

2013 ANNUAL REPORT



MONEY  **MAX**
MONEYMAX FINANCIAL SERVICES LTD.

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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 6539 1177.

MONEYMAX

PAWNSHOP

KEDAI PAJAK

銀
豐
當

High Valuation
优惠當价





Celebrating the success of MoneyMax's listing on SGX Catalyst.

ABOUT MONEYMAX FINANCIAL SERVICES LTD.

Listed on SGX Catalyst since 2 August 2013, MoneyMax Financial Services Ltd. ("MoneyMax") is a pawnbroker, retailer and trader of pre-owned jewellery and watches. With a strong professional team exceeding 160 staff, MoneyMax provides its customers with quick and fuss-free solutions to fulfill their short-term cash needs.

Since establishing its first retail outlet in Yishun in 2008, MoneyMax quickly expanded its reach to the mass market. Today, MoneyMax is one of the largest pawn-broking chains in Singapore, with 32 retail outlets conveniently and strategically located across the island.

MoneyMax is the only pawnbroker in Singapore to be awarded both the ISO9001 (ISO9001:2008) certification and CaseTrust Accredited Pawnbroker for its commitment to consistently meet and deliver customers' satisfaction as well as for fair trading and transparency, respectively.

MoneyMax is also a recipient of the Singapore Excellent Service Award commissioned by SPRING Singapore, and the overall winner of the coveted Singapore Prestige Brand Award – Promising Brands for 2013. MoneyMax has been added to the MSCI Singapore Micro Cap Index since November 2013.



Your Trusted Public Listed Pawnbroker



ISLANDWIDE CONVENIENCE

MONEymax

WEST

- ▶ Boon Lay
- ▶ Bukit Gombak
- ▶ Bukit Panjang
- ▶ Choa Chu Kang MRT
- ▶ Clementi
- ▶ Jurong East
- ▶ Jurong Point
- ▶ Jurong West
- ▶ Yew Tee

CENTRAL

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

NORTH

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

EAST

- ▶ Bedok
- ▶ Geylang
- ▶ Pasir Ris
- ▶ Paya Lebar MRT
- ▶ Tampines 1
- ▶ Tampines 2

CASH ONLINE

- ▶ Causeway Point
- ▶ Little India



We are embarking on a multi-pronged growth strategy that combines the expansion of its retail network, refurbishment of existing retail outlets and a shift towards the higher-margin retail sales of pre-owned jewellery and watches.



MESSAGE FROM EXECUTIVE CHAIRMAN AND CEO

执行主席兼首席 执行官致词

Dear Shareholders,

On behalf of the Board of Directors, I am pleased to present the inaugural annual report of MoneyMax Financial Services Ltd. ("MoneyMax" or the "Company") for the financial year ended 31 December ("FY") 2013.

FY2013 was a momentous and exciting year for MoneyMax and its subsidiaries (the "Group") which witnessed the Initial Public Offering ("IPO") of the Company on Catalist of the Singapore Exchange Securities Trading Limited ("SGX") on 2 August 2013.

Our entry into the capital market came at a time when we accelerated our efforts on our roadmap to growth in the form of a multi-pronged strategy, as outlined in our IPO offer document, of expanding our retail network, refurbishing our existing retail outlets and a shift towards the higher-margin retail sales of pre-owned jewellery and watches.

FY2013 IN REVIEW

FY2013 was a challenging year. The drop in gold prices was a significant factor contributing to the decline in our revenue from S\$75.6 million in FY2012 to S\$65.6 million in FY2013.

The other significant contributing factor for our lower revenue in FY2013 was the deliberate decision to increase the revenue contribution from the retail vis-à-vis the trading of pre-owned jewellery and watches by increasing allocation of inventories to retail outlets.

This is part of our strategy to move away from trading activities towards retail sales given that, generally, yields from the retail of pre-owned jewellery and watches are higher than those from trading.



MoneyMax Financial Services Ltd. emerged as the overall winner of the Singapore Prestige Brand Awards - Promising Brands for 2013.

各位股东：

本人谨代表董事会向全体股东提呈银丰当有限公司（以下简称“银丰当”或“本公司”）截至2013年12月31日的财政年度（以下简称“2013财政年”）的首届年度报告。

2013财政年对于银丰当及附属公司（以下简称“本集团”）是个非常重要的里程碑。本公司于2013年8月2日在新加坡证券交易所（以下简称“SGX”）凯利板成功上市，顺利完成首次公开售股计划（以下简称“IPO”）。

在进入资本市场之际，本集团也同时通过多管齐下的经营策略，积极扩展业务，其中包括招股书中所披露的扩大典当与零售经营网络，翻新门店以及把销售重点转向利润更高的二手珠宝和钟表的零售业务。

2013财政年回顾

2013财政年是充满挑战的一年。全球黄金价格的下跌是造成我们营业额从2012财政年的7,560万新元下降至2013财政年的6,560万新元的一个重要因素。

另一个导致2013财政年营业额下降的重要因素是我们经过慎重考虑后，决定通过增加零售的库存分配，以提高二手珠宝和钟表的零售收益。这也是我们减少溶金交易活动，转向零售策略的一部分。一般来说，二手珠宝和钟表的零售收益会高于溶金交易。

该策略已收到一定的成效，尽管2013财政年的营业额有所下降，但我们的毛利⁽¹⁾却没有受到影响，反而毛利率从去年的29.4%上升到35.0%。

(1) 此处“毛利”是指“营业额”和“材料成本”之差。

This strategy has already proved its merits as even though we recorded a decrease in our revenue in FY2013, our gross profit⁽¹⁾ was unaffected and our gross profit margin improved to 35.0% from 29.4% a year ago.

During the year, we also incurred a one-off expense from our IPO of S\$1.2 million in our profit and loss, higher staff cost due to the launch of new retail outlets and corporate headquarter expenses and substantially higher rental and depreciation due to the renovation of new retail outlets and the refurbishment of existing retail outlets. The latter allowed us to give a fresher and more modern "look and feel" to our retail outlets with a larger display area for pre-owned jewellery and watches.

In line with our multi-pronged strategy, we launched two new retail outlets at Serangoon Road in August 2013, and four new retail outlets in the first quarter of FY2014 at Paya Lebar MRT, Bukit Gombak, Cheng San and Redhill. As at 31 March 2014, we have 32 retail outlets in Singapore, which we believe is commendable considering that we had started only in 2008 with a single retail outlet in Yishun.

