direct costs of the lessee are added to the amount recognised as an asset. The excess of the lease payments over the recorded lease liability are treated as finance charges which are allocated to each reporting year during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability. Contingent rents are charged as expenses in the reporting years in which they are incurred. The assets are depreciated as owned depreciable assets. Leases where the lessor effectively retains substantially all the risks and benefits of ownership of the leased assets are classified as operating leases. For operating leases, lease payments are recognised as an expense in profit or loss on a straight-line basis over the term of the relevant lease unless another systematic basis is representative of the time pattern of the user's benefit, even if the payments are not on that basis. Lease incentives received are recognised in profit or loss as an integral part of the total lease expense. Rental income from operating leases is recognised in profit or loss on a straight-line basis over the term of the relevant lease unless another systematic basis is representative of the time pattern of the user's benefit, even if the payments are not on that basis. Initial direct cost incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight-line basis over the lease term.

Intangible assets

An identifiable non-monetary asset without physical substance is recognised as an intangible asset at acquisition cost if it is probable that the expected future economic benefits that are attributable to the asset will flow to the entity and the cost of the asset can be measured reliably. After initial recognition, an intangible asset with finite useful life is carried at cost less any accumulated amortisation and any accumulated impairment losses. An intangible asset with an indefinite useful life is not amortised. An intangible asset is regarded as having an indefinite useful life when, based on an analysis of all of the relevant factors, there is no foreseeable limit to the period over which the asset is expected to generate net cash inflows for the entity.

The amortisable amount of an intangible asset with finite useful life is allocated on a systematic basis over the best estimate of its useful life from the point at which the asset is ready for use. The useful lives are as follows:

Lease assignment fees	–	Over lease term

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2014

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Impairment of non-financial assets

Irrespective of whether there is any indication of impairment, an annual impairment test is performed at the same time every year on an intangible asset with an indefinite useful life or an intangible asset not yet available for use. The carrying amount of other non-financial assets is reviewed at each end of the reporting year for indications of impairment and where an asset is impaired, it is written down through profit or loss to its estimated recoverable amount. The impairment loss is the excess of the carrying amount over the recoverable amount and is recognised in profit or loss. The recoverable amount of an asset or a cash-generating unit is the higher of its fair value less costs of disposal and its value in use. When the fair value less costs of disposal method is used, any available recent market transactions are taken into consideration. When the value in use method is adopted, in assessing the value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units). At each end of the reporting year non-financial assets other than goodwill with impairment loss recognised in prior periods are assessed for possible reversal of the impairment. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been measured, net of depreciation or amortisation, if no impairment loss had been recognised.

Inventories

Inventories are measured at the lower of cost (specific identification method) and net realisable value. Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale. A write down on cost is made where the cost is not recoverable or if the selling prices have declined. Cost includes all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition.

Financial assets

Initial recognition, measurement and derecognition:

A financial asset is recognised on the statement of financial position when, and only when, the entity becomes a party to the contractual provisions of the instrument. The initial recognition of financial assets is at fair value normally represented by the transaction price. The transaction price for financial asset not classified at fair value through profit or loss includes the transaction costs that are directly attributable to the acquisition or issue of the financial asset. Transaction costs incurred on the acquisition or issue of financial assets classified at fair value through profit or loss are expensed immediately. The transactions are recorded at the trade date.

Irrespective of the legal form of the transactions performed, financial assets are derecognised when they pass the "substance over form" based on the derecognition test prescribed by FRS 39 relating to the transfer of risks and rewards of ownership and the transfer of control. Financial assets and financial liabilities are offset and the net amount is reported in the statement of financial position if there is currently a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2014

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Financial assets (Cont'd)

Subsequent measurement:

Subsequent measurement based on the classification of the financial assets in one of the following categories under FRS 39 is as follows:

#1. Financial assets at fair value through profit or loss: As at end of the reporting year date there were no financial assets classified in this category.

#2. Loans and receivables: Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Assets that are for sale immediately or in the near term are not classified in this category. These assets are carried at amortised costs using the effective interest method (except that short-duration receivables with no stated interest rate are normally measured at original invoice amount unless the effect of imputing interest would be significant) minus any reduction (directly or through the use of an allowance account) for impairment or uncollectibility. Impairment charges are provided only when there is objective evidence that an impairment loss has been incurred as a result of one or more events that occurred after the initial recognition of the asset (a 'loss event') and that loss event (or events) has an impact on the estimated future cash flows of the financial asset or group of financial assets that can be reliably estimated. The methodology ensures that an impairment loss is not recognised on the initial recognition of an asset. Losses expected as a result of future events, no matter how likely, are not recognised. For impairment, the carrying amount of the asset is reduced through use of an allowance account. The amount of the loss is recognised in profit or loss. An impairment loss is reversed if the reversal can be related objectively to an event occurring after the impairment loss was recognised. Typically the trade and other receivables are classified in this category.

#3. Held-to-maturity financial assets: As at end of the reporting year date there were no financial assets classified in this category.

#4. Available-for-sale financial assets: As at end of the reporting year date there were no financial assets classified in this category.

Cash and cash equivalents

Cash and cash equivalents include bank and cash balances, on demand deposits and any highly liquid debt instruments purchased with an original maturity of three months or less. For the statement of cash flows the item includes cash and cash equivalents less cash subject to restriction and bank overdrafts payable on demand that form an integral part of cash management.

Hedging

The entity is exposed to market (including foreign currency risk and commodity price risk) and interest rate risks. The policy is to reduce market and interest rate exposures through derivatives and other hedging instruments. From time to time, there may be borrowings and foreign exchange arrangements or interest rate swap contracts or similar instruments entered into as hedges against changes in interest rates, cash flows or the fair value of the financial assets and liabilities. The gain or loss from remeasuring these hedging or other arrangement instruments at fair value are recognised in profit or loss. The derivatives and other hedging instruments used are described below in the notes to the financial statements.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2014

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Derivatives

All derivatives are initially recognised and subsequently carried at fair value. Accounting for derivatives engaged in hedging relationships is described in the above section. Certain derivatives are entered into in order to hedge some transactions and all the strict hedging criteria prescribed by FRS 39 are not met. In those cases, even though the transaction has its economic and business rationale, hedge accounting cannot be applied. As a result, changes in the fair value of those derivatives are recognised directly in profit or loss and the hedged item follows normal accounting policies.

Financial liabilities

Initial recognition, measurement and derecognition:

A financial liability is recognised on the statement of financial position when, and only when, the entity becomes a party to the contractual provisions of the instrument and it is derecognised when the obligation specified in the contract is discharged or cancelled or expires. The initial recognition of financial liability is at fair value normally represented by the transaction price. The transaction price for financial liability not classified at fair value through profit or loss includes the transaction costs that are directly attributable to the acquisition or issue of the financial liability. Transaction costs incurred on the acquisition or issue of financial liability classified at fair value through profit or loss are expensed immediately. The transactions are recorded at the trade date. Financial liabilities including bank and other borrowings are classified as current liabilities unless there is an unconditional right to defer settlement of the liability for at least 12 months after the end of the reporting year.

Subsequent measurement:

Subsequent measurement based on the classification of the financial liabilities in one of the following two categories under FRS 39 is as follows:

#1. Liabilities at fair value through profit or loss: Liabilities are classified in this category when they are incurred principally for the purpose of selling or repurchasing in the near term (trading liabilities) or are derivatives (except for a derivative that is a designated and effective hedging instrument) or have been classified in this category because the conditions are met to use the "fair value option" and it is used. Financial guarantee contracts if significant are initially recognised at fair value and are subsequently measured at the greater of (a) the amount measured in accordance with FRS 37 and (b) the amount initially recognised less, where appropriate, cumulative amortisation recognised in accordance with FRS 18. All changes in fair value relating to liabilities at fair value through profit or loss are charged to profit or loss as incurred.

#2. Other financial liabilities: All liabilities, which have not been classified as in the previous category fall into this residual category. These liabilities are carried at amortised cost using the effective interest method. Trade and other payables and borrowings are usually classified in this category. Items classified within current trade and other payables are not usually re-measured, as the obligation is usually known with a high degree of certainty and settlement is short-term.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2014

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Fair value measurement

Fair value is taken to be the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date (that is, an exit price). It is a market-based measurement, not an entity-specific measurement. When measuring fair value, management uses the assumptions that market participants would use when pricing the asset or liability under current market conditions, including assumptions about risk. The entity's intention to hold an asset or to settle or otherwise fulfil a liability is not taken into account as relevant when measuring fair value. In making the fair value measurement, management determines the following: (a) the particular asset or liability being measured (these are identified and disclosed in the relevant notes below); (b) for a non-financial asset, the highest and best use of the asset and whether the asset is used in combination with other assets or on a stand-alone basis; (c) the market in which an orderly transaction would take place for the asset or liability; and (d) the appropriate valuation techniques to use when measuring fair value. The valuation techniques used maximise the use of relevant observable inputs and minimise unobservable inputs. These inputs are consistent with the inputs a market participant may use when pricing the asset or liability.

The fair value measurements and related disclosures categorise the inputs to valuation techniques used to measure fair value by using a fair value hierarchy of three levels. These are recurring fair value measurements unless stated otherwise in the relevant notes to the financial statements. Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date. Level 2 inputs are inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly. Level 3 inputs are unobservable inputs for the asset or liability. The level is measured on the basis of the lowest level input that is significant to the fair value measurement in its entirety. Transfers between levels of the fair value hierarchy are deemed to have occurred at the beginning of the reporting year. If a financial instrument measured at fair value has a bid price and an ask price, the price within the bid-ask spread or mid-market pricing that is most representative of fair value in the circumstances is used to measure fair value regardless of where the input is categorised within the fair value hierarchy. If there is no market, or the markets available are not active, the fair value is established by using an acceptable valuation technique.

The carrying values of current financial instruments approximate their fair values due to the short-term maturity of these instruments and the disclosures of fair value are not made when the carrying amount of current financial instruments is a reasonable approximation of the fair value. The fair values of non-current financial instruments may not be disclosed separately unless there are significant differences at the end of the reporting year and in the event the fair values are disclosed in the relevant notes to the financial statements.

Classification of equity and liabilities

A financial instrument is classified as a liability or as equity in accordance with the substance of the contractual arrangement on initial recognition. Equity instruments are contracts that give a residual interest in the net assets of the reporting entity. Where the financial instrument does not give rise to a contractual obligation on the part of the issuer to make payment in cash or kind under conditions that are potentially unfavourable, it is classified as an equity instrument. Ordinary shares are classified as equity. Equity instruments are recognised at the amount of proceeds received net of incremental costs directly attributable to the transaction. Dividends on equity are recognised as liabilities when they are declared. Interim dividends are recognised when declared by the directors.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2014

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Provisions

A liability or provision is recognised when there is a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Provisions are made using best estimates of the amount required in settlement and where the effect of the time value of money is material, the amount recognised is the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognised as interest expense. Changes in estimates are reflected in profit or loss in the reporting year they occur.

Critical judgements, assumptions and estimation uncertainties

The critical judgements made in the process of applying the accounting policies that have the most significant effect on the amounts recognised in the financial statements and the key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting year, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities currently or within the next reporting year are discussed below. These estimates and assumptions are periodically monitored to ensure they incorporate all relevant information available at the date when financial statements are prepared. However, this does not prevent actual figures differing from estimates.

