



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

**ANNUAL GENERAL MEETING (“AGM” OR “MEETING”) FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021 (“FY2021”) TO BE HELD ON 27 APRIL 2022**

**Responses to Questions from a Shareholder**

The Board of Directors (the “**Board**” or “**Directors**”) of MoneyMax Financial Services Ltd. (the “**Company**”, and together with its subsidiaries, the “**Group**”) would like to thank a shareholder of the Company for the questions received in advance of the AGM to be convened and held by way of electronic means on Wednesday, 27 April 2022 at 2.00 p.m..

The Company’s responses (in blue) to the questions are set out as below:

[Q1] What safeguards do MoneyMax have in place to prevent Hin Leong type of incident from similarly happening at the Group? Does the Audit Committee (“**AC**”) regularly review whether anyone speculates on gold or other precious metal contracts?

Response:

The Group purchases gold directly from reliable suppliers based on its business needs and currently does not enter into any speculative trades nor derivatives contracts on gold or other precious metals.

Based on the internal control policies and procedures established and maintained by the Group, work performed by the external auditor and the internal auditor and reviews performed by the AC and the management, the Board confirms that the internal controls (including financial, operational, compliance and IT controls) and risk management systems are adequate and effective for FY2021.

[Q2(A)] Please refer to below “Price Ratios” table of MoneyMax at time of IPO and time of Theoretical Ex-Bonus Price (TEBP):

Price Ratios	Invitation Price of S\$0.30/share, Invitation Statistics, Page 24, MoneyMax IPO Prospectus dated 25 Jul 2013	Theoretical Ex-Bonus Price of S\$0.2038/share, Company announcement dated 16 Sep 2021	Improved/ Worsened
Price per Share	S\$0.30	S\$0.2038	Worsened by -32.1%
Price to NAV Ratio	1.929 times	S\$0.2038 / S\$0.2206(FY2020) = 0.924 times	Worsened by -52.1%
Price Earnings Ratio	17.1 times	S\$0.2038 / S\$0.0546(FY2020) = 3.7 times	Worsened by -78.2%

In another words, it is either MoneyMax IPO has been over-priced (in terms of its price ratios) by Directors at time of IPO, or MoneyMax’s latest theoretical ex-bonus price has been under-priced by Directors at time of TERP. If it is that current share price has been undervalued compared to time of its IPO, can the Directors consider using share buyback mandate to do more shares buyback?

Response:

The Company's IPO price was determined through a book building process.

The Board is unable to comment on the current share price as it is subject to various factors, including prevailing market conditions. Nonetheless, the Group's profit net of tax in FY2021 was S\$21.1 million, 264% higher comparing to FY2012, the then latest completed financial year prior to the Group's IPO. The Group's NAV had also increased since IPO, resulting in a larger base used for the valuation ratios.

The Board constantly reviews the Group's capital funding and will assess the suitability of adopting a share buyback mandate for the Company after taking into consideration, *inter alia*, the working capital requirements of the Group.

[Q2(B)] If it is that current operational performance has been lacklustre compared to time of its IPO, are there any suggestions from the Directors who have been with the Company since IPO (i.e. Yong Guan, Yong Sheng, Cher Yan, Kian Kheng, Say Tun) how the Company's operational performance can be improved to the point the key price ratios can be brought back to its IPO level (e.g. P/B of 1.929 times, P/E of 17.1 times)?

Response:

Please refer to the response to Q2(A).

[Q3] As a % of earnings per share (i.e. FY2019: 2.40 cents pre-bonus/ FY2020: 5.76 cents pre-bonus/ FY2021: 4.48 cents post-bonus), the Group's dividend payout ratio has been around 20%-21% (i.e. FY2019: 20.8%/ FY2020: 20.4%/ FY2021: 21.2%). To greater reward shareholders' loyalty, can the Board increase (or, at least maintain) the dividend payout ratio of at least 20%?

Response:

The Company currently does not have a fixed dividend policy. Any declaration and payment of dividends by the Company 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 Board.