Despite the challenging environment, we recorded a net profit attributable to shareholders of S\$1.8 million.

Earnings per share, on a fully diluted basis, decreased to 0.55 Singapore cent in FY2013 from 1.94 Singapore cents in FY2012. The Group's net asset value per share increased by 24.7% to 16.37 Singapore cents as at 31 December 2013 from 13.13 Singapore cents as at 31 December 2012.

I am pleased to announce that the Board of Directors has proposed a final cash dividend of 0.3 Singapore cent per ordinary share to thank shareholders for their support.

回顾本财政年，我们支付了一次性120万新元的IPO费用。员工开支，装修和翻新等费用也同时上升。员工开支上升是由于新零售门店的开张和公司总部费用，新零售门店的装修和现有零售门店的翻新费用与折旧也大幅度的增加。新一代的零售门店提供了客户现代化与舒适的购物环境，更优良的商品展示空间。

为了配合多管齐下策略，我们于2013年8月在实龙岗路开设了两间门店，并于2014年第一季度在巴耶利峇地铁站、武吉甘柏，静山和红山开设了四间门店。从2008年开设在义顺的第一间门店，截至2014年3月31日，我们在新加坡共拥有32间门店，取得相当可观的增长率。

尽管经营环境充满挑战，本集团仍在本年度赚取了归属于股东净利润180万新元。

稀释每股收益从2012财政年的1.94分下降到了2013财政年的0.55分。截至2013年12月31日，本集团每股净资产值为16.37分，比截至2012年12月31日所取得的13.13分高出24.7%。

为了感谢股东们一直以来对银丰当的信任与支持，董事会提议派发每股0.3分的年终现金股息。



Store opening activities at our Serangoon and Cheng San branches.



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

PROSPECTS AND ROADMAP TO GROWTH 成长和前景

Having built up a sizeable network of 32 retail outlets in Singapore, we have started to achieve economies of scale, harnessing efficiencies from our operational improvements and staff training for which we have invested considerable resources in.

The underlying focus of our new and refurbished retail outlets is to make them modern and inviting to our customers as we continue our strategy to move away from trading activities to the retail of pre-owned jewellery and watches.

MoneyMax is currently the only pawnbroker in Singapore to be awarded both the *ISO9001 (ISO9001:2008)* certification and *CaseTrust Accredited Pawnbroker*, underscoring our commitment in consistently meeting and delivering customers' satisfaction as well as fair trading and transparency, respectively.

We are also pleased to report that our branding and marketing efforts made in conjunction with our refurbishment programme and the expansion of our retail network have paid off as we were named the overall winner of the coveted Singapore Prestige Brand Awards – Promising Brands for 2013.

Shortly after our listing on SGX Catalist, we were added to the MSCI Singapore Micro Cap Index in November 2013. We hope that this will help us to reach out to the investment community more effectively.

With the modest recovery in gold prices in the first two months in FY2014, the absence of IPO expenses in FY2014, a significant portion of the refurbishment exercise having been completed in FY2013 and the continued shift from trading activities to retail sales of pre-owned jewellery and watches, we expect the Group's financial performance in FY2014 to remain positive.

Having completed our IPO and with our continued efforts to strengthen our brand as we seek to achieve higher economies of scale while increasing revenue and improving efficiencies, we also hope to attract potential alliances and partners.

APPRECIATION

The Board of Directors and the management of MoneyMax would like to thank our shareholders, customers and other stakeholders for their continued support and trust.

We also wish to extend our gratitude to the management and employees of the Group. The accomplishments of MoneyMax would not have been possible without their leadership, contribution and commitment.

Lim Yong Guan

Executive Chairman and Chief Executive Officer

我们已经在新加坡建立了 32 间门店的庞大网络，同时我们也开始逐步实现规模效益，通过我们的运营改进计划，提高效率并投入大量资源进行员工培训，提高整体竞争优势。

现代化的门店装潢受到顾客的欢迎，本集团将会持续扩展二手珠宝和钟表的业务，作为零售策略的重点。

银丰当是新加坡唯一一家荣获 ISO:9001 (ISO9001:2008) 认证和新加坡消费者协会 (Casetrust) 认证的典当行，这也体现出我们致力提高顾客满意度、坚守公平交易以及促进交易透明度的承诺。

我们也很高兴在此宣布，结合门店翻新计划和零售门店的扩张，我们积极的品牌推广和营销工作已见成效。银丰当脱颖而出，荣获了 2013 年度“新加坡金字品牌奖” – 最佳潜质品牌奖殊荣。

在新交所上市不久后，2013 年 11 月银丰当被列入了摩根士丹利国际新加坡微型股指数 (MSCI Singapore Micro Cap Index)。这将会吸引投资者对集团的兴趣。

黄金价格在 2014 财政年前两个月小幅回升，2014 财政年公司也无须继续支付 IPO 费用，大部分旧门店的翻新已经在 2013 财政年完成且公司将继续从贸易活动转向二手珠宝和钟表的零售，我们希望本集团 2014 财政年的业务表现将持续向好。

完成了 IPO，为了寻求更高的规模效益，我们在增加收入和提高效率的同时，也将继续努力强化品牌。我们也希望能够吸引潜在联盟和合作伙伴。

鸣谢

我谨藉此机会代表董事会以及本公司的管理层感谢我们的股东，顾客以及合作伙伴所给予本公司的信任与支持。此外也感谢董事会各位同仁，领导公司开拓业务，作出积极贡献。

在此同时，我向公司全体员工，致以最高的敬意与感谢，他们努力工作与无私的贡献，造就了今日的银丰当。

林雍杰

执行主席兼首席执行官

FINANCIAL AND OPERATIONAL REVIEW

REVIEW OF THE GROUP'S PERFORMANCE

REVENUE

The Group reported a 13.3% decline in revenue to S\$65.6 million for the financial year ended 31 December ("FY") 2013 compared to S\$75.6 million in FY2012 mainly due to the lower gold prices in FY2013 as compared to FY2012 and a deliberate decision to increase the revenue contribution from the retail vis-à-vis the trading of pre-owned jewellery and watches. Generally, yields from the retail of pre-owned jewellery and watches are higher than that of trading, hence the Group deliberately increased the allocation of inventories to retail outlets to offer customers a wider selection of pre-owned jewellery and watches.

Despite the decrease in revenue, gross profit⁽¹⁾ in FY2013 was unaffected and gross profit margin improved to 35.0% from 29.4% a year ago.