Impairment of loans and receivables:
The group assesses at the end of each reporting year whether there is any objective evidence that a financial asset is impaired. This determination requires the group to consider factors such as the probability of insolvency or significant financial difficulties of the debtor and default or significant delay in payments or significant decline in values of collaterals. The carrying amounts of the loans and receivables at the end of the reporting year are disclosed in Note 17.

Net realisable value of inventories:
A review is made periodically on inventory for excess inventory and declines in net realisable value below cost and an allowance is recorded against the inventory balance for any such declines. The review requires management to consider the future demand for the products. In any case the realisable value represents the best estimate of the recoverable amount and is based on the acceptable evidence available at the end of the reporting year and inherently involves estimates regarding the future expected realisable value. The usual consideration in determining the amount of allowance or write-down includes ageing analysis, technical assessment and subsequent events. In general, such an evaluation process requires significant judgement and materially affects the carrying amount of inventories at the end of the reporting year. Possible changes in these estimates could result in revisions to the stated value of the inventories. The carrying amount of inventories is disclosed in Note 16.

Useful lives of plant and equipment:
The estimates for the useful lives and related depreciation charges for plant and equipment are based on commercial and other factors which could change significantly as a result of innovations and in response to market conditions. The depreciation charge is increased where useful lives are less than previously estimated lives, or the carrying amounts written off or written down for technically obsolete items or assets that have been abandoned. It is impracticable to disclose the extent of the possible effects. It is reasonably possible, based on existing knowledge, that outcomes within the next reporting year that are different from assumptions could require a material adjustment to the carrying amount of the balances affected. The carrying amounts are shown in Note 13.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2014

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Critical judgements, assumptions and estimation uncertainties (Cont'd)

Income tax amounts:
The group recognises tax liabilities and tax assets based on an estimation of the likely taxes due, which requires significant judgement as to the ultimate tax determination of certain items. Where the actual amount arising from these issues differs from these estimates, such differences will have an impact on income tax and deferred tax amounts in the period when such determination is made. In addition management judgement is required in determining the amount of current and deferred tax recognised and the extent to which amounts should or can be recognised. A deferred tax asset is recognised if it is probable that the entity will earn sufficient taxable profit in future periods to benefit from a reduction in tax payments. This involves the management making assumptions within its overall tax planning activities and periodically reassessing them in order to reflect changed circumstances as well as tax regulations. Moreover, the measurement of a deferred tax asset or liability reflects the manner in which the entity expects to recover the asset's carrying value or settle the liability. As a result, due to their inherent nature assessments of likelihood are judgemental and not susceptible to precise determination. The income tax amounts are disclosed in Note 10.

Assessment of impairment of goodwill:
The amount of goodwill is tested annually for impairment. This annual impairment test is significant and the process is complex and highly judgmental and is based on assumptions that are affected by expected future market or economic conditions. As a result, judgement is required in evaluating the assumptions and methodologies used by management, in particular those relating to the forecasted revenue growth and profit margins. The disclosures about goodwill are included in Note 14, which explains that small changes in the key assumptions used could give rise to an impairment of the goodwill balance in the future. Actual outcomes could vary from these estimates.

3. RELATED PARTY RELATIONSHIPS AND TRANSACTIONS

FRS 24 defines a related party as a person or entity that is related to the reporting entity and it includes (a) A person or a close member of that person's family if that person: (i) has control or joint control over the reporting entity; (ii) has significant influence over the reporting entity; or (iii) is a member of the key management personnel of the reporting entity or of a parent of the reporting entity. (b) An entity is related to the reporting entity if any of the following conditions apply: (i) The entity and the reporting entity are members of the same group. (ii) One entity is an associate or joint venture of the other entity. (iii) Both entities are joint ventures of the same third party. (iv) One entity is a joint venture of a third entity and the other entity is an associate of the third entity. (v) The entity is a post-employment benefit plan for the benefit of employees of either the reporting entity or an entity related to the reporting entity. (vi) The entity is controlled or jointly controlled by a person identified in (a). (vii) A person identified in (a) (i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity). (viii) The entity, or any member of a group of which it is a part, provides key management personnel services to the reporting entity or to the parent of the reporting entity.

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3. RELATED PARTY RELATIONSHIPS AND TRANSACTIONS (CONT'D)

The company is a subsidiary of Money Farm Pte. Ltd., incorporated in Singapore. The company's ultimate parent company is the same entity. The ultimate controlling parties are Lim Yong Guan, Lim Yong Sheng and Lim Liang Eng, who are directors of the company.

3A. Related companies:

Related companies in these financial statements include the members of the ultimate parent company's group of companies.

There are transactions and arrangements between the reporting entity and members of the group and the effects of these on the basis determined between the parties are reflected in these financial statements. The intercompany balances are unsecured without fixed repayment terms and interest unless stated otherwise. For any non-current balances and financial guarantees no interest or charge is imposed unless stated otherwise.

Intragroup transactions and balances that have been eliminated in these consolidated financial statements are not disclosed as related party transactions and balances below.

3B. Related parties other than related companies:

There are transactions and arrangements between the reporting entity and related parties and the effects of these on the basis determined between the parties are reflected in these financial statements. The related party balances are unsecured without fixed repayment terms and interest unless stated otherwise. For any non-current balances and financial guarantees no interest or charge is imposed unless stated otherwise.

Significant related party transactions:

In addition to transactions and balances disclosed elsewhere in the notes to the financial statements, this item includes the following:

	Other related parties	
	2014	**2013**
	$'000	**$'000**
Sales of pre-owned jewellery and watches	**435**	119
Purchase of goods	**(9)**	(578)
Rental expense	**(1,366)**	(1,094)
Central support services	**(180)**	(135)

NOTES TO THE FINANCIAL STATEMENTS

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3. RELATED PARTY RELATIONSHIPS AND TRANSACTIONS (CONT'D)

3C. Key management compensation:

	2014	2013
	$'000	$'000
Salaries and other short-term employee benefits	**1,516**	1,120

The above amounts are included under employee benefits expense. Included in the above amounts are the following items:

	2014	2013
	$'000	$'000
Remuneration of directors of the company	**749**	598
Fees to directors of the company	**125**	64

Further information about the remuneration of individual directors is provided in the report on corporate governance.

Key management personnel are the directors and those persons having authority and responsibility for planning, directing and controlling the activities of the group, directly or indirectly.

3D. Other receivables from and other payables to related parties:

The trade transactions and the trade receivables and payables balances arising from sales and purchases of goods and services are disclosed elsewhere in the notes to the financial statements.

The movements in other receivables from and other payables to related parties are as follows:

Group	Other related parties	
	2014	2013
	$'000	$'000
Other receivables/(other payables):		
Balance at beginning of the year – net credit	**(54)**	(2,490)
Amounts paid out and settlement of liabilities on behalf of other related parties	**50**	2,436
Amounts paid in and settlement of liabilities on behalf of the group	**(2,475)**	–
Balance at end of the year – net credit	**(2,479)**	(54)
Presented in the statement of financial position as follows:		
Other receivables (Note 17)	**11**	–
Other payables (Note 22)	**(2,490)**	(54)
Balance at end of the year – net credit	**(2,479)**	(54)

NOTES TO THE FINANCIAL STATEMENTS

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3. RELATED PARTY RELATIONSHIPS AND TRANSACTIONS (CONT'D)

3D. Other receivables from and other payables to related parties: (Cont'd)

Group	Directors	
	2014	2013
	$'000	$'000
Other payables:		
Balance at beginning of the year – net credit	**(6,044)**	(6,825)
Amounts paid out and settlement of liabilities on behalf of directors	**1,511**	781
Balance at end of the year – net credit (Note 22)	**(4,533)**	(6,044)

Company	Subsidiaries	
	2014	2013
	$'000	$'000
Other receivables:		
Balance at beginning of the year	**11,863**	–
Amounts paid out and settlement of liabilities on behalf of subsidiaries	**11,340**	8,643
Amounts paid in and settlement of liabilities on behalf of the company	**(13,713)**	–
Dividend receivable	**–**	3,220
Balance at end of the year – net debit	**9,490**	11,863
Presented in the statement of financial position as follows:		
Other receivables (Note 17)	**12,290**	12,225
Other payables (Note 22)	**(2,800)**	(362)
Balance at end of the year – net debit	**9,490**	11,863

Company	Other Related Parties	
	2014	2013
	$'000	$'000
Other payables:		
Balance at beginning of the year – net credit	**(26)**	(2)
Amounts paid out and settlement of liabilities on behalf of the other related parties	**26**	–
Amounts paid in and settlement of liabilities on behalf of the company	**–**	(24)
Balance at end of the year – net credit (Note 22)	**–**	(26)

4. FINANCIAL INFORMATION BY OPERATING SEGMENTS

Information about reportable segment profit or loss, assets and liabilities

Disclosure of information about operating segments, products and services, the geographical areas, and the major customers are made as required by FRS 108 Operating Segments. This disclosure standard has no impact on the reported results or financial position of the group.

For management monitoring and financial purposes, the group is organised into two major operating segments, namely:

(i) Pawnbroking; and

(ii) Retail trading of pre-owned jewellery and watches.

NOTES TO THE FINANCIAL STATEMENTS

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4. FINANCIAL INFORMATION BY OPERATING SEGMENTS (CONT'D)

Information about reportable segment profit or loss, assets and liabilities (Cont'd)

Other operations include provision of other support services.

Such a structural organisation is determined by the nature of risks and returns associated with each business segment and defines the management structure as well as the internal reporting system. It represents the basis on which the management reports the primary segment information. They are managed separately because each business requires different strategies.

Inter-segment revenues are measured on the basis that the entity actually used to price the transfers. Internal transfer pricing policies of the group are as far as practicable based on market prices. The accounting policies of the operating segments are the same as those described in the summary of significant accounting policies.

Segment results, assets and liabilities include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Unallocated items comprise mainly provision for taxation, deferred tax liabilities and deferred tax assets.

Capital expenditure comprises additions to plant and equipment.

