

MoneyMax records 5.6% yoy growth in net profit attributable to equity holders for 9M2018

- 9M2018 revenue was S\$107.2 million, 5.2% lower yoy due to weaker performance in the Group's retail and trading of pre-owned items segment
- Material costs, the Group's major expense item, decreased 10.6% yoy
- Net profit attributable to equity holders increased by 5.6% to S\$4.8 million
- Going forward, the Group seeks to optimise its core business of pawnbroking and drive new service innovations

Singapore, 7 November 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 nine months ended 30 September 2018 (“**9M2018**”).

Financial Highlights

S\$'000	3Q2018	3Q2017	Variance (%)	9M2018	9M2017	Variance (%)
Revenue	35,520	38,742	(8.3)	107,239	113,153	(5.2)
Material costs	(24,080)	(27,214)	(11.5)	(72,152)	(80,673)	(10.6)
Employee benefits expense	(3,868)	(3,457)	11.9	(11,682)	(10,151)	15.1
Depreciation and amortisation expense	(611)	(619)	(1.3)	(1,992)	(1,701)	17.1
Finance costs	(1,808)	(1,355)	33.4	(4,679)	(3,821)	22.5
Profit, net of tax	809	1,981	(59.2)	4,830	4,985	(3.1)
Profit, net of tax attributable to equity holders	990	1,811	(45.3)	4,837	4,581	5.6

The Group recorded lower revenue of 5.2% year-on-year (“**yoy**”) to S\$107.2 million in 9M2018 mainly due to decreased revenue derived from the retail and trading of pre-owned items segment. Accordingly, material costs also decreased by S\$8.5 million or 10.6% from S\$80.7 million in the nine months ended 30 September 2017 (“**9M2017**”) to S\$72.2 million in 9M2018. Net profit after tax was lower at \$4.8 million, a decrease of 3.1% as compared to \$5.0 million in 9M2017.

For 9M2018, the Group expanded its operations in both Singapore and Malaysia with new business initiatives such as its launch of SG e-Auction (Singapore's first online Business-to-Business auction platform for luxury goods), and introduced its online MoneyMax eRenewal service which allows customers increased convenience when paying interest. MoneyMax also continues to invest in its store network, which increased from 61 outlets at the beginning of the year to 70 outlets at present. With the Group's business expansion, higher expenses were incurred, notably employee benefits expense, depreciation and amortisation expenses and finance costs. Employee benefits expense increased by S\$1.5 million or 15.1% yoy;

depreciation and amortisation expenses were up S\$0.3 million or 17.1% from S\$1.7 million in 9M2017 to S\$2.0 million in 9M2018 due to an increase in plant and equipment; and finance costs increased by S\$0.9 million or 22.5% as compared to 9M2017 due to an increase in bank facilities utilised for funding of the Group's operational cash requirements as well as expansion of operations.

Despite the business expansion and resultant increase in expenses, after tax profit of \$4.8 million for 9M2018 was lower by only \$155,000 or 3.1% as compared to the same period in 2017. Cumulatively, the Group recorded a net profit after tax attributable to equity holders of the Company of S\$4.8 million for 9M2018 as compared to S\$4.6 million in 9M2017.

Commenting on the Group's results, Dato' Sri Dr. Lim Yong Guan, Executive Chairman and Chief Executive Officer of MoneyMax, said, **"We have expanded our business with new business initiatives and network expansion while managing increases in costs. Weaker consumer sentiment and uncertain economic outlook, however, has impacted the Group in terms of lower top-line growth. As we continue on into the remaining quarter of the fiscal year, we seek to optimise our core business of pawnbroking and focus on driving new service innovations. The Group is considering the possibility of diversification into other financial services or expanding its services to overseas markets. Ultimately, the aim is to generate new revenue streams and deliver sustainable growth for the business and shareholders alike."**

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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 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.

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