EXPENSES

The Group recorded a 20.2% decrease in material costs to S\$42.6 million in FY2013 from S\$53.4 million in FY2012, in line with the decrease in revenue from the retail and trading of pre-owned jewellery and watches segment.

The Group recorded a 36.2% increase in employee benefits expense to S\$6.7 million in FY2013 from S\$4.9 million in FY2012, due to the increase in the number of employees from the addition of new retail outlets and the increase in corporate headquarter activities in conjunction with the Initial Public Offering (the "IPO") of the Company.

The refurbishment of existing retail outlets and launch of new retail outlets contributed to a 28.8% increase in depreciation and amortisation expenses to S\$1.7 million in FY2013 compared to S\$1.3 million in FY2012.

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

Finance costs decreased by 15.8% to S\$2.2 million in FY2013 from S\$2.6 million in FY2012 due to the decline in interest expense brought about by the reduction in bank overdraft and the refinancing of some outstanding bank overdrafts with short-term loans of lower interest rates. In addition, IPO proceeds used as working capital and general purposes contributed to the decrease in bank overdraft taken up and hence, contributing to the decrease in interest expense incurred.

The Group recorded a charge of approximately S\$0.3 million in FY2013 due to inventories written-down to net realisable value as a result of the fall in gold prices.

The Group recorded a 61.2% increase in other expenses to S\$10.0 million in FY2013 from S\$6.2 million in FY2012 due to a one-off IPO expense of S\$1.2 million, an increase in advertising and promotional expenses, and an increase in rental and related costs associated with the launch of new retail outlets.

PROFIT BEFORE TAX AND NET PROFIT ATTRIBUTABLE TO EQUITY HOLDERS OF THE COMPANY

As a result of the above, profit before tax decreased by 65.8% to S\$2.4 million in FY2013 from S\$7.0 million in FY2012.

Income tax expense decreased 46.8% to S\$0.6 million in FY2013 from S\$1.2 million in FY2012, and the Group reported a 69.6% decrease in net profit attributable to equity holders of the Company to S\$1.8 million in FY2013 from S\$5.8 million in FY2012.

REVIEW OF THE GROUP'S FINANCIAL POSITION

The Group's non-current assets rose 58.2% to S\$3.2 million as at 31 December 2013 from S\$2.0 million a year ago while current assets increased by 11.8% to S\$159.2 million as at 31 December 2013 from S\$142.5 million a year ago. The increase in non-current assets was due to a net increase in plant and equipment of S\$0.6 million due to capital expenditure associated with the launch of new retail outlets and the refurbishment of existing retail outlets, a net increase in intangible assets of S\$0.2 million due to lease assignment fees for new retail outlets, and an increase in deferred tax assets of S\$0.4 million as a result of timing differences in capital allowances and losses.

The increase in current assets was mainly due to an increase in inventories of S\$7.6 million as a result of a deliberate decision to allocate more inventories to our retail outlets, an increase in trade and other receivables of S\$7.7 million due to increased pledged loan extended to customers and an increase in other assets of S\$1.6 million due to additional deposits paid for new and potential retail outlets. It was partially offset by a decrease in cash and cash equivalents of S\$0.1 million.

Non-current liabilities as at 31 December 2012 and 31 December 2013 remained relatively constant at S\$0.1 million while current liabilities decreased by 0.5% to S\$104.4 million as at 31 December 2013 compared to S\$105.0 million a year ago. The decrease in current liabilities was mainly due to a decrease in trade and other payables as well as income tax payable of S\$4.8 million and S\$0.1 million, respectively. This was partially offset by an increase in other financial liabilities and other liabilities of S\$4.2 million and S\$0.1 million, respectively. The decrease in trade and other payables was due to a decrease in amounts payable to related parties and accrued expenses. The increase in other financial liabilities was due to the higher usage of bank facilities to finance the pawnshop business.

Total equity increased by 47.0% to S\$57.9 million as at 31 December 2013 from S\$39.4 million a year ago, due to the net profit after tax of S\$1.8 million in FY2013 and a net increase in share capital of S\$16.7 million resulting from the Group's restructuring exercise and the IPO.



REVIEW OF THE GROUP'S CASHFLOW STATEMENT

Net cash generated from operating activities before changes in working capital amounted to S\$6.3 million in FY2013. Net cash used in working capital amounted to S\$21.5 million mainly due to the increase in inventories, trade and other receivables and other assets, as well as a decrease in trade and other payables. Net cash used in operating activities amounted to S\$16.3 million.

Net cash used in investing activities amounted to S\$4.3 million due to renovation costs related to the launch of new retail outlets and refurbishment of existing retail outlets in FY2013 of S\$2.2 million, payment of lease assignment fees for new retail outlets of S\$0.4 million, and payment to ex-shareholders of subsidiaries in relation to the acquisition of Cash Online Jewellery Pte. Ltd. and Cash Online Pawnshop Pte. Ltd. of S\$1.8 million due to the Group's restructuring exercise.

Net cash generated from financing activities amounted to S\$22.5 million due to issuance of shares for the IPO and the Group's restructuring exercise of S\$18.5 million, and proceeds from bank borrowings of S\$6.3 million. This was partially offset by interest paid of S\$2.2 million and finance lease repayments of S\$0.1 million.

As a result of the above, there was a net increase in cash and cash equivalents of S\$1.9 million to a net cash surplus of S\$3.7 million as at 31 December 2013 from a net cash surplus of S\$1.8 million as at 31 December 2012.

CHANGES IN ISSUED AND PAID-UP SHARE CAPITAL

Following the issuance of 53.8 million new ordinary shares pursuant to the IPO, the Group has a total of 353.8 million ordinary shares as at 31 December 2013, and a paid-up share capital of S\$56.1 million.

As at 31 December 2013, the Group's net asset value per share based on the post-IPO share capital was 16.37 Singapore cents, compared to 13.13 Singapore cents as at 31 December 2012.



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

REMUNERATION COMMITTEE

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

NOMINATING COMMITTEE

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

COMPANY SECRETARY

Choi Swee Weng (CA)

SPONSOR

United Overseas Bank Limited
80 Raffles Place
UOB Plaza
Singapore 048624

REGISTERED OFFICE

51 Kaki Bukit Place
Eunos Techpark
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Tel: 65 6512 6233
Fax: 65 6743 9533
Website: www.moneymax.com.sg

COMPANY REGISTRATION NUMBER

200819689Z

AUDITORS

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

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

BOARD OF DIRECTORS

MR. LIM YONG GUAN

Executive Chairman and CEO, Co-Founder

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

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

MR. LIM YONG SHENG

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

Mr. Lim Yong Sheng 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 as well as 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 and the 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, CY Ng & Co..