Segment information about these businesses is presented below:

Continuing Operations 2014	Pawnbroking	Retail trading of pre-owned jewellery and watches	Others	Elimination	Note	Group
	$'000	$'000	$'000	$'000		$'000
Revenue by segment						
Revenues from external customers	19,611	53,246	–	–		72,857
Inter-segment revenues	25,727	–	–	(25,727)	A	–
Results						
Segment results	5,192	(20)	1,205	(2,470)	B	3,907
Finance costs	(2,484)	–	(1)	–		(2,485)
Profit before tax	2,708	(20)	1,204	(2,470)	B	1,422
Income tax expense	(219)	(388)	–	–		(607)
Profit net of tax	2,489	(408)	1,204	(2,470)	B	815
Segment assets	180,565	21,671	16,725	(38,185)	C	180,776
Unallocated assets						208
Total group assets						180,984
Segment liabilities	127,965	20,604	11,764	(37,972)	D	122,361
Unallocated liabilities						583
Total group liabilities						122,944
Capital expenditure	1,964	780	–	–		2,744
Depreciation and amortisation	2,015	256	–	–		2,271
Inventories write down reversal	–	276	–	–		276
Plant and equipment written off	50	–	–	–		50
Loss on collateral loan services	3	–	–	–		3

NOTES TO THE FINANCIAL STATEMENTS

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4. FINANCIAL INFORMATION BY OPERATING SEGMENTS (CONT'D)

Information about reportable segment profit or loss, assets and liabilities (Cont'd)

Segment information about these businesses is presented below:

Continuing Operations 2013	Pawnbroking	Retail trading of pre-owned jewellery and watches	Others	Elimination	Note	Group
	$'000	$'000	$'000	$'000		$'000
Revenue by segment						
Revenues from external customers	17,422	48,134	–	–		65,556
Inter-segment revenues	23,712	–	–	(23,712)	A	–
Results						
Segment results	8,344	(1,559)	1,301	(3,465)	B	4,621
Finance costs	(2,219)	–	–	–		(2,219)
Profit before tax	6,125	(1,559)	1,301	(3,465)	B	2,402
Income tax (expense)/income	(956)	326	–	–		(630)
Profit net of tax	5,169	(1,233)	1,301	(3,465)	B	1,772
Segment assets	157,066	19,202	13,239	(27,467)	C	162,040
Unallocated assets						375
Total group assets						162,415
Segment liabilities	112,384	17,993	211	(27,025)	D	103,563
Unallocated liabilities						941
Total group liabilities						104,504
Capital expenditure	2,006	164	–	–		2,170
Depreciation and amortisation	1,605	62	–	–		1,667
Inventories written down	–	285	–	–		285
Plant and equipment written off	–	29	–	–		29
Loss on collateral loan services	22	–	–	–		22

Notes

A Inter-segment revenues are eliminated.

B The following items are deducted from segment profit to arrive at profit before tax presented in the consolidated statement of profit or loss and other comprehensive income:

	2014	2013
	$'000	$'000
Profit from inter-segment sales	**2,470**	3,465

C The following items are deducted from segment assets to arrive at total assets reported in the consolidated statements of financial position:

	2014	2013
	$'000	$'000
Inter-segment balances	**37,972**	27,025
Unrealised profit on unsold inventories	**213**	442
	38,185	27,467

NOTES TO THE FINANCIAL STATEMENTS

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4. FINANCIAL INFORMATION BY OPERATING SEGMENTS (CONT'D)

Notes (Cont'd)

D The following items are deducted from segment liabilities to arrive at total liabilities reported in the consolidated statements of financial position:

	2014	2013
	$'000	$'000
Inter-segment balances	**37,972**	27,025

Geographical information

	Revenue		Non-current assets	
	2014	2013	2014	2013
	$'000	$'000	$'000	$'000
Singapore	**71,866**	65,556	**3,244**	2,827
Malaysia	**991**	–	**2,100**	–
	72,857	65,556	**5,344**	2,827

Revenues are attributed to countries on the basis of the customer's location, irrespective of the origin of the goods and services.

The non-current assets are analysed by the geographical area in which the assets are located. The non-current assets exclude deferred tax assets.

Information about major customers

	2014	2013
	$'000	$'000
Top 1 customer	**16,088**	9,399
Top 2 customers	**17,541**	15,592

The major customers are from retail trading of pre-owned jewellery and watches segment.

5. REVENUE

	Group	
	2014	2013
	$'000	$'000
Interest income from providing collateral loan services	**19,115**	17,422
Sales of pre-owned jewellery and watches	**53,742**	48,134
Total revenue	**72,857**	65,556

6. EMPLOYEE BENEFITS EXPENSE

	Group	
	2014	2013
	$'000	$'000
Employee benefits expense	**8,055**	6,175
Contributions to defined contribution plan	**665**	553
Total employee benefits expense	**8,720**	6,728

NOTES TO THE FINANCIAL STATEMENTS

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7. FINANCE COSTS

	Group	
	2014	2013
	$'000	$'000
Interest expense	**2,485**	2,219

8. OTHER GAINS AND (OTHER LOSSES)

	Group	
	2014	2013
	$'000	$'000
Allowance for impairment on other receivables	**(13)**	–
Foreign exchange adjustments losses	**(221)**	(6)
Government grants	**256**	45
Interest income	**13**	–
Inventories written down reversal/(written down) (Note 16)	**276**	(285)
Loss on collateral loan services	**(3)**	(22)
Miscellaneous income	**44**	17
Plant and equipment written off	**(50)**	(29)
Rental income	**556**	320
Net	**858**	40
Presented in profit or loss as:		
Other gains	**1,145**	382
Other losses	**(287)**	(342)
Net	**858**	40

9. OTHER EXPENSES

The major components include the following:

	Group	
	2014	2013
	$'000	$'000
Advertisement and promotions	**380**	820
Rental expenses (Note 28)	**6,596**	5,175
Audit fees to the independent auditors of the company	**135**	120
Audit fees to the other independent auditors	**43**	1
Other fees to the independent auditors of the company	**53**	54
Initial Public Offering ("IPO") related expenses [(a)]	**–**	1,249

(a) These include other fees to the independent auditors of the company of $263,000, in connection with the IPO for the year ended 31 December 2013 (Note 20).

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10. INCOME TAX

10A. Components of tax expense recognised in profit or loss include:

	Group	
	2014	**2013**
	$'000	**$'000**
Current tax expense:		
Current tax expense	**527**	1,015
Over adjustments in respect of prior periods	**(137)**	(41)
Subtotal	**390**	974
Deferred tax expenses/(income):		
Deferred tax income	**(181)**	(399)
Under adjustments in respect of prior periods	**398**	55
Subtotal	**217**	(344)
Total income tax expense	**607**	630

The income tax in profit or loss varied from the amount of income tax amount determined by applying the Singapore income tax rate of 17.0% (2013: 17.0%) to profit or loss before income tax as a result of the following differences:

	Group	
	2014	**2013**
	$'000	**$'000**
Profit before tax	**1,422**	2,402
Income tax expense at the above rate	**242**	408
Expenses not deductible for tax purposes	**333**	407
Tax exemptions	**(150)**	(142)
Under adjustments to tax in respect of prior periods	**261**	14
Effect of different tax rates in different country	**(26)**	–
Other minor item less than 3% each	**(53)**	(57)
Total income tax expense	**607**	630

There are no income tax consequences of dividends to owners of the company.

The major not deductible items include the following:

	Group	
	2014	**2013**
	$'000	**$'000**
Initial Public Offering related expenses	**–**	212

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2014

10. INCOME TAX (CONT'D)

10B. Deferred tax expense/(income) recognised in profit or loss includes:

	Group 2014	Group 2013
	$'000	$'000
Excess of book value over tax value of plant and equipment	1	(9)
Excess of tax value over book value of plant and equipment	(21)	(8)
Tax loss and capital allowance carryforwards	237	(327)
Total deferred income tax expense (income) recognised in profit or loss	217	(344)

10C. Deferred tax balance in the statement of financial position:

	Group 2014	Group 2013
	$'000	$'000
Deferred tax (liabilities)/assets recognised in profit or loss:		
Excess of book value of plant and equipment over tax values	(49)	(48)
Excess of tax values over book value of plant and equipment	51	30
Tax loss and capital allowance carryforwards	157	394
Net balance	159	376
Presented in the statement of financial position as follows:		
Deferred tax assets	208	376
Deferred tax liabilities	(49)	–
Net balance	159	376

It is impracticable to estimate the amount expected to be settled or used within one year.

The realisation of the future income tax benefits from tax loss carryforwards and temporary differences from capital allowance is available for an unlimited future period subject to the conditions imposed by law including the retention of majority shareholders as defined.

NOTES TO THE FINANCIAL STATEMENTS

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11. EARNINGS PER SHARE

The following table illustrates the numerators and denominators used to calculate basic and diluted earnings per share of no par value:

	Group	
	2014	**2013**
	$'000	**$'000**
Numerators: earnings attributable to equity		
Profit attributable to owners of the parent, net of tax	**916**	1,772

	2014	**2013**
	'000	**'000**
Denominators: weighted average number of equity shares		
Basic and diluted	**353,800**	322,417

The weighted average number of equity shares refers to shares in circulation during the reporting period. It has been adjusted for the issuance of new ordinary shares and the sub-division of shares prior to the listing as set out in Note 20.

The basic earnings per share ratio is based on the weighted average number of ordinary shares outstanding during each reporting year. Both basic and diluted earnings per share are the same as there are no dilutive potential ordinary shares outstanding during the reporting period.

12. DIVIDENDS ON EQUITY SHARES

	2014	**2013**
	$'000	**$'000**
First and final tax exempt (one-tier) dividend of 0.3 cents (2013: Nil) per share	**1,061**	–

In respect of the current reporting year, the directors propose that a final dividend of 0.3 cents per share with a total of $1,061,000 be paid to shareholders after the annual general meeting. There are no income tax consequences. This dividend is subject to approval by shareholders at the next annual general meeting and has not been included as a liability in these financial statements. The proposed dividend is payable in respect of all ordinary shares in issue at the end of the reporting year and including any new qualifying shares issued up to the date the dividend becomes payable. There are no income tax consequences of the dividends to shareholders.

NOTES TO THE FINANCIAL STATEMENTS

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13. PLANT AND EQUIPMENT

	Renovations	Plant and equipment	Total
Group:	**$'000**	**$'000**	**$'000**
Cost:			
At 1 January 2013	2,834	1,925	4,759
Additions	1,544	626	2,170
Reclassifications	9	(9)	–
Disposals	(52)	(2)	(54)
At 31 December 2013	4,335	2,540	6,875
Arising from acquisition of subsidiaries (Note 26)	488	541	1,029
Foreign exchange adjustments	(14)	(15)	(29)
Additions	1,523	1,409	2,932
Disposals	(141)	(19)	(160)
At 31 December 2014	6,191	4,456	10,647
Accumulated depreciation:			
At 1 January 2013	1,882	1,117	2,999
Depreciation for the year	1,100	422	1,522
Reclassifications	4	(4)	–
Disposals	(24)	(1)	(25)
At 31 December 2013	2,962	1,534	4,496
Arising from acquisition of subsidiaries (Note 26)	232	168	400
Foreign exchange adjustments	(6)	(3)	(9)
Depreciation for the year	1,351	714	2,065
Disposals	(101)	(9)	(110)
At 31 December 2014	4,438	2,404	6,842
Carrying amount:			
At 1 January 2013	952	808	1,760
At 31 December 2013	1,373	1,006	2,379
At 31 December 2014	1,753	2,052	3,805

Certain items are under finance lease agreements (Note 23C).

A floating charge has been placed on plant and equipment with a carrying amount of $2,264,000 (2013:$2,177,000) as security for bank borrowings (Note 23).

