

MoneyMax To Invest RM15.63 Million For 51%-Stake In Network Of Malaysian Pawnshops As Part Of Regional Expansion

20 June 2014, Singapore – Singapore Exchange Catalist-listed **MoneyMax Financial Services Ltd.** (“MoneyMax” or the “Company”) announced today it would invest RM15.63 million (approximately S\$6.1 million) to hold a 51%-stake in a network of Malaysian pawnshops in its first overseas investment.

MoneyMax, one of Singapore’s largest pawnbroking chains, said its wholly owned subsidiary, Cash Online Sdn Bhd (“COL”), has entered into a conditional Share Purchase Agreement (“SPA”) with Mr. Chong Mei Sang (“Mr. Chong”) as part of a partnership to grow the Malaysian network to up to 34 over the next few years.

Mr. Chong, who has over 30 years of experience in the production and trading of jewellery both domestically in Malaysia and in the export market, will first restructure the eight outlets to place their ownership under a New Holding Company (“NHC”). COL will then enter into a partnership with Mr. Chong, with COL holding a 51%-stake and Mr. Chong holding a 49%-stake in NHC.

MoneyMax – which is funding the investment from internal resources and bank borrowings as necessary – said COL will pay Mr. Chong an initial RM4.0 million within three days of confirming that the conditions precedent of the SPA are met (“Initial Completion Date”).

Another RM4.9 million will be paid to Mr. Chong once two new outlets – one in Petaling Jaya and the other in Batu Pahat – commence operations after obtaining licensing, increasing each of its paid-up capital to RM4.0 million and completing bank, management and other documentation to COL’s satisfaction.

The final tranche of RM6.7 million will be paid progressively as 24 new outlets are launched in various parts of Malaysia.

The transaction will immediately expand MoneyMax’s store network from 37 in Singapore currently, to 45 including the eight existing outlets, which are mostly located in the state of Johor.

Mr. Peter Lim, Executive Chairman and Chief Executive Officer of MoneyMax, said, “This investment is highly significant as it is the first major corporate action since our IPO and marks the start of our regional expansion. Mr. Chong brings with him experience and relationships which will help us accelerate our growth in Malaysia, a market with exciting opportunities.”

“MoneyMax has achieved a critical mass in Singapore which has allowed us to derive economies of scale and operational and marketing processes which give us an edge in terms of efficiency, risk management and market outreach. These skill sets will be brought to bear as we expand in Malaysia,” he added.

Mr. Chong said, “We are excited by this partnership with MoneyMax which has established a solid track record and a strong brand as well as good processes which are vital for this industry. Together, we hope to transform the pawnbroking experience in Malaysia for the better even as we strive to expand.”

The Company expects to start recognising revenue and profits from the Malaysian operations by the end of this financial year ending 31 December 2014.

MoneyMax has outlined plans to grow organically in Singapore while exploring potential partnerships and alliances to expand both locally and regionally, leveraging on its brand.

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Issued on behalf of the Company By WeR1 Consultants Pte Ltd

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About MoneyMax Financial Services Ltd.

Listed on SGX Catalist since 2 August 2013, MoneyMax Financial Services Ltd. (“MoneyMax”) is a pawnbroker, retailer and trader of pre-owned jewellery and watches. Since establishing its first outlet in Yishun in 2008, MoneyMax quickly expanded its reach to the mass market. Today, MoneyMax is one of the largest pawnbroking chains in Singapore, with 37 outlets conveniently and strategically located across the island.

MoneyMax is also proud to be the first *ISO9001 (ISO9001:2008)* and *CaseTrust Accredited Pawnbroker* in Singapore, awarded for its commitment to fair trading and transparency. It is a recipient of the *Excellent Service Award* commissioned by *SPRING Singapore*.

MoneyMax Financial Services Ltd. (the “Company”) was listed on Catalist of the Singapore Exchange Securities Trading Limited (the “SGX-ST”) on 2 August 2013. The initial public offering (the “IPO”) of the Company was sponsored by United Overseas Bank Limited (the “Sponsor”).

This announcement has been prepared by the Company and its contents have been reviewed by the Sponsor, for compliance with the relevant rules of the SGX-ST. The Sponsor has not independently verified the contents of this announcement.

The announcement has not been examined or approved by the SGX-ST. The Sponsor and the SGX-ST assume no responsibility for the contents of this announcement, including the correctness of any of the statements or opinions made or reports contained in this announcement.

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