Prior to founding CY Ng & Co., Mr. Ng worked for an international accounting firm for six years. Mr. Ng currently also serves as an independent director on the boards of several SGX-ST listed companies, namely, Samko Timber Limited, Ecwise Holdings Limited, Mermaid Maritime Public Co Ltd., and Vicplas International Limited. He is currently also the 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 prestigious *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, a 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 prestigious *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

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.

MR. CHOI SWEE WENG

Chief Financial Officer

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 SGX 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).

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.

CORPORATE GOVERNANCE REPORT

The board of directors (the “**Board**”) of MoneyMax Financial Services Ltd. (the “**Company**”) and 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 Catalyst (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.

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") 2013 are as follows:

	Board and Board Committees			
	Board	Audit Committee	Nominating Committee	Remuneration Committee
No. of meetings held	2	2	1	1
No. of meetings attended by the Directors				
Mr. Lim Yong Guan	2*	-	-	-
Mr. Lim Yong Sheng	2	-	-	-
Mdm. Lim Liang Eng	2	-	-	-
Mr. Ng Cher Yan	2	2*	1	1
Dr. Ong Seh Hong	2	2	1*	1
Mr. Khua Kian Kheng Ivan	2	2	1	1*
Mr. Foo Say Tun	2	2	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/forecast;
- 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; and
- Interested person transactions.

During FY2013, the management kept the Directors up-to-date on pertinent developments in the business, financial reporting standards and industry-related matters. Such periodic updates were provided to the Directors to facilitate the discharge of their duties. The Directors are also 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.

Prior to the Company's listing on Catalist of the SGX-ST on 2 August 2013 (the "**Listing**"), the new incoming Directors had been briefed on the Group's business, strategies, operations and organisation structures to enable them to assimilate into their new roles.

The Company has a policy that 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 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.

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 Chief Executive Officer (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 and the skills and core competencies of its members to ensure appropriate balance of skills and experience. These competencies include accounting and finance, business acumen, management experience, industry knowledge, strategic planning experience, familiarity with regulatory requirements and knowledge of risk management. The NC 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 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.

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 has been appointed as the Lead Independent Director of the Company 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	(Lead 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 Directors and the appropriate Board size and composition, 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, 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.

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. Ng Cher Yan (Article 88);
- Dr. Ong Seh Hong (Article 88);
- Mr. Khua Kian Kheng Ivan (Article 88);
- Mr. Foo Say Tun (Article 88); and
- Mdm. Lim Liang Eng (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. When a Director has multiple board representations, the NC will consider whether the Director is able to adequately carry out his duties as a Director of the Company, taking into consideration the Director's number of listed company board representations and other principal commitments. The NC has reviewed and is satisfied that Mr. Ng Cher Yan, Dr. Ong Seh Hong, Mr. Khua Kian Kheng Ivan and Mr. Foo Say Tun, have been able to devote sufficient time and attention to the affairs of the Group to adequately discharge their duties as Directors of the Company, notwithstanding their respective board appointments.

The NC, at the relevant time, will look into reviewing and making a recommendation to the Board on the maximum number of listed company board appointments which any Director may hold.

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 of skills, knowledge and experience 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 page 12 and 13 of this Annual Report.

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 in certain instances, 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 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 ongoing basis. In order to ensure that the Board is able to fulfill its responsibilities, the management also provides the Board with regular updates of the financial position of the Group.

The Directors have been provided with the phone numbers and email particulars of the key management personnel to facilitate separate and independent access.

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.

Directors also have separate and independent access to the Company Secretary. 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.

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	(Lead 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 Director's 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.

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.

PRINCIPLE 9: DISCLOSURE ON REMUNERATION

Details on the remuneration of Directors and key management personnel for FY2013 are presented below.

Remuneration of Directors paid and payable by the Group for FY2013

Remuneration Band and Name of Director	Fee (%)	Salary (%)	Benefits in Kind (%)	Variable Bonus (%)	Total (%)
S\$250,000 to S\$500,000					
Mr. Lim Yong Guan	-	81.4%	-	18.6%	100.0%
Below S\$250,000					
Mr. Lim Yong Sheng	-	81.7%	-	18.3%	100.0%
Mdm. Lim Liang Eng	-	81.7%	-	18.3%	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 paid and payable by the Group for FY2013

Remuneration Band and Name of key management personnel ⁽¹⁾	Fee (%)	Salary (%)	Benefits in Kind (%)	Variable Bonus (%)	Total (%)
Below S\$250,000					
Mr. Choi Swee Weng	-	80.7%	5.9%	13.4%	100.0%
Mdm. Tan Yang Hong	-	84.2%	5.9%	9.9%	100.0%
Mdm. Lim Liang Soh	-	83.6%	8.9%	7.5%	100.0%

Note:

(1) The Company has only 3 key management personnel who are not Directors.

In considering the disclosure of remuneration of the Directors and key management personnel, the Company has regarded the industry conditions in which the Company 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 Company's interest and hamper its ability to retain and nurture the Company'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 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 FY2013, the total remuneration (including Directors' fees) paid and payable to the Directors and key management personnel was approximately S\$662,000 and S\$458,000, respectively.

In FY2013, the remuneration of 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, falls within the band of S\$150,000 and 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 FY2013.

During FY2013, 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 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 and compliance 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 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 information technology 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 information technology 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.

PRINCIPLE 12: AUDIT COMMITTEE

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

Chairman:	Mr. Ng Cher Yan	(Lead 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 an external professional firm, 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 auditors and their 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 co-operation 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 RSM Chio Lim LLP in FY2013, it would not prejudice the independence and objectivity of RSM Chio Lim LLP and has recommended RSM Chio Lim LLP's re-appointment as external auditors of the Company to the Board for FY2014. A breakdown of the fees in total for audit and non-audit services is set out in the Notes to the Financial Statements in page 60 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 Group's external auditors.

The Group has put in place a whistle-blowing framework ("**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 will have access to appropriate external advice where necessary.

There were no reported incidents pertaining to whistle blowing during FY2013 and as at the date of this Report.

No former partner or director of the Company's existing external and internal auditors is a member of the AC.