NOTES TO THE FINANCIAL STATEMENTS

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14. INTANGIBLE ASSETS

	Group		Company	
	2014	2013	**2014**	2013
	$'000	$'000	**$'000**	$'000
Goodwill (Note 14A)	**1,297**	–	**–**	–
Lease assignment fees (Note 14B)	**242**	448	**–**	–
Total	**1,539**	448	**–**	–

14A. Goodwill

	Group	
	2014	**2013**
	$'000	**$'000**
Cost:		
Balance at beginning of the year	**–**	–
Arising from acquisition of subsidiaries (Note 26)	**1,297**	–
Balance at end of the year	**1,297**	–

The goodwill was tested for impairment at the end of the reporting year. An impairment loss is the amount by which the carrying amount of an asset or a cash-generating unit exceeds its recoverable amount. The recoverable amount of an asset or a cash-generating unit ("CGU") is the higher of its fair value less costs of disposal or its value in use. The recoverable amounts of cash-generating units have been measured based on value in use method.

No impairment allowance was recognised because the carrying amount of all cash-generating units was lower than their recoverable amount.

The value in use was measured by management. The key assumptions for the value in use calculations are as follows. The value in use is a recurring fair value measurement (Level 3). The quantitative information about the value in use measurement using significant unobservable inputs for the cash generating unit are consistent with those used for the measurement last performed and is analysed as follows:

Cash Online Sdn Bhd group **Valuation techniques and Unobservable inputs** **Discounted cash flow method**	**31 December 2014**
Estimated discount rates using pre-tax rates that reflect current market assessments at the risks specific to the CGU.	11.6%
Growth rates based on industry growth forecasts and not exceeding the average long-term growth rate for the relevant markets.	15%
Cash flow forecasts derived from the most recent financial budgets and plans approved by management.	5 years

NOTES TO THE FINANCIAL STATEMENTS

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14. INTANGIBLE ASSETS (CONT'D)

14A. Goodwill (Cont'd)

Management forecasts the terminal growth rates at 0%.

The impairment test has been carried out using a discounted cash flow model covering a 5-year period. Cash flows projections are based on the next five year budgets and plans approved by management. The discount rate applied (weighted average cost of capital "WACC" gross of tax effect) is 11.6% (2013: Nil). Management believes that any reasonably possible change in the key assumptions on which this division's recoverable amount is based would not cause the carrying amount to exceed its recoverable amount. The quantitative information about the value in use measurement using significant unobservable inputs for the cash generating unit are consistent with those used for the measurement last performed.

Actual outcomes could vary from these estimates. If the revised estimated gross margin at the end of the reporting year had been 10% less favourable than management's estimates at the end of the reporting year, the recoverable amount is still greater than the carrying value of the intangible assets and no impairment for intangible assets will be required. If the revised estimated pre-tax discount rate applied to the discounted cash flows had been 10% less favourable than management's estimates, the recoverable amount is still greater than the carrying value of the intangible assets and no impairment for intangible assets will be required.

14B. Intangible Assets

	Lease assignment fees
Group:	$'000
Cost:	
At 1 January 2013	780
Additions	360
At 31 December 2013 and 31 December 2014	1,140
Accumulated amortisation:	
At 1 January 2013	547
Amortisation for the year	145
At 31 December 2013	692
Amortisation for the year	206
At 31 December 2014	898
Carrying amount:	
At 1 January 2013	233
At 31 December 2013	448
At 31 December 2014	242

NOTES TO THE FINANCIAL STATEMENTS

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15. INVESTMENTS IN SUBSIDIARIES

	Company 2014	Company 2013
	$'000	**$'000**
Movements during the year:		
Unquoted equity shares at cost:		
Balance at beginning of the year	**44,405**	–
Acquisition of subsidiaries pursuant to the restructuring exercise:		
– By cash	**–**	2,754
– By way of share issuance (Note 20)	**–**	37,651
Acquisition of additional share capital issued by subsidiaries	**6,000**	4,000
Balance at end of the year	**50,405**	44,405

#A. The following subsidiaries are wholly owned by the group:

Name of subsidiaries, country of incorporation, place of operations and principal activities (independent auditors)	**Cost in books of company 2014**	**Cost in books of company 2013**	**Effective percentage of equity held 2014**	**Effective percentage of equity held 2013**
	$'000	**$'000**	**%**	**%**
<u>Held by the company:</u>				
MoneyMax Pawnshop Pte. Ltd.[(a)] Singapore Pawn brokerage	**17,014**	17,014	**100**	100
MoneyMax Group Pte. Ltd.[(a)] Singapore Pawn brokerage	**16,477**	12,477	**100**	100
MoneyMax Pte. Ltd.[(a)] Singapore Pawn brokerage	**11,618**	9,618	**100**	100
Cash Online Pawnshop Pte. Ltd.[(a)] Singapore Pawn brokerage	**2,725**	2,725	**100**	100
MoneyMax Jewellery Pte. Ltd.[(a)] Singapore Retail sale of jewellery, watches and luxury goods	**2,542**	2,542	**100**	100
Cash Online Jewellery Pte. Ltd.[(a)] Singapore Retail sale of jewellery, watches and luxury goods	**29**	29	**100**	100
MoneyMax Capital Pte. Ltd.[(a)] Singapore Dormant	**+**	+	**100**	100

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15. INVESTMENTS IN SUBSIDIARIES (CONT'D)

Name of subsidiaries, country of incorporation, place of operations and principal activities (independent auditors)	Cost in books of company 2014	2013	Effective percentage of equity held 2014	2013
	$'000	$'000	%	%
MoneyMax Pawnshop Sdn. Bhd. [b] Malaysia Dormant (FS Wong & Co., Malaysia)	+	+	**100**	100
MoneyMax Jewellery Sdn. Bhd. [b] Malaysia Dormant (FS Wong & Co., Malaysia)	+	+	**100**	100
Cash Online Sdn. Bhd. [c] Malaysia Investment holding	+	+	**100**	100

#B. The subsidiaries that have non-controlling interest are listed below:

Name of subsidiaries, country of incorporation, place of operations and principal activities (independent auditors)	Cost in books of company 2014	2013	Effective percentage of equity held 2014	2013
	$'000	$'000	%	%
<u>Held by Cash Online Sdn. Bhd.</u> Easimine Group Sdn. Bhd.[c] Malaysia Investment holding	–	–	**51**	–
<u>Held by Easimine Group Sdn. Bhd.</u> Easigram Group Sdn. Bhd.[c] Malaysia Investment holding	–	–	**51**	–
Easigold Group Sdn. Bhd.[c] Malaysia Investment holding	–	–	**51**	–
<u>Held by Easigram Group Sdn. Bhd.</u> MS 1 Infinite Sdn. Bhd.[c] Malaysia Pawn brokerage	–	–	**51**	–
MS 2 Infinite Sdn. Bhd.[c] Malaysia Pawn brokerage	–	–	**51**	–
MS 3 Infinite Sdn. Bhd.[c] Malaysia Pawn brokerage	–	–	**51**	–

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15. INVESTMENTS IN SUBSIDIARIES (CONT'D)

Name of subsidiaries, country of incorporation, place of operations and principal activities (independent auditors)	Cost in books of company		Effective percentage of equity held	
	2014	2013	2014	2013
	$'000	$'000	%	%
MS 4 Infinite Sdn. Bhd.[c] Malaysia Pawn brokerage	–	–	51	–
MS 5 Infinite Sdn. Bhd.[c] Malaysia Pawn brokerage	–	–	51	–
MS 10 Infinite Sdn. Bhd.[c] Malaysia Pawn brokerage	–	–	51	–
Easigram (Pandan) Sdn. Bhd.[c] Malaysia Pawn brokerage	–	–	51	–
Held by Easigold Group Sdn. Bhd. Pajak Gadai Pure Merit Sdn. Bhd.[c] Malaysia Pawn brokerage	–	–	51	–
Pajak Gadai Aeon Fountain Sdn. Bhd.[c] Malaysia Pawn brokerage	–	–	51	–

\+ Amount less than $1,000.
(a) Audited by RSM Chio Lim LLP in Singapore, a member firm of RSM International.
(b) Other independent auditors. Audited by firms of accountants other than member firms of RSM International of which RSM Chio Lim LLP in Singapore is a member. Their names are indicated above.
(c) Audited by RSM Robert Teo, Kuan & Co, a member firm of RSM International.

As is required by Rule 716 of the Listing Manual of the Singapore Exchange Securities Trading Limited, the audit committee and the board of directors of the company have satisfied themselves that the appointment of different auditors for certain of its overseas subsidiaries would not compromise the standard and effectiveness of the audit of the Group.

16. INVENTORIES

	Group	
	2014	2013
	$'000	$'000
Finished goods	18,835	14,113
Inventories are stated after allowance. Movements in allowance:		
Balance at beginning of the year	285	–
(Reversal)/charge to profit or loss included in other gains and (other losses) (Note 8)	(276)	285
Balance at end of the year	9	285

A floating charge has been placed on inventories with a carrying value of $46,000 (2013: Nil) as security for bank borrowings (Note 23).

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17. TRADE AND OTHER RECEIVABLES

	Group		Company	
	2014	2013	**2014**	2013
	$'000	$'000	**$'000**	$'000
Trade receivables:				
Pledged loans[(a)]	**139,553**	128,449	**–**	–
Interest receivables[(a)]	**4,963**	4,208	**–**	–
Outside parties	**237**	272	**–**	–
Related party (Note 3)	**146**	–	**–**	–
Sub-total	**144,899**	132,929	**–**	–
Other receivables:				
Subsidiaries (Note 3)	**–**	–	**12,290**	12,225
Income tax refundable	**–**	71	**–**	–
Other receivables	**115**	8	**8**	–
Less allowance for impairment	**(13)**	–	**–**	–
Related party (Note 3)	**11**	–	**–**	–
Sub-total	**113**	79	**12,298**	12,225
Total trade and other receivables	**145,012**	133,008	**12,298**	12,225

	Group		Company	
	2014	2013	**2014**	2013
	$'000	$'000	**$'000**	$'000
Other receivables:				
Movements in above allowance:				
Balance at beginning of the year	**–**	–	**–**	–
Charge for other receivables to profit or loss include in other losses	**13**	–	**–**	–
Balance at end of the year	**13**	–	**–**	–

[(a)] Pledged loans to customers are secured by pledges of goods and chattels. The quantum of loans granted to customers is based on a portion of the value of articles pledged. In the event that a customer does not renew or redeem a pledged article within 6 months from the grant date of the loan, the pledged article will be disposed of by a sale by auction, in accordance with the provisions of the Pawnbrokers Act in the local jurisdictions.

The loans bear interest ranging from 0.95% to 2% per annum.

A floating charge has been placed on trade and other receivables with a carrying value of $140,202,000 (2013: $132,694,000) as security for bank borrowings (Note 23).

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18. OTHER ASSETS

	Group		Company	
	2014	2013	**2014**	2013
	$'000	$'000	**$'000**	$'000
Prepayments	**598**	645	**80**	176
Deposits to secure services	**2,794**	2,788	**–**	–
	3,392	3,433	**80**	176

Included in deposits to secure services is an amount of $109,000 (2013: Nil) being deposit paid for the acquisition of shares in a pawnshop as disclosed in Note 30 to the financial statements.

19. CASH AND CASH EQUIVALENTS

	Group		Company	
	2014	2013	**2014**	2013
	$'000	$'000	**$'000**	$'000
Cash on hand and in bank (not restricted in use)	**8,193**	8,658	**928**	1,200

The interest earning balances are not significant.