[Q4] From the MoneyMax outlets in Singapore that I have visited, for the "Retail and trading of gold and luxury items", it seems that MoneyMax outlets have increasing proportion of brand new "gold and luxury items" (and decreasing proportion of pre-owned ones). In another words, it is increasingly becoming more & more like the outlets of delisted SK Jewellery Group. May I ask the Board and Management how to avoid cannibalisation of sales by SK Jewellery outlets?

Response:

The gold jewellery market in Singapore is a multi-facet industry that caters to different customer segments. The Group's management will continue to allocate its resources to enhance the brand equity of the Group according to its business needs.

[Q5] How much revenue has SG e-Auction generated for the Group in 2021?

Response:

The revenue of SG e-Auction Pte Ltd accounts for less than 1% of the Group's revenue for FY2021.

[Q6] Can the Board and Management share whether the Group had considered expanding into the Buy-Now-Pay-Later ("**BNPL**") business, especially for its "Retail and trading of gold and luxury items" segment?

Response:

The management has no plan to expand into the BNPL business and will continue to assess the feasibility of any potential business segments in accordance to its business objectives and prevailing market conditions.

[Q7] Please refer to page 71 of the Annual Report about “Financial information by operating segments”. For Secured lending segment, why has revenue increased so much by 2.39 times from \$4.660m in 2020 to \$11.139m in 2021?

Response:

The increase in revenue is mainly due to higher interest income received in FY2021 arising from the growth in the secured lending business portfolio.

[Q8] Can the Board and Management share whether the Group had considered expanding into the unsecured moneylending business?

Response:

The Group’s moneylending license is currently held through one of its wholly-owned subsidiary, S.E. Investment Pte Ltd, which was acquired by the Group in May 2021.

[Q9(A)] Please refer to page 102/105/106 of the Annual Report about “Listing of and information on subsidiaries”, particularly non-dormant non-investment-holding Sdn Bhd subsidiaries in Malaysia.

Principal activities	No. of Sdn Bhd In 2021	No. of Sdn Bhd In 2020	Increased by
Pawn brokerage	32	32	0
Wholesale of goods	20	0	20
Total	52	32	20 (+62.5%)

With a revenue base of S\$12.144m in 2021, can the Board share the expansion plan in Malaysia, especially about “Wholesale of goods”?

Response:

The Group intends to expand its retail and pawnbroking network in Malaysia through the Malaysia subsidiaries incorporated in FY2021.

[Q9(B)] For “Pawn brokerage” in Malaysia, how many outlets are the Board and Management confident of opening per annum in the next 3-5 years?

Response:

The management will assess the business conditions in Malaysia and its internal resources allocation in determining the suitability of each new store opening in Malaysia accordingly.

[Q10] Please refer to page 91 of the Annual Report about “Other financial liabilities”. Although the “range of floating interest rates” for “Bank loans and term loans (secured)” lowered from 1.52-5.07% in 2020 to 1.20-4.40% in 2021, the “range of floating interest rates” for “Bank overdrafts (secured)” actually remained the same at 5.00-6.32% in 2021 with no lowering. How do the Board and Management keep the usage of “Bank overdrafts (secured)” to a minimum?

Response:

The Group utilises its bank overdraft facilities when necessary in accordance to its business needs. As at 31 December 2021, the Group’s bank overdrafts stood at 0.6% (31 December 2020: 0.4%) of the total other financial liabilities of the Group.

**By Order Of the Board**

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

Date: 22 April 2022

*This announcement has been prepared by the Company and has been reviewed by the Company's sponsor, United Overseas Bank Limited (the "**Sponsor**"), for compliance with Rules 226(2)(b) and 753(2) of the Singapore Exchange Securities Trading Limited ("**SGX-ST**") Listing Manual Section B: Rules of Catalist. This announcement has not been examined or approved by the SGX-ST. The SGX-ST assumes 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. The contact person for the Sponsor is Mr Lim Hoon Khiat, Director, Equity Capital Markets, who can be contacted at 80 Raffles Place, #03-03 UOB Plaza 1, Singapore 048624, telephone: +65 6533 9898.*