PRINCIPLE 13: INTERNAL AUDIT

The Board approves, with the AC's recommendation, the hiring, removal, evaluation and compensation of the internal auditors. 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 auditors report directly to the AC and have full access to documents, records, properties and personnel of the Company and the Group. The internal auditors plan their internal audit schedules in consultation with the management and their 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 auditors had conducted annual reviews of the effectiveness of the Group's internal controls in FY2013.

The Board recognises that it is responsible for maintaining a system of internal control 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 auditors 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 their findings to the AC for review by both the AC and the Board.

Following the review of the internal auditors' 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 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.

Currently, the Company does not have a fixed dividend policy. As disclosed in the Company's initial public offering ("IPO") offer document (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 FY2013, 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 Company's Articles of Association of the Company allow a Shareholder 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 Company's external auditors are also invited to attend the AGM and are 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 auditors' 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 of 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, the 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, the nature of and amount of fees for non-sponsor services rendered by the Company's Sponsor, United Overseas Bank Limited, to the Group in FY2013 were as follows:

Non-sponsor services	(S\$'000)
Underwriting and placement commission in relation to the Company's Listing	404
Receiving bank fees in relation to the Company's Listing	10
Total	414

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 FY2013 is as follows:

Name of Interested Person	Aggregate value of all Interested Person Transactions during FY2013 (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	231
SK Jewellery Pte Ltd	345
Love & Co Pte Ltd	2
Sales of gold	
Soo Kee Jewellery	97
SK Jewellery Pte Ltd	22
Central support services	
Soo Kee Jewellery	135
Lease of premises	
Soo Kee Jewellery	350
SK Jewellery Pte Ltd	90
SK Properties Pte Ltd	39
Soo Kee Investment Pte Ltd	539
SKC Pte Ltd	36
Heng Seng Pte Ltd	40
Total	1,926

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 2013 or if not then subsisting or entered into since 31 December 2013.

USE OF IPO PROCEEDS

As at the date of this Annual Report, the net IPO proceeds of S\$14.2 million (after deduction of IPO expenses of approximately S\$1.9 million) have been fully utilised. The use of the net IPO proceeds is in accordance with the stated use and is in accordance with the percentage allocated in the Offer Document.

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 projects of various local community organisations, including, the Radin Mas Community Club 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.

The Group received various awards in recognition of its community development efforts.

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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 2013.

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	(appointed on 27 June 2013)
Ong Seh Hong	(appointed on 27 June 2013)
Khua Kian Kheng Ivan	(appointed on 27 June 2013)
Foo Say Tun	(appointed on 27 June 2013)

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 or date of appointment if later	At end of the reporting year	At beginning of the reporting year or date of appointment if later	At end of the reporting year
	Number of shares of no par value			
<u>The company</u>				
Lim Yong Guan	51	44,370,000	-	213,000,000
Lim Yong Sheng	44	38,280,000	-	213,000,000
Lim Liang Eng	5	4,350,000	-	213,000,000
Ng Cher Yan	-	25,000	-	-
Ong Seh Hong	-	25,000	-	-
Khua Kian Kheng Ivan	-	25,000	-	-
Foo Say Tun	-	25,000	-	-

The directors' interests as at 21 January 2014 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.

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 AUDITORS

The independent auditors, RSM Chio Lim LLP, have 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 auditors their audit plan;
- Reviewed with the independent external auditors 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 auditors 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 Catalyst)

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 auditors' objectivity and independence are safeguarded where the independent auditors provide non-audit services.

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

8. DIRECTORS' OPINION ON THE ADEQUACY OF INTERNAL CONTROLS

Based on the internal controls established and maintained by the group, work performed by the external and internal 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 at the date of this report.

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 25 February 2014, 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
Director

.....
Lim Yong Sheng
Director

28 February 2014

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 2013 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

28 February 2014

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 2013, 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 2013 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

28 February 2014

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 2013

		<u>Group</u>	
	<u>Notes</u>	<u>2013</u> \$'000	<u>2012</u> \$'000
Revenue	5	65,556	75,573
<u>Other Items of Income</u>			
Other Credits	8	382	241
<u>Other Items of Expense</u>			
Material Costs		(42,594)	(53,360)
Employee Benefits Expense	6	(6,728)	(4,941)
Depreciation and Amortisation Expense		(1,667)	(1,294)
Other Charges	8	(342)	(371)
Finance Costs	7	(2,219)	(2,634)
Other Expenses	9	(9,986)	(6,196)
Profit Before Tax		2,402	7,018
Income Tax Expense	10	(630)	(1,184)
Profit Attributable to Owners of the Parent, Net of Tax and Total Comprehensive Income		<u>1,772</u>	<u>5,834</u>
Earnings Per Share			
Earnings Per Share Currency Unit		Cents	Cents
Basic and Diluted	11	<u>0.55</u>	<u>1.94</u>

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

STATEMENTS OF FINANCIAL POSITION AS AT 31 DECEMBER 2013

		<u>Group</u>		<u>Company</u>	
	<u>Notes</u>	<u>2013</u> \$'000	<u>2012</u> \$'000	<u>2013</u> \$'000	<u>2012</u> \$'000
ASSETS					
<u>Non-Current Assets</u>					
Plant and Equipment	13	2,379	1,760	-	-
Intangible Assets	14	448	233	-	-
Investments in Subsidiaries	15	-	-	44,405	-
Deferred Tax Assets	10	376	32	-	-
Total Non-Current Assets		<u>3,203</u>	<u>2,025</u>	<u>44,405</u>	<u>-</u>
<u>Current Assets</u>					
Inventories	16	14,113	6,509	-	-
Trade and Other Receivables	17	133,008	125,250	12,225	-
Other Assets	18	3,433	1,874	176	-
Cash and Cash Equivalents	19	8,658	8,821	1,200	-
Total Current Assets		<u>159,212</u>	<u>142,454</u>	<u>13,601</u>	<u>-</u>
Total Assets		<u>162,415</u>	<u>144,479</u>	<u>58,006</u>	<u>-</u>
EQUITY AND LIABILITIES					
<u>Equity</u>					
Share Capital	20	56,144	31,001	56,144	-
Retained Earnings/ (Accumulated Losses)		1,767	8,399	1,305	(2)
Total Equity		<u>57,911</u>	<u>39,400</u>	<u>57,449</u>	<u>(2)</u>
<u>Non-Current Liabilities</u>					
Other Financial Liabilities, Non-Current	22	25	35	-	-
Total Non-Current Liabilities		<u>25</u>	<u>35</u>	<u>-</u>	<u>-</u>
<u>Current Liabilities</u>					
Income Tax Payable		941	1,039	-	-
Trade and Other Payables	21	9,723	14,481	557	2
Other Financial Liabilities, Current	22	93,447	89,255	-	-
Other Liabilities	23	368	269	-	-
Total Current Liabilities		<u>104,479</u>	<u>105,044</u>	<u>557</u>	<u>2</u>
Total Liabilities		<u>104,504</u>	<u>105,079</u>	<u>557</u>	<u>2</u>
Total Equity and Liabilities		<u>162,415</u>	<u>144,479</u>	<u>58,006</u>	<u>-</u>