A floating charge has been placed on cash and bank balances with a carrying value at $5,446,000 (2013: $3,628,000) as security for bank borrowings (Note 23).

19A. Cash and cash equivalents in the statement of cash flows:

	Group	
	2014	**2013**
	$'000	**$'000**
Amount as shown above	**8,193**	8,658
Bank overdrafts (Note 23)	**(5,426)**	(4,991)
Cash and cash equivalents for statement of cash flows purposes at end of the year	**2,767**	3,667

19B. Non-cash transactions:

Included in additions to plant and equipment is an amount of $188,000 (2013: $24,000) being provision for restoration costs capitalised (Note 24).

20 SHARE CAPITAL

	Number of shares issued	Share capital
	'000	**$'000**
Ordinary shares of no par value:		
Balance at beginning of the year 1 January 2013 [a]	31,001	31,001
Issue of shares at $0.89 each [b]	3,372	3,000
Share swap pursuant to the restructuring exercise [c]	(31,001)	(31,001)
Issue of shares pursuant to the acquisition of subsidiaries as part of the restructuring exercise [c]	46,628	37,651
	50,000	40,651
New shares pursuant to the sub-division of shares [d]	250,000	–
Issue of shares pursuant to the Initial Public Offering ("IPO") [e]	53,800	16,140
Listing expenses [f]	–	(647)
Balance at end of the year 31 December 2013 and 2014	353,800	56,144

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20 SHARE CAPITAL (CONT'D)

(a) The share capital represents the combined share capital of the subsidiaries prior to the restructuring exercise (Note 1).

(b) On 27 June 2013, the company issued 3,372,000 ordinary shares of no par value for cash at $0.89 per share, or an aggregate consideration of $3,000,000.

(c) On 27 June 2013, pursuant to the acquisition of its subsidiaries at net asset values as at 31 December 2012 as part of the restructuring exercise as disclosed in Note 1, the company paid an aggregate purchase consideration of $40,405,000 to the ex-shareholders of the subsidiaries and their nominee, which was satisfied by the allotment and issuance of 46,628,000 ordinary shares of no par value in the capital of the company for $37,651,000 and an aggregate cash consideration of $2,754,000 (Note 15).

(d) On 17 July 2013, the shareholders approved, inter alia, the sub-division of the entire share capital of the company into 6 ordinary shares for every one existing ordinary share. The resultant share capital comprises 300,000,000 shares.

(e) On 2 August 2013, pursuant to the IPO of the company, 53,800,000 new ordinary shares of no par value were issued to the public for cash at $0.30 per share, or an aggregate consideration of $16,140,000. All new ordinary shares were fully subscribed and paid.

(f) The IPO related expenses totalled $1,896,000, of which $647,000 was taken to equity and $1,249,000 was charged to profit or loss (Note 9).

The ordinary shares of no par value which are fully paid, carry one vote each and have no right to fixed income.

In connection with the IPO, the independent auditors were paid fees and expenses totalling $310,000 for their services as reporting accountants, of which $47,000 was taken to equity and $263,000 was charged to profit or loss (Note 9).

Capital management:

The objectives when managing capital are: to safeguard the reporting entity's ability to continue as a going concern, so that it can continue to provide returns for owners and benefits for other stakeholders, and to provide an adequate return to owners by pricing the sales commensurately with the level of risk. The management sets the amount of capital to meet its requirements and the risk taken. There were no changes in the approach to capital management during the reporting year. The management manages the capital structure and makes adjustments to it where necessary or possible in the light of changes in conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the management may adjust the amount of dividends paid to owners, return capital to owners, issue new shares, or sell assets to reduce debt. Adjusted capital comprises all components of equity (that is, share capital and reserves).

In order to maintain its listing on the Singapore Stock Exchange it has to have share capital with a free float of at least 10% of the shares. The company met the capital requirement on its initial listing and the rules limiting treasury share purchases mean it will continue to satisfy that requirement, as it did throughout the reporting year. Management receives a report from the share registrars frequently on substantial share interests showing the non-free float to ensure continuing compliance with the 10% limit throughout the reporting year.

The management monitors the capital on the basis of the debt-to-capital ratio. This ratio is calculated as net debt/capital (as shown below). Net debt is calculated as total borrowings less cash and cash equivalents.

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20 SHARE CAPITAL (CONT'D)

Capital management: (Cont'd)

Group:	**2014**	**2013**
	$'000	**$'000**
Net debt:		
All current and non-current borrowings including finance leases	**110,532**	93,472
Less cash and cash equivalents	**(8,193)**	(8,658)
Net debt	**102,339**	84,814
Capital:		
Total Equity	**57,801**	57,911
Debt-to-capital ratio	**177%**	146%

There are significant borrowings but these are secured by specific assets. The unfavorable change as shown by the increase in the debt-to-capital ratio for the reporting year resulted primarily from the increase in new debt.

All reserves classified on the face of the statement of financial position as retained earnings represent past accumulated earnings and are distributable. The other reserves are not available for cash dividends unless realised.

21. OTHER RESERVES

	2014	**2013**
	$'000	**$'000**
As at 1 January	–	–
Foreign exchange translation reserves	**35**	–
As at 31 December	**35**	–

22. TRADE AND OTHER PAYABLES

	Group		**Company**	
	2014	2013	**2014**	2013
	$'000	$'000	**$'000**	$'000
Trade payables:				
Surplus payable[(a)]	**68**	50	**–**	–
Accrued liabilities	**2,081**	1,659	**145**	119
Outside parties	**357**	1,042	**–**	–
Sub-total	**2,506**	2,751	**145**	119
Other payables:				
Subsidiary (Note 3)	**–**	–	**2,800**	362
Related parties (Note 3)[(b)]	**2,490**	54	**–**	26
Directors (Note 3)	**4,533**	6,044	**–**	–
Other payables	**1,590**	874	**15**	50
Sub-total	**8,613**	6,972	**2,815**	438
Total trade and other payables	**11,119**	9,723	**2,960**	557

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22. TRADE AND OTHER PAYABLES (CONT'D)

(a) This represents surplus realised at sale of unredeemed pledges by auction. They are to be settled with (i) the holders of the pawn tickets on demand within 4 months after the sale and, when no demand is made, (ii) the Accountant-General within 14 days after the expiration of the period of 4 months.

(b) Included in balance is amount S$2,475,000 owing to the non-controlling interest.

23. OTHER FINANCIAL LIABILITIES

	Group		Company	
	2014	2013	**2014**	2013
	$'000	$'000	**$'000**	$'000
Non-current:				
Financial instruments with floating interest rates:				
Term loans (secured) (Note 23B)	**3,387**	–	–	–
Financial instruments with fixed interest rates:				
Finance leases (Note 23C)	**23**	25	–	–
Non-current	**3,410**	25	–	–
Current:				
Financial instruments with floating interest rates:				
Bank overdrafts (secured) (Note 23A)	**5,426**	4,991	–	–
Bank loans (secured) (Note 23A)	**100,831**	88,440	**3,000**	–
Term loans (secured) (Note 23B)	**846**	–	–	–
Financial instruments with fixed interest rates:				
Finance leases (Note 23C)	**19**	16	–	–
Current	**107,122**	93,447	**3,000**	–
Total	**110,532**	93,472	**3,000**	–

The non-current portion is repayable as follows:

	Group		Company	
	2014	2013	**2014**	2013
	$'000	$'000	**$'000**	$'000
Due within 2 – 5 years	**3,410**	25	–	–
Total non-current portion	**3,410**	25	–	–

The range of floating interest rates paid were as follows:

	Group		Company	
	2014	2013	**2014**	2013
Bank overdrafts (secured)	**5.00%**	5.00%	–	–
Bank loans and term loans (secured)	**1.95% to 3.65%**	1.95% to 2.46%	**3.65%**	–

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23. OTHER FINANCIAL LIABILITIES (CONT'D)

23A. Bank overdrafts and bank loans (secured)

The bank borrowings are revolving loans with maturities between one month to six months.

The revolving loans are at floating rates of interest. The fair value (Level 2) is a reasonable approximation of the carrying amounts due to their short term nature or that they are floating rate instruments that are frequently re-priced to market interest rate.

The bank agreements for the bank loan and overdrafts provide among other matters for the following:

1. Debenture incorporating a fixed and floating charge over present and future assets of certain subsidiaries;
2. Corporate guarantee from immediate parent company;
3. Corporate guarantee from certain subsidiaries;
4. Assignment of insurance policies;
5. An all monies Facilities Agreement of a subsidiary;
6. Fixed deposit of a subsidiary;
7. Personal guarantee granted by certain directors of the subsidiaries;
8. Corporate guarantee from a company in which certain directors of the subsidiaries have interest.

23B. Term loans (secured)

The term loans are repayable by monthly instalments ranging from $46,379 to $61,245 over 3 years to 4 years with commencement dates from October 2014 to September 2015.

The term loans is at floating rates of interest. The fair value (Level 2) is a reasonable approximation of the carrying amounts as they are floating rate instruments that are frequently re-priced to market interest rate.

The bank agreements for the term loans provide among other matters for the following:

1. Debenture incorporating a fixed and floating charge over present and future assets of certain subsidiaries.
2. Corporate guarantee from the company.
3. Assignment of insurance policies.

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23. OTHER FINANCIAL LIABILITIES (CONT'D)

23C. Finance leases

Group

2014:	Minimum payments	Finance charges	Present value
	$'000	$'000	$'000
Minimum lease payments payable:			
Due within one year	21	(2)	19
Due within 2 to 5 years	25	(2)	23
Total	46	(4)	42
Carrying amount of plant and equipment under finance leases			62

2013:	Minimum payments	Finance charges	Present value
	$'000	$'000	$'000
Minimum lease payments payable:			
Due within one year	18	(2)	16
Due within 2 to 5 years	26	(1)	25
Total	44	(3)	41
Carrying amount of plant and equipment under finance leases			78

It is a policy to lease certain of its plant and equipment under finance leases. The average lease term is 2 to 5 years. The range of effective interest for finance leases is about 5.33% to 6.43% (2013: 5.33% to 6.16%). All leases are on a fixed repayment basis and no arrangements have been entered into for contingent rental payments. The obligations under finance leases are secured by the lessor's charge over the leased assets.

The carrying amounts of the lease liabilities approximate the fair value (Level 2).

The finance leases of certain subsidiaries are secured by guarantees from a director of the company.

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24. OTHER LIABILITIES

	Group 2014	Group 2013
	$'000	$'000
Deposits	**135**	83
Provision for restoration costs [(a)]	**575**	285
Total	**710**	368
Movements in above provision:		
At beginning of the year	**285**	261
Arising from acquisition of subsidiaries	**124**	–
Additions	**188**	24
Used	**(18)**	–
Foreign exchange adjustments	**(4)**	–
At end of the year	**575**	285

(a) The provision is based on the present value of costs to be incurred to remove leasehold improvements from leased properties. The estimate is based on quotations from external contractors. The unexpired terms range from 1 to 5 years. The unwinding of discount is not significant.

25. DERIVATIVE FINANCIAL INSTRUMENTS

These include the gross amount of all notional values for contracts that have not yet been settled or cancelled. The amount of notional value outstanding is not necessarily a measure or indication of market risk, as the exposure of certain contracts may be offset by that of other contracts.

