

MoneyMax's 1H2018 net profit attributable to equity holders surges 38.9%

- 1H2018 profit net of tax higher by S\$1.0 million or 33.9% despite lower revenue
- Material costs, the Group's major expense item decreased 10.1%, resulting in the increased net profit after tax of S\$4.0 million
- Group to further leverage on core business of pawnbroking (including recently completed acquisitions and expansion of outlets) to grow the Group's business

Singapore, 10 August 2018 – MoneyMax Financial Services Ltd. (“MoneyMax” or the “Company” and, together with its subsidiaries, the “Group”), a leading pawnbroker, retailer and trader of pre-owned luxury items, announced today its financial results for the six months ended 30 June 2018 (“1H2018”).

Financial Highlights

S\$'000	2Q2018	2Q2017	Variance (%)	1H2018	1H2017	Variance (%)
Revenue	34,384	41,092	(16.3)	71,719	74,411	(3.6)
Material costs	(22,818)	(30,251)	(24.6)	(48,072)	(53,459)	(10.1)
Employee benefits expense	(3,703)	(3,489)	6.1	(7,814)	(6,694)	16.7
Depreciation and amortisation expense	(698)	(582)	19.9	(1,381)	(1,082)	27.6
Finance costs	(1,500)	(1,320)	13.6	(2,871)	(2,466)	16.4
Profit, net of tax	1,848	1,863	(0.8)	4,021	3,004	33.9
Profit, net of tax attributable to equity holders	1,745	1,671	4.4	3,847	2,770	38.9

Despite a challenging 2nd quarter, the Group recorded increased after-tax profits of S\$4.0 million in 1H2018, an increase of S\$1.0 million or 33.9% over after tax profits of S\$3.0 million recorded for the six months ended 30 June 2017 (“1H2017”). This was achieved despite lower revenue of S\$71.7 million for 1H2018, a decrease of 3.6% year-on-year (“yoy”) from S\$74.4 million recorded for 1H2017 mainly due to decrease in revenue in the retail and trading of pre-owned items segment.

Material costs decreased by S\$5.4 million or 10.1% from S\$53.5 million in 1H2017 to S\$48.1 million in 1H2018. The decrease in material costs was generally in line with the lower revenue contribution from the retail and trading of pre-owned items segment.

As the Group expanded its operations in Singapore and Malaysia, higher employee benefits expense, depreciation and amortisation expense and finance costs were incurred. Namely, employee benefits expense increased by S\$1.1 million or 16.7% yoy. Depreciation and amortisation expense were up S\$0.3 million or 27.6% from S\$1.1 million in 1H2017 to S\$1.4 million in 1H2018 due to increase in plant and equipment in line with the expansion of network of outlets, while finance costs increased by S\$0.4 million or 16.4% as compared to prior year due to increased use of bank financing to fund the Group's operational cash requirements as well as expansion of operations in Malaysia.

The Group recorded an increased net profit after tax attributable to equity holders of the Company of S\$3.8 million for 1H2018 as compared to S\$2.8 million in 1H2017.

Commenting on the Group's results, Dato' Sri Dr. Lim Yong Guan, Executive Chairman and Chief Executive Officer of MoneyMax, said, **"Prevailing challenges faced in the local retail market continue to affect the Group's performance, resulting in lower top-line growth for the Group. That said, the Group's core operations remains healthy, with net profit attributable to equity holders growing by 39%."**

In May 2018, we launched our online eRenewal service which allows customers to renew their pledges at their own comfort and convenience. On 26 July 2018, we successfully completed our first local pawnshop acquisition. For the second half of this year, we will expand our outreach to customers by opening new outlets and continue to focus on increasing our product and service offerings to derive greater value for our shareholders."

– End of Press Release –

About MoneyMax Financial Services Ltd.

Listed on the SGX Catalist since August 2013, MoneyMax Financial Services Ltd. ("MoneyMax") is a leading pawnbroker, retailer and trader of pre-owned luxury items. Since its first outlet in 2008, MoneyMax has expanded to 70 outlets and is one of the largest pawnbroking chains with a presence in Singapore and Malaysia.

MoneyMax explores new opportunities through innovation to enhance customer experience and service standards. In February 2015, the Group launched MoneyMax Online, making it Singapore's first pawnbroking chain to offer an online platform to shop, sell and appraise their valuables. MoneyMax was awarded the ISO9001 for its commitment in meeting and delivering customers' satisfaction and the CaseTrust Accredited Pawnbroker certification in Singapore for fair trading and transparency. It is also a recipient of multiple awards from the Singapore Prestige Brands Award (SPBA) and has been inducted into its prestigious Hall of Fame in 2015.

Financial PR Pte Ltd

Ngo Yit Sung: yitsung@financialpr.com.sg

Benjamin: benjamin@financialpr.com.sg

Tel: (65) 6438 2990

This press release has been prepared by the Company and its contents have been reviewed by the Company's sponsor, United Overseas Bank Limited (the "Sponsor"), for compliance with the relevant rules of the Singapore Exchange Securities Trading Limited ("SGX-ST"). The Sponsor has not independently verified the contents of this press release.

This press release has not been examined or approved by the SGX-ST and the SGX-ST assumes no responsibility for the contents of this press release, including the correctness of any of the statements or opinions made or reports contained in this press release.

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