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

STATEMENTS OF CHANGES IN EQUITY

YEAR ENDED 31 DECEMBER 2013

Group:	Total Equity \$'000	Share Capital \$'000	Retained Earnings \$'000
Current Year:			
Opening Balance at 1 January 2013	39,400	31,001	8,399
Movements in Equity:			
Total Comprehensive Income for the Year	1,772	-	1,772
Issue of Share Capital (Note 20)	3,000	3,000	-
Share Swap Pursuant to the Restructuring Exercise (Note 20)	(39,405)	(31,001)	(8,404)
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	57,911	56,144	1,767
Previous Year:			
Opening Balance at 1 January 2012	33,566	31,001	2,565
Movements in Equity:			
Total Comprehensive Income for the Year	5,834	-	5,834
Closing Balance at 31 December 2012	39,400	31,001	8,399

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

STATEMENTS OF CHANGES IN EQUITY YEAR ENDED 31 DECEMBER 2013

Company:	Total Equity \$'000	Share Capital \$'000	Retained Earnings/ (Accumulated Losses) \$'000
Current 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	57,449	56,144	1,305
Previous Year:			
Opening Balance at 1 January 2012	(1)	-	(1)
Movements in Equity:			
Total Comprehensive Loss for the Year	(1)	-	(1)
Closing Balance at 31 December 2012	(2)	-	(2)

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

CONSOLIDATED STATEMENT OF CASH FLOWS YEAR ENDED 31 DECEMBER 2013

	Group	
	2013 \$'000	2012 \$'000
<u>Cash Flows From Operating Activities</u>		
Profit Before Tax	2,402	7,018
Adjustments for:		
Interest Expense	2,219	2,634
Depreciation of Plant and Equipment	1,522	1,084
Amortisation of Intangible Assets	145	210
Plant and Equipment Written Off	29	3
Operating Cash Flows before Changes in Working Capital	6,317	10,949
Inventories	(7,604)	(1,370)
Trade and Other Receivables	(7,687)	(35,163)
Other Assets, Current	(1,559)	(95)
Trade and Other Payables	(4,758)	3,766
Other Liabilities	99	7
Net Cash Flows Used in Operations	(15,192)	(21,906)
Income Taxes Paid	(1,143)	(611)
Net Cash Flows Used in Operating Activities	(16,335)	(22,517)
<u>Cash Flows From Investing Activities</u>		
Purchase of Plant and Equipment (Note 19B)	(2,170)	(702)
Purchase of Intangible Assets	(360)	-
Payment to Ex-shareholders of Subsidiaries Due to the Restructuring Exercise	(1,754)	-
Net Cash Flows Used in Investing Activities	(4,284)	(702)
<u>Cash Flows From Financing Activities</u>		
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	6,314	30,734
Finance Lease Repayments	(79)	(374)
Interest Paid	(2,219)	(2,634)
Net Cash Flows From Financing Activities	22,509	27,726
Net Increase in Cash and Cash Equivalents	1,890	4,507
Cash and Cash Equivalents, Statement of Cash Flows, Beginning Balance	1,777	(2,730)
Cash and Cash Equivalents, Statement of Cash Flows, Ending Balance (Note 19A)	3,667	1,777

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

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2013

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.

- (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.

1. GENERAL (CONT'D)

RESTRUCTURING EXERCISE (CONT'D)

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.

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.

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

BASIS OF PRESENTATION

The restructuring exercise 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-subsidary 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 2012 have been prepared as if the group had been in existence prior to the restructuring exercise. The assets and liabilities are 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 2012 represent 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. The consolidated financial statements include the income and expenses of a subsidiary from the date the entity gains control until the date when the entity ceases to control the subsidiary. Income and expenses of the subsidiary are based on the amounts of the assets and liabilities recognised in the consolidated financial statements at the acquisition date.

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.

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.

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

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.

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 for 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.

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

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.

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.

SUBSIDIARIES

A subsidiary is an entity including unincorporated and special purpose entity that is controlled by the reporting entity. Control is the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities accompanying a shareholding of more than one half of the voting rights or the ability to appoint or remove the majority of the members of the board of directors or to cast the majority of votes at meetings of the board of directors. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the group controls another entity.

In the company'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.

BUSINESS COMBINATIONS

Business combinations not under common control are accounted for by applying the acquisition method. There were no acquisitions during the reporting year. Also see Basis of Presentation.

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

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 determined 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.

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 determined 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.

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

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 of 2 to 3 years

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 to sell and its value in use. When the fair value less costs to sell 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 determined, 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 in 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.

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 classified 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 uncollectability. 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.

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.

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

FINANCIAL LIABILITIES

Initial recognition, measurement and derecognition:

A financial liability is recognised in 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 determined 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.

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.

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

FAIR VALUE MEASUREMENT (CONT'D)

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.

EQUITY

Equity instruments are contracts that give a residual interest in the net assets of the company. 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.

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.

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.

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.

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

CRITICAL JUDGEMENTS, ASSUMPTIONS AND ESTIMATION UNCERTAINTIES (CONT'D)

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 group's 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.

Income tax amounts:

The entity 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.

Estimated impairment of subsidiaries:

Where an investee is in net equity deficit and or has suffered losses a test is made whether the investment in the investee has suffered any impairment. This determination requires significant judgement. An estimate is made of the future profitability of the investee, and the financial health of and near-term business outlook for the investee, including factors such as industry and sector performance, and operational and financing cash flow. 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 asset affected.

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).

The ultimate controlling parties are Lim Yong Guan, Lim Yong Sheng and Lim Liang Eng, who are directors of the company.

#3.1 Related companies:

Related companies in these financial statements include the members of the 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 current intercompany balances are unsecured without fixed repayment terms and interest unless stated otherwise. For any significant non-current balances and significant financial guarantees an interest or charge is charged or imputed 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.