Group	Reference	Notional 2014	Notional 2013	Strike Price 2014	Strike Price 2013	Fair Value 2014	Fair Value 2013
	unit			US$	US$	$'000	$'000
Commodity put option	Ounce	–	322	–	1,180	–	(17)
Commodity call option	Ounce	–	643	–	1,230	–	3
						–	(14)

The purpose of the option is to mitigate the fluctuations of the gold price on pledged loans held at the end of the reporting year.

The fair value (Level 2) of commodity option is based on the current value of the difference between the gold contractual rate and the gold market rate at the end of the reporting year. The valuation technique uses market observable inputs. The fair value is not recognised in the financial statements as it is not considered material.

26. ACQUISITION OF SUBSIDIARIES

On 15 August 2014, the Group acquired 51.0% equity interest in Easimine Group Sdn. Bhd., incorporated in Malaysia at cash consideration of RM4,000,000 or approximately S$1,556,000 and from that date the group gained control. It became a subsidiary (also see Note 15 for the principal activities). The transactions was accounted for by the acquisition method of accounting.

On 17 November 2014, the Group acquired 51.0% in Easigram (Pandan) Sdn. Bhd. at cash consideration of RM280,000 or approximately S$106,000 and from that date the group gained control. It became a subsidiary (also see Note 15 for the principal activities). The transaction was accounted for by the acquisition method of accounting.

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26. ACQUISITION OF SUBSIDIARIES (CONT'D)

The fair values of identifiable assets acquired and liabilities assumed shown below for Easimine Group Sdn. Bhd. and Easigram (Pandan) Sdn. Bhd. are provisional as the hindsight period (of not more than twelve months) allowed by FRS 103 Business Combinations has not yet expired. A detailed report from an independent professional valuer on the fair values is expected to be available before the end of the next reporting year.

Details of the net provisional assets acquired and goodwill arising from the acquisition are as follows:

	Provisional fair value 2014
Net assets acquired:	$'000
Plant and equipment	629
Inventories	143
Trade and other receivables	5,634
Other assets	111
Cash and cash equivalents	947
Bank overdrafts	(771)
Other financial liabilities	(20)
Income tax payable	(39)
Trade and other payables	(5,792)
Other liabilities	(124)
Deferred tax liabilities	(3)
	715

	2014
Net cash outflows on acquisition:	$'000
Cash consideration	1,662
Less: cash and cash equivalents acquired	(176)
Net cash outflow	1,486

	2014
Goodwill arising on acquisition:	$'000
Consideration transferred	1,662
Non-controlling interests at fair value	350
Fair value of identifiable net assets acquired	(715)
Goodwill arising on acquisition	1,297

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26. ACQUISITION OF SUBSIDIARIES (CONT'D)

The non-controlling interest of 49% in the acquiree at the acquisition date was measured based on the non-controlling interest's proportionate share of the acquiree's net identifiable assets.

The goodwill is not deductible for tax purposes.

The contributions from the acquired subsidiaries for the period between the date of acquisition and the end of the reporting year were as follows:

	2014
	$'000
Revenue	991
Loss before income tax	(319)

The contributions from the acquired subsidiaries for the reporting year 2014 have not been prepared and disclosed as the directors are of the opinion that there are no practical benefits to be derived from the preparation of this financial information.

27. FINANCIAL INSTRUMENTS: INFORMATION ON FINANCIAL RISKS

27A. Classification of financial assets and liabilities

The following table summarises the carrying amount of financial assets and liabilities recorded at the end of the reporting year by FRS 39 categories:

	Group		Company	
	2014	2013	**2014**	2013
	$'000	$'000	**$'000**	$'000
Financial assets:				
Cash and cash equivalents	**8,193**	8,658	**928**	1,200
Loan and receivables	**145,012**	132,937	**12,298**	12,225
At end of the year	**153,205**	141,595	**13,226**	13,425
Financial liabilities:				
Other financial liabilities measured at amortised cost	**110,532**	93,472	**3,000**	–
Trade and other payables measured at amortised cost	**11,119**	9,723	**2,960**	557
At end of the year	**121,651**	103,195	**5,960**	557

Further quantitative disclosures are included throughout these financial statements.

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27. FINANCIAL INSTRUMENTS: INFORMATION ON FINANCIAL RISKS (CONT'D)

27B. Financial risk management

The main purpose for holding or issuing financial instruments is to raise and manage the finances for the entity's operating, investing and financing activities. There are exposures to the financial risks on the financial instruments such as credit risk, liquidity risk and market risk comprising interest rate, currency risk and price risk exposures. Management has certain practices for the management of financial risks and action to be taken in order to manage the financial risks. However these are not formally documented in written form. The guidelines include the following:

1. Minimise interest rate, currency, credit and market risks for all kinds of transactions.
2. Maximise the use of "natural hedge": favouring as much as possible the natural off-setting of sales and costs and payables and receivables denominated in the same currency and therefore put in place hedging strategies only for the excess balance. The same strategy is pursued with regard to interest rate risk.
3. All financial risk management activities are carried out and monitored by senior management staff.
4. All financial risk management activities are carried out following good market practices.

There have been no changes to the exposures to risk; the objectives, policies and processes for managing the risk and the methods used to measure the risk.

The chief financial officer who monitors the procedures reports to the audit committee of the board.

With regard to derivatives, the policies include the following:

1. The management documents carefully all derivatives including the relationship between them and the hedged items at inception and throughout their life.
2. Ineffectiveness is recognised in profit or loss as soon as it arises.
3. Effectiveness is assessed at the inception of the hedge and at each end of the reporting year ensuring that FRS 39 criteria are met.
4. Only financial institutions with acceptable credit ratings are used as counterparties for derivatives.

27C. Fair values of financial instruments

The analyses of financial instruments that are measured subsequent to initial recognition at fair value, grouped into Levels 1 to 3 are disclosed in the relevant notes to the financial statements. These include both the significant financial instruments stated at amortised cost and at fair value in the statement of financial position. The carrying values of current financial instruments approximate their fair values due to the short-term maturity of these instruments and the disclosures of fair value are not made when the carrying amount of current financial instruments is a reasonable approximation of the fair value.

27D. Credit risk on financial assets

Financial assets that are potentially subject to concentrations of credit risk and failures by counterparties to discharge their obligations in full or in a timely manner consist principally of cash balances with banks, cash equivalents and receivables. The maximum exposure to credit risk is: the total of the fair value of the financial assets; the maximum amount the entity could have to pay if the guarantee is called on; and the full amount of any payable commitments at the end of the reporting year. Credit risk on cash balances with banks and any other financial instruments is limited because the counter-parties are entities with acceptable credit ratings. For credit risk on receivables an ongoing credit evaluation is performed on the financial condition of the debtors and a loss from impairment is recognised in profit or loss. The exposure to credit risk with

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27. FINANCIAL INSTRUMENTS: INFORMATION ON FINANCIAL RISKS (CONT'D)

27D. Credit risk on financial assets (Cont'd)

customers is controlled by setting limits on the exposure to individual customers and these are disseminated to the relevant persons concerned and compliance is monitored by management. There is no significant concentration of credit risk on receivables, as the exposure is spread over a large number of counter-parties and customers unless otherwise disclosed in Note 4.

Pledged loans are secured by pledges of goods and chattels which are redeemable by the borrowers within 6 months from the dates of grant of the loans. Except for the pledged loans, the company does not hold any collateral. The carrying amount of the pledged loans is disclosed in Note 17.

The average credit period generally granted to trade receivables of retail trading of pre-owned jewellery and watches business is about 7 to 30 days (2013: 7 to 30 days).

There are no receivables except for other receivables of $13,000 (2013: Nil) that are past due or impaired at the end of reporting year. The pledges articles relating to the pledge loans continue to be redeemable until they are disposed of by auction in accordance with the provisions of the Pawnbrokers Act in the local jurisdictions. An allowance for impairment on other receivables of $13,000 (2013: Nil) is provided for in the reporting year.

Other receivables are normally with no fixed terms and therefore there is no maturity.

27E. Liquidity risk – financial liabilities maturity analysis

The following table analyses the non-derivative financial liabilities by remaining contractual maturity (contractual and undiscounted cash flows):

Group	Less than 1 year	1 – 3 years	Total
Non-derivative financial liabilities:	**$'000**	**$'000**	**$'000**
2014:			
Gross borrowing commitments	107,592	3,509	111,101
Gross finance lease obligations	21	25	46
Trade and other payables	11,119	–	11,119
At end of the year	118,732	3,534	122,266
Non-derivative financial liabilities:			
2013:			
Gross borrowing commitments	93,793	–	93,793
Gross finance lease obligations	18	26	44
Trade and other payables	9,723	–	9,723
At end of the year	103,534	26	103,560

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27. FINANCIAL INSTRUMENTS: INFORMATION ON FINANCIAL RISKS (CONT'D)

27E. Liquidity risk – financial liabilities maturity analysis (Cont'd)

Company	2014	2013
Non-derivative financial liabilities:	**$'000**	**$'000**
Less than 1 year		
Gross borrowing commitments	**3,008**	–
Trade and other payables	**2,960**	557
At end of the year	**5,968**	557

The above amounts disclosed in the maturity analysis are the contractual undiscounted cash flows and such undiscounted cash flows differ from the amount included in the statement of financial position. When the counterparty has a choice of when an amount is paid, the liability is included on the basis of the earliest date on which it can be required to pay.

The liquidity risk refers to the difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset. It is expected that all the liabilities will be settled at their contractual maturity. The other payables are with short-term durations. The classification of the financial assets is shown in the statement of financial position as they may be available to meet liquidity needs and no further analysis is deemed necessary.

27F. Interest rate risk

The interest rate risk exposure is mainly from changes in fixed interest rate and floating interest rates and it mainly concerns financial liabilities. The following table analyses the breakdown of the significant financial instruments by type of interest rate:

	Group	
	2014	**2013**
	$'000	**$'000**
Financial liabilities:		
Fixed rate	**42**	41
Floating rate	**110,490**	93,431
At end of the year	**110,532**	93,472

The floating rate debt instruments are with interest rates that are re-set at regular intervals. The interest rates are disclosed in Note 23.

Sensitivity analysis:	Group	
	2014	**2013**
	$'000	**$'000**
Financial liabilities:		
A hypothetical variation in interest rates by 100 basis points with all other variables held constant, would have an increase/decrease in pre-tax profit for the reporting year by	**1,105**	934

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2014

27. FINANCIAL INSTRUMENTS: INFORMATION ON FINANCIAL RISKS (CONT'D)

27F. Interest rate risk (Cont'd)

The analysis has been performed for fixed interest rate and floating interest rate over a year for financial instruments. The impact of a change in interest rates on fixed interest rate financial instruments has been assessed in terms of changing of their fair values. The impact of a change in interest rates on floating interest rate financial instruments has been assessed in terms of changing of their cash flows and therefore in terms of the impact on net expenses. The hypothetical changes in basis points are not based on observable market data (unobservable inputs).

27G. Foreign currency risk

There is minimal exposure to foreign currency risk as part of its normal business. Foreign currency balances are not significant as at end of the reporting year.

28. OPERATING LEASE PAYMENT COMMITMENTS – AS LESSEE

At the end of the reporting year the total of future minimum lease payment commitments under non-cancellable operating leases are as follows:

	Group	
	2014	**2013**
	$'000	**$'000**
Not later than one year	**6,267**	5,313
Later than one year and not later than five years	**6,686**	4,848
Rental expenses for the year	**6,596**	5,175

Operating lease payments are for rental payable for retail outlets. The lease terms are for an average term of two to five years, contain an escalation clause and do not provide for contingent rentals based on a percentage of sales derived. The sub-lease rental income from outside parties was $556,000 (2013: $320,000) as disclosed in Note 29.

29. OPERATING LEASE INCOME COMMITMENTS – AS LESSOR

At the end of the reporting year the total of future minimum lease receivables committed under non-cancellable operating leases are as follows:

	Group	
	2014	**2013**
	$'000	**$'000**
Not later than one year	**524**	203
Later than one year and not later than five years	**309**	31
Rental income for the year	**556**	320

Operating lease income commitments are for sub-lease rental receivables from outside parties for the retail outlet premises. The lease rental terms range from one to five years and are not subject to an escalation clause.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2014

30. CAPITAL COMMITMENTS

Estimated amounts committed at the end of the reporting year for future capital expenditure but not recognised in the financial statements are as follows:

(a) Commitments in relation to the conditional share purchase agreement with Mr. Chong Mei Sang ("Chong") dated 20 June 2014 are as follows:

(i) RM2.45 million (approximately S$0.93 million) will be payable in cash within five (5) working days from the date Chong successfully completed the transfer of the entire issued and paid up share capital of a new company which will operate a pawnshop in Petaling Jaya;

(ii) RM2.45 million (approximately S$0.93 million) will be payable in cash within five (5) working days from the date Chong successfully completed the transfer of the entire issued and paid up share capital of a new company which will operate a pawnshop in Batu Pahat; and

(iii) RM6.73 million (approximately S$2.54 million) will be payable in cash for the transfer by Chong of 24 new companies of which one company, Easigram (Pandan) Sdn. Bhd., has been acquired on 17 November 2014 at a cash consideration of RM280,000 (approximately S$106,000)) (Note 26). On 28 January 2015, the group paid RM280,000 (approximately S$106,000) in cash for an effective equity interest of 51% in Easigram (Batu Pahat) Sdn. Bhd. The difference between the net assets acquired and the consideration paid is not expected to be significant.

(b) Commitments in relation to conditional share purchase agreement with Mr. Lee Khee Yoon and Mr. Ho Su Yuan.

On 24 December 2014, Cash Online Sdn. Bhd. has entered into a share purchase agreement with Mr. Lee Khee Yoon and Mr. Ho Su Yuan to acquire 100% equity interest in a pawnshop for a total consideration of RM2,900,000 (approximately S$1,096,000). Deposit of RM280,000 (approximately S$109,000) (Note 18) has been paid as at end of the reporting year.

31. CHANGES AND ADOPTION OF FINANCIAL REPORTING STANDARDS

For the current reporting year the following new or revised Singapore Financial Reporting Standards were adopted. The new or revised standards did not require material modification of the measurement methods or the presentation in the financial statements.

FRS No.	Title
FRS 27	Consolidated and Separate Financial Statements (Amendments to)
FRS 27	Separate Financial Statements (Revised)
FRS 28	Investments in Associates and Joint Ventures (Revised) (*)
FRS 36	Amendments to FRS 36: Recoverable Amount Disclosures for Non-Financial Assets (relating to goodwill)
FRS 39	Amendments to FRS 39: Novation of Derivatives and continuation of Hedge Accounting
FRS 110	Consolidated Financial Statements
FRS 110	Amendments to FRS 110, FRS 111 and FRS 112
FRS 111	Joint Arrangements (*)
FRS 112	Disclosure of Interests in Other Entities
INT FRS 121	Levies (*)

(*) Not relevant to the entity.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2014

32. FUTURE CHANGES IN FINANCIAL REPORTING STANDARDS

The following new or revised Singapore Financial Reporting Standards that have been issued will be effective in future. The transfer to the new or revised standards from the effective dates is not expected to result in material adjustments to the financial position, results of operations, or cash flows for the following year.

FRS No.	Title	Effective date for periods beginning on or after
FRS 19	Amendments To FRS 19: Defined Benefit Plans: Employee Contributions	1 Jul 2014
	Improvements to FRSs (Issued in January 2014).	1 Jul 2014
	Relating to:	
	FRS 102 Share-based Payment (*)	
	FRS 103 Business Combinations FRS 108 Operating Segments	
	FRS 113 Fair Value Measurement	
	FRS 16 Property, Plant and Equipment	
	FRS 24 Related Party Disclosures	
	FRS 38 Intangible Assets	
	Improvements to FRSs (Issued in January 2014).	1 Jul 2014
	Relating to:	
	FRS 103 Business Combination	
	FRS 113 Fair Value Measurement	
	FRS 40 Investment Property (*)	
FRS 1	Amendments to FRS 1: Disclosure Initiative	1 Jan 2016
FRS 16, FRS 38	Amendments to FRS 16 and FRS 38: Clarification of Acceptable Methods of Depreciation and Amortisation	1 Jan 2016
FRS 16, FRS 41	Amendments to FRS 16 and FRS 41: Agriculture: Bearer Plants (*)	1 Jan 2016
FRS 27	Amendments to FRS 27: Equity Method in Separate Financial Statements	1 Jan 2016
FRS 110, FRS 28	Amendments to FRS 110 and FRS 28: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (*)	1 Jan 2016
FRS 110, FRS 112, FRS 28	Amendments to FRS 110, FRS 112 and FRS 28: Investment Entities: Applying the Consolidation Exception	1 Jan 2016
FRS 111	Amendments to FRS 111: Accounting for Acquisitions of Interests in Joint Operations (*)	1 Jan 2016
FRS 114	Regulatory Deferral Accounts (*)	1 Jan 2016
Various	Improvements to FRSs (November 2014)	1 Jan 2016
FRS 115	Revenue from Contracts with Customers (*)	1 Jan 2017
FRS 109	Financial Instruments	1 Jan 2018

(*) Not relevant to the entity.

STATISTICS OF **SHAREHOLDINGS**

AS AT 18 MARCH 2015

Number of shares issued	:	353,800,000
Class of shares	:	Ordinary shares
Voting rights	:	On show of hands : 1 vote for each member On a poll : 1 vote for each ordinary share
Number of treasury shares	:	Nil

DISTRIBUTION OF SHAREHOLDINGS

Size of Shareholdings	No. of Shareholders	%	No. of Shares	%
1 – 1,000	134	10.42	133,100	0.04
1,001 – 10,000	626	48.68	3,271,500	0.92
10,001 – 1,000,000	512	39.81	34,561,500	9.77
1,000,001 and above	14	1.09	315,833,900	89.27
Total	1,286	100.00	353,800,000	100.00

SHAREHOLDING HELD IN HANDS OF PUBLIC

As at 18 March 2015, approximately 15.17% of the issued ordinary shares of the Company is held in the hands of the public as defined in the Listing Manual Section B: Rules of Catalist of the Singapore Exchange Securities Trading Limited (the "Catalist Rules"). Accordingly, Rule 723 of the Catalist Rules is complied with.

TWENTY LARGEST SHAREHOLDERS

No.	Name	No. of Shares	%
1	Money Farm Pte Ltd	213,000,000	60.20
2	Lim Yong Sheng	38,280,000	10.82
3	Lim Yong Guan	36,370,000	10.28
4	Raffles Nominees (Pte) Ltd	8,443,300	2.39
5	Lim Liang Eng	4,350,000	1.23
6	Phillip Securities Pte Ltd	3,929,600	1.11
7	Teo Ngiang Heng	2,547,000	0.72
8	CIMB Securities (Singapore) Pte Ltd	1,852,000	0.52
9	Li Yong De	1,500,000	0.42
10	Khoo Hang Choong	1,250,000	0.35
11	Cheok Eng Soon (Shi Yongshun)	1,160,000	0.33
12	Citibank Nominees Singapore Pte Ltd	1,087,000	0.31
13	Lew Tuan Tat	1,044,000	0.30
14	Maybank Kim Eng Securities Pte Ltd	1,021,000	0.29
15	Poh Boon Kher Melvin (Fu Wenke Melvin)	932,000	0.26
16	Neo Ah Choo	900,000	0.25
17	Lim & Tan Securities Pte Ltd	811,000	0.23
18	UOB Kay Hian Pte Ltd	730,000	0.21
19	Kok Sip Chon	671,000	0.19
20	DBS Nominees Pte Ltd	603,000	0.17
	Total	320,480,900	90.58

STATISTICS OF SHAREHOLDINGS

AS AT 18 MARCH 2015

SUBSTANTIAL SHAREHOLDERS

As recorded in the Register of Substantial Shareholders as at 18 March 2015

	Direct Interest		Deemed Interest	
Name of Shareholders	No. of Shares	%	No. of Shares	%
Money Farm Pte Ltd (1)	213,000,000	60.20	–	–
Lim Yong Guan (2), (3) (4)	44,370,000	12.54	213,000,000	60.20
Lim Yong Sheng (2), (3)	38,280,000	10.82	213,000,000	60.20
Lim Liang Eng (2), (3)	4,350,000	1.23	213,000,000	60.20

Notes:

(1) Money Farm Pte Ltd is an investment holding company. All of the equity interest in Money Farm Pte Ltd is collectively held by Lim Yong Guan, Lim Yong Sheng and Lim Liang Eng.

(2) Lim Yong Guan, Lim Yong Sheng and Lim Liang Eng are siblings.

(3) Lim Yong Guan, Lim Yong Sheng and Lim Liang Eng and their associates are entitled to exercise all the votes attached to the voting shares in Money Farm Pte Ltd. As such, pursuant to Section 4 of the Securities and Futures Act, each of them is deemed to be interested in the shares which Money Farm Pte Ltd holds in MoneyMax Financial Services Ltd.

(4) Of the 44,370,000 shares, 8,000,000 shares are registered in the name of Raffles Nominees (Pte) Ltd.

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Annual General Meeting of MoneyMax Financial Services Ltd. will be held at 8 Wilkie Road #03-01 Wilkie Edge Singapore 228095 on Thursday, 23 April 2015 at 2:30 pm to transact the following business:

AS ORDINARY BUSINESS

1. To receive and consider the Directors' Report and Audited Accounts for the financial year ended 31 December 2014 and the Auditors' Report thereon. — Resolution 1

2. To declare a first and final exempt (one-tier) dividend of 0.3 Singapore cent per ordinary share for the financial year ended 31 December 2014. — Resolution 2

3. To re-elect Mr. Lim Yong Guan, who is retiring in accordance with Article 89 of the Company's Articles of Association, as a Director of the Company. — Resolution 3

4. To re-elect Mr. Lim Yong Sheng who is retiring in accordance with Article 89 of the Company's Articles of Association, as a Director of the Company. — Resolution 4

5. To re-elect Mr. Ng Cher Yan who is retiring in accordance with Article 89 of the Company's Articles of Association, as a Director of the Company.