#3.2 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 current related party balances are unsecured without fixed repayment terms and interest unless stated otherwise. For any significant non-current balances and significant financial guarantees an interest or charge is charged or imputed 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:

	<u>Other related parties</u>	
	<u>2013</u>	<u>2012</u>
	\$'000	\$'000
Sales of pre-owned jewellery and watches	(119)	(5,725)
Purchase of goods	578	1,374
Rental expense	1,094	965
Interest expense	-	42
Purchase of plant and equipment	-	111
Central support services	135	-

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

#3.2 Related parties other than related companies: (Cont'd)

	Directors	
	<u>2013</u>	<u>2012</u>
	\$'000	\$'000
Interest expense on advances from directors	<u>-</u>	<u>287</u>

The related parties and the company have common directors.

#3.3 Key management compensation:

	<u>2013</u>	<u>2012</u>
	\$'000	\$'000
Salaries and other short-term employee benefits	<u>1,056</u>	<u>246</u>

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

	<u>2013</u>	<u>2012</u>
	\$'000	\$'000
Remuneration of directors of the company	598	129
Fees to directors of the company	<u>64</u>	<u>-</u>

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.

#3.4 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.

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

#3.4 Other receivables from and other payables to related parties: (Cont'd)

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

<u>Group</u>	<u>Other related parties</u>	
	<u>2013</u> \$'000	<u>2012</u> \$'000
<u>Other payables:</u>		
Balance at beginning of the year - net credit	(2,490)	(1,222)
Amounts paid out (paid in) and settlement of liabilities on behalf of other related parties (the company)	2,436	(1,226)
Interest expense	-	(42)
Balance at end of the year - net credit	<u>(54)</u>	<u>(2,490)</u>

Presented in the statement of financial position as follows:

Other receivables (Note 17)	-	2,240
Other payables (Note 21)	<u>(54)</u>	<u>(4,730)</u>
Balance at end of the year - net credit	<u>(54)</u>	<u>(2,490)</u>

<u>Group</u>	<u>Directors</u>	
	<u>2013</u> \$'000	<u>2012</u> \$'000
<u>Other payables:</u>		
Balance at beginning of the year - net credit	(6,825)	(6,670)
Amounts paid out and settlement of liabilities on behalf of directors	781	132
Interest expense	-	(287)
Balance at end of the year - net credit (Note 21)	<u>(6,044)</u>	<u>(6,825)</u>

<u>Company</u>	<u>Subsidiaries</u>	
	<u>2013</u> \$'000	<u>2012</u> \$'000
<u>Other receivables:</u>		
Balance at beginning of the year	-	-
Amounts paid out and settlement of liabilities on behalf of subsidiaries	8,643	-
Dividend receivable	3,220	-
Balance at end of the year - net debit	<u>11,863</u>	<u>-</u>

Presented in the statement of financial position as follows:

Other receivables (Note 17)	12,225	-
Other payables (Note 21)	<u>(362)</u>	<u>-</u>
Balance at end of the year - net debit	<u>11,863</u>	<u>-</u>

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

#3.4 Other receivables from and other payables to related parties: (Cont'd)

<u>Company</u>	<u>Other Related Parties</u>	
	<u>2013</u> \$'000	<u>2012</u> \$'000
<u>Other payables:</u>		
Balance at beginning of the year - net credit	(2)	(2)
Amounts paid in and settlement of liabilities on behalf of the company	(24)	-
Balance at end of the year - net credit (Note 21)	<u>(26)</u>	<u>(2)</u>

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.

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.

As the business activities of the group are mainly conducted in Singapore, group reporting format by geographical segment is not presented.

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

Segment information about these businesses is presented below:-

Continuing Operations 2013	Pawnbroking \$'000	Retail trading of pre-owned jewellery and watches \$'000	Others \$'000	Elimination \$'000	Note	Group \$'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

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

Continuing Operations 2012	Pawnbroking \$'000	Retail trading of pre-owned jewellery and watches \$'000	Others \$'000	Elimination \$'000	Note	Group \$'000
Revenue by segment						
Revenues from external customers	17,506	58,067	-	-		75,573
Inter-segment revenues	10,753	-	-	(10,753)	A	-
Results						
Segment results	8,296	1,458	-	(102)	B	9,652
Finance costs	(2,622)	(12)	-	-		(2,634)
Profit before tax	5,674	1,446	-	(102)	B	7,018
Income tax expense	(1,023)		-	-		(1,184)
Profit net of tax	4,651	1,285	-	(102)	B	5,834
Segment assets	138,031	15,466	-	(9,050)	C	144,447
Unallocated assets						32
Total group assets						144,479
Segment liabilities	100,200	12,694	-	(8,853)	D	104,041
Unallocated liabilities						1,038
Total group liabilities						105,079
Capital expenditure	725	143	-	-		868
Depreciation and amortisation	1,234	60	-	-		1,294
Cash and inventory not recovered from insurance	-	21	-	-		21
Loss on collateral loan services	347	-	-	-		347

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

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:

	<u>2013</u> \$'000	<u>2012</u> \$'000
Profit from inter-segment sales	<u>3,465</u>	<u>102</u>

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

	<u>2013</u> \$'000	<u>2012</u> \$'000
Inter-segment balances	27,025	8,853
Unrealised profit on unsold inventories	<u>442</u>	<u>197</u>
	<u>27,467</u>	<u>9,050</u>

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

	<u>2013</u> \$'000	<u>2012</u> \$'000
Inter-segment balances	<u>27,025</u>	<u>8,853</u>

Information About Major Customers

	<u>2013</u> \$'000	<u>2012</u> \$'000
Top 1 customer	9,399	21,812
Top 2 customers	<u>15,592</u>	<u>30,924</u>

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

5. REVENUE

	<u>Group</u>	
	<u>2013</u>	<u>2012</u>
	\$'000	\$'000
Interest income from providing collateral loan services	17,422	17,506
Sales of pre-owned jewellery and watches	48,134	58,067
Total revenue	<u>65,556</u>	<u>75,573</u>

6. EMPLOYEE BENEFITS EXPENSE

	<u>Group</u>	
	<u>2013</u>	<u>2012</u>
	\$'000	\$'000
Employee benefits expense	6,175	4,516
Contributions to defined contribution plan	553	425
Total employee benefits expense	<u>6,728</u>	<u>4,941</u>