   [Mr. Ng Cher Yan shall, upon re-election as a Director of the Company, remain as Chairman of the Audit Committee and as a member of Nominating Committee and Remuneration Committee. Mr. Ng Cher Yan shall be considered independent for the purpose of Rule 704(7) of Section B of the Singapore Exchange Securities Trading Limited Listing Manual: Rules of Catalist (the "Catalist Rules")] — Resolution 5

6. To approve the Directors' fees of S$125,000 for the financial year ending 31 December 2015, payable quarterly in arrears. — Resolution 6

7. To re-appoint Messrs RSM Chio Lim LLP as Auditors of the Company and to authorise the Directors to fix their remuneration. — Resolution 7

AS SPECIAL BUSINESS

To consider and, if thought fit, to pass the following Resolutions as Ordinary Resolutions, with or without amendments:

8. **Authority to allot and issue shares up to one hundred per centum (100%) of the issued shares in the capital of the Company** — Resolution 8

   "That pursuant to Section 161 of the Companies Act, Cap. 50. and Rule 806 of the Catalist Rules of the Singapore Exchange Securities Trading Limited (the "**SGX-ST**"), authority be and is hereby given to the Directors of the Company to allot and issue shares and convertible securities in the capital of the Company (whether by way of rights, bonus or otherwise) at any time and upon such terms and conditions and for such purposes and to such persons as the Directors may in their absolute discretion deem fit provided that:

   (i) the aggregate number of shares and convertible securities to be issued pursuant to this Resolution does not exceed 100 per cent (100%) of the total number of issued shares excluding treasury shares of the Company (as calculated in accordance with sub-paragraph (ii) below), of which the aggregate number of shares and convertible securities to be issued other than on a pro rata basis to existing shareholders of the Company does not exceed fifty per cent (50%) of the total number of issued shares excluding treasury shares of the Company (as calculated in accordance with sub-paragraph (ii) below);

NOTICE OF ANNUAL **GENERAL MEETING**

(ii) (subject to such manner of calculations as may be prescribed by the SGX-ST), for the purpose of determining the aggregate number of shares that may be issued under sub-paragraph (i) above, the percentage of the total number of issued shares excluding treasury shares shall be based on the total number of issued shares excluding treasury shares of the Company at the time this Resolution is passed after adjusting for:–

(a) new shares arising from the conversion or exercise of any convertible securities;

(b) new shares arising from exercising share options or vesting of share awards outstanding or subsisting at the time of the passing of the resolution approving the mandate, provided the options or awards were granted in compliance with Part VIII of Chapter 8 of the Catalist Rules; and

(c) any subsequent bonus issue, consolidation or sub-division of shares;

(iii) unless revoked or varied by the Company in general meeting, the authority conferred by this Resolution shall continue in force until the conclusion of the next Annual General Meeting or the date by which the next Annual General Meeting of the Company is required by law to be held, whichever is the earlier."

[See Explanatory Note (i)]

9. **Authority to allot and issue shares under the MoneyMax Performance Share Plan** Resolution 9

"That approval be and is hereby given to the Directors of the Company to:

(a) offer and grant awards in accordance with the provisions of the MoneyMax Performance Share Plan ("the Plan"); and

(b) allot and issue from time to time such number of fully paid-up shares in the capital of the Company as may be required to be allotted and issued pursuant to the vesting of awards under the Plan provided that the aggregate number of shares to be allotted and issued pursuant to the Plan shall not exceed 15% of the total number of issued shares in the capital of the Company from time to time."

[See Explanatory Note (ii)]

10. To transact any other business which may be properly transacted at an Annual General Meeting.

By Order Of the Board

CHOI SWEE WENG
Company Secretary

Date: 07 April 2015

NOTICE OF ANNUAL GENERAL MEETING

Notes:

(a) A member entitled to attend and vote at this meeting is entitled to appoint a proxy to attend and vote in his stead. A proxy need not be a member of the Company.

(b) If a proxy is to be appointed, the form must be deposited at the Company's Share Registrar, B.A.C.S Private Limited, 63 Cantonment Road Singapore 089758 not less than 48 hours before the meeting.

(c) The form of proxy must be signed by the appointor or his attorney duly authorised in writing.

(d) In the case of joint shareholders, all holders must sign the form of proxy.

Explanatory Notes:

(i) The proposed Resolution 8, if passed, will empower the Directors from the date of the above Meeting until the date of the next Annual General Meeting, to allot and issue shares and convertible securities in the Company. The number of shares and convertible securities, which the Directors may allot and issue under this Resolution shall not exceed 100% of the total number of issued shares excluding treasury shares of the Company at the time of passing this Resolution. For allotment and issue of shares and convertible securities other than on a pro-rata basis to all shareholders of the Company, the aggregate number of shares and convertible securities to be allotted and issued shall not exceed 50% of the total number of issued shares excluding treasury shares of the Company. This authority will, unless previously revoked or varied at a general meeting, expire at the next Annual General Meeting.

(ii) The proposed Resolution 9, if passed, will empower the Directors of the Company to offer and grant awards and to issue and allot shares in the capital of the Company pursuant to the MoneyMax Performance Share Plan (the "**Plan**"). The grant of awards under the Plan will be made in accordance with the provisions of the Plan. The aggregate number of shares which may be issued pursuant to the Plan is limited to 15% of the total number of issued shares in the capital of the Company.

Personal Data Privacy:

By submitting an instrument appointing a proxy(ies) and/or representatives to attend, speak and vote at the Annual General Meeting of MoneyMax Financial Services Ltd. (the "AGM") and/or any adjournment thereof, a member of the Company (i) consents to the collection, use and disclosure of the member's personal data by the Company (or its agents) for the purpose of the processing and administration by the Company (or its agents) of proxies and representatives appointed for the AGM (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the AGM (including any adjournment thereof), and in order for the Company (or its agents) to comply with any applicable laws, listing rules, regulations and/or guidelines (collectively, the "Purposes"), (ii) warrants that where the member discloses the personal data of the member's proxy(ies) and/or representative(s) to the Company (or its agents), the member has obtained the prior consent of such proxy(ies) and/or representative(s) for the collection, use and disclosure by the Company (or its agents) of the personal data of such proxy(ies) and/or representative(s) for the Purposes, and (iii) agrees that the member will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the member's breach of warranty.

MONEYMAX FINANCIAL SERVICES LTD.
Registration No. 200819689Z
(Incorporated in Singapore)

IMPORTANT
1. For investors who have used their CPF monies to buy the Company's shares, this Annual Report is forwarded to them at the request of their CPF Approved Nominees and is sent solely FOR INFORMATION ONLY.
2. This Proxy Form is not valid for use by CPF investors and shall be ineffective for all intents and purposes if used or purported to be used by them.

PROXY FORM

I/We* ______________________________ (Name) , NRIC/Passport number* ________________
of ____ (Address)
being a member/members* of MoneyMax Financial Services Ltd. (the "**Company**") hereby appoint:

Name	Address	NRIC/Passport Number	Proportion of Shareholdings (%)

and/or*

Name	Address	NRIC/Passport Number	Proportion of Shareholdings (%)

as my/our* proxy/proxies* to attend and to vote for me/us* on my/our* behalf and, if necessary, to demand a poll at the Annual General Meeting of the Company to be held at 8 Wilkie Road #03-01 Wilkie Edge Singapore 228095 on Thursday, 23 April 2015 at 2:30 pm and at any adjournment thereof.

(Please indicate with an "X" in the spaces provided whether you wish your vote(s) to be cast for or against the resolutions as set out in the Notice of Annual General Meeting. In the absence of specific directions, the proxy/proxies will vote or abstain as he/they may think fit, as he/they will on any other matter arising at the Annual General Meeting.)

No.	**Resolutions**	**To be used on a show of hands**		**To be used in the event of a poll**	
		For	Against	Number of Votes For**	Number of Votes Against**
ORDINARY BUSINESS					
1	To receive and consider Directors' and Auditors' Reports and Audited Accounts				
2	To approve payment of a first and final exempt (one-tier) dividend				
3	To re-elect Mr. Lim Yong Guan as Director				
4	To re-elect Mr. Lim Yong Sheng as Director				
5	To re-elect Mr. Ng Cher Yan as Director				
6	To approve Directors' fees for financial year ending 31 December 2015, payable quarterly in arrears				
7	To re-appoint Messrs RSM Chio Lim LLP as Auditors				
8	To authorise the Directors to allot and issue shares				
9	To authorise the Directors to grant awards and to allot and issue shares in accordance with the provisions of the MoneyMax Performance Share Plan				

Dated this __________ day of ____________________ 2015

Total number of Shares held

____
Signature(s) of member(s) or common seal

IMPORTANT: PLEASE READ NOTES OVERLEAF

NOTES:

1. Please insert the total number of shares held by you. If you have shares entered against your name in the Depository Register (as defined in Section 130A of the Companies Act, Chapter 50), you should insert that number of shares. If you have shares registered in your name in the Register of Members, you should insert that number of shares. If you have shares entered against your name in the Depository Register and shares registered in your name in the Register of Members, you should insert the aggregate number of shares. If no number is inserted, this form of proxy will be deemed to relate to all the shares held by you.

2. A member of the Company entitled to attend and vote at a meeting of the Company is entitled to appoint not more than two proxies to attend and vote on his behalf. A proxy need not be a member of the Company.

3. Where a member appoints more than one proxy, he shall specify the proportion of his shareholding to be represented by each proxy.

4. The instrument appointing a proxy or proxies must be under the hand of the appointor or his attorney duly authorised in writing. Where the instrument appointing a proxy or proxies is executed by a corporation, it must be executed either under its common seal or under the hand of its attorney or duly authorised officer.

5. A corporation which is a member of the Company may authorise by resolution of its directors or other governing body such person as it thinks fit to act as its representative at the Annual General Meeting, in accordance with its Articles of Association and Section 179 of the Companies Act, Chapter 50.

6. The instrument appointing a proxy or proxies, together with the power of attorney or other authority (if any) under which it is signed, or notarially certified copy thereof, must be deposited at the Company’s Share Registrar, B.A.C.S Private Limited, 63 Cantonment Road Singapore 089758 not less than 48 hours before the time appointed for the Annual General Meeting.

7. The Company shall be entitled to reject the instrument appointing a proxy or proxies if it is incomplete, improperly completed or illegible or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified in the instrument appointing a proxy or proxies. In addition, in the case of members of the Company whose shares are entered against their names in the Depository Register, the Company may reject any instrument appointing a proxy or proxies lodged if such members are not shown to have shares entered against their names in the Depository Register at least 48 hours before the time appointed for holding the Annual General Meeting as certified by The Central Depository (Pte) Limited to the Company.

Personal Data Privacy:

By submitting an instrument appointing a proxy(ies) and/or representative(s), the members accepts and agrees to the personal data privacy terms set out in the Notice of Annual General Meeting dated 7 April 2015.

MONEYMAX FINANCIAL SERVICES LTD.
(Incorporated in the Republic of Singapore on 9 October 2008)
Company Registration No.: 200819689Z

TEL 65-6512 6233 | **FAX** 65-6743 9533 | **Website** www.moneymax.com.sg