7. FINANCE COSTS

	<u>Group</u>	
	<u>2013</u>	<u>2012</u>
	\$'000	\$'000
Interest expense paid to directors (Note 3)	-	287
Interest expense paid to a related party (Note 3)	-	42
Interest expense paid to outside parties	2,219	2,305
Total finance costs	<u>2,219</u>	<u>2,634</u>

8. OTHER CREDITS AND (OTHER CHARGES)

	<u>Group</u>	
	<u>2013</u>	<u>2012</u>
	\$'000	\$'000
Cash and inventory not recovered from insurance	-	(21)
Foreign exchange adjustments (losses)/ gains	(6)	3
Government grants	45	30
Inventories written down (Note 16)	(285)	-
Loss on collateral loan services	(22)	(347)
Miscellaneous income	17	43
Plant and equipment written off	(29)	(3)
Rental income	320	165
Net	<u>40</u>	<u>(130)</u>
Presented in profit or loss as:	382	241
Other Credits	<u>(342)</u>	<u>(371)</u>
Other Charges	<u>40</u>	<u>(130)</u>
Net		

9. OTHER EXPENSES

The major components include the following:

	<u>Group</u>	
	<u>2013</u>	<u>2012</u>
	\$'000	\$'000
Advertisement and promotions	820	361
Rental expenses	5,175	3,837
Audit fees to the independent auditors of the company	120	69
Audit fees to the other independent auditors	1	1
Other fees to the independent auditors of the company	54	14
Initial Public Offering ("IPO") related expenses ^(a)	<u>1,249</u>	<u>-</u>

(a) These include other fees to the independent auditors of the company of \$263,000, in connection with the IPO during the reporting year (Note 20).

10. INCOME TAX

10A. COMPONENTS OF TAX EXPENSE RECOGNISED IN PROFIT OR LOSS INCLUDE:

	Group	
	<u>2013</u> \$'000	<u>2012</u> \$'000
<u>Current tax expense:</u>		
Current tax expense	1,015	1,240
Over adjustments in respect of prior periods	(41)	-
Subtotal	<u>974</u>	<u>1,240</u>
<u>Deferred tax income:</u>		
Deferred tax income	(399)	(56)
Under adjustments in respect of prior periods	55	-
Subtotal	<u>(344)</u>	<u>(56)</u>
Total income tax expense	<u>630</u>	<u>1,184</u>

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% (2012: 17.0%) to profit or loss before income tax as a result of the following differences:

	Group	
	<u>2013</u> \$'000	<u>2012</u> \$'000
Profit before tax	<u>2,402</u>	<u>7,018</u>
Income tax expense at the above rate	408	1,193
Not deductible items	407	114
Tax exemptions	(142)	(156)
Under adjustments to tax in respect of prior periods	14	-
Other minor item less than 3% each	(57)	33
Total income tax expense	<u>630</u>	<u>1,184</u>

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

The major not deductible items include the following:

	Group	
	<u>2013</u> \$'000	<u>2012</u> \$'000
Initial Public Offering related expenses	<u>212</u>	<u>-</u>

10. INCOME TAX (CONT'D)**10B. DEFERRED TAX INCOME RECOGNISED IN PROFIT OR LOSS INCLUDES:**

	<u>Group</u>	
	<u>2013</u>	<u>2012</u>
	\$'000	\$'000
Excess of book over tax depreciation on plant and equipment	(9)	(4)
Excess of tax over book depreciation on plant and equipment	(8)	(12)
Tax loss and capital allowance carryforwards	(327)	(40)
Total deferred income tax income recognised in profit or loss	<u>(344)</u>	<u>(56)</u>

10C. DEFERRED TAX BALANCE IN THE STATEMENT OF FINANCIAL POSITION:

	<u>Group</u>	
	<u>2013</u>	<u>2012</u>
	\$'000	\$'000
<u>Deferred tax assets recognised in profit or loss:</u>		
Excess of carrying amount of plant and equipment over tax values	(48)	(57)
Excess of tax values over carrying amount of plant and equipment	30	22
Tax loss and capital allowance carryforwards	394	67
Net balance	<u>376</u>	<u>32</u>

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.

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:

	<u>Group</u>	
	<u>2013</u>	<u>2012</u>
	\$'000	\$'000
Numerators: earnings attributable to equity		
Profit attributable to owners of the parent, net of tax	<u>1,772</u>	<u>5,834</u>
Denominators: weighted average number of equity shares		
Basic and diluted	<u>322,417</u>	<u>300,000</u>

11. EARNINGS PER SHARE (CONT'D)

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

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.

13. PLANT AND EQUIPMENT

<u>Group</u>	<u>Renovations</u>	<u>Plant and</u>	<u>Total</u>
<u>Cost:</u>	<u>\$'000</u>	<u>equipment</u>	<u>\$'000</u>
		<u>\$'000</u>	
At 1 January 2012	2,361	1,548	3,909
Additions	479	389	868
Disposals	(6)	(12)	(18)
At 31 December 2012	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
<u>Accumulated depreciation:</u>			
At 1 January 2012	1,196	734	1,930
Depreciation for the year	692	392	1,084
Disposals	(6)	(9)	(15)
At 31 December 2012	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
<u>Carrying amount:</u>			
At 1 January 2012	1,165	814	1,979
At 31 December 2012	952	808	1,760
At 31 December 2013	1,373	1,006	2,379

Certain items are under finance lease agreements (Note 22B).

14. INTANGIBLE ASSETS

	Lease assignment fees \$'000
<u>Group:</u>	
<u>Cost:</u>	
At 1 January 2012 and 31 December 2012	780
Additions	360
At 31 December 2013	1,140
<u>Accumulated amortisation:</u>	
At 1 January 2012	337
Amortisation for the year	210
At 31 December 2012	547
Amortisation for the year	145
At 31 December 2013	692
<u>Carrying amount:</u>	
At 1 January 2012	443
At 31 December 2012	233
At 31 December 2013	448

15. INVESTMENTS IN SUBSIDIARIES

	<u>Company</u>	
	<u>2013</u> \$'000	<u>2012</u> \$'000
Movements during the year:		
Unquoted equity shares at cost:		
Balance at beginning of the year	-	-
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 a subsidiary	4,000	-
Balance at end of the year	44,405	-

15. INVESTMENTS IN SUBSIDIARIES (CONT'D)

The subsidiaries held by the company and the group are listed below:

Name of subsidiaries, country of incorporation, place of operations and principal activities (and independent auditors)	Cost in books of company		Effective percentage of equity held	
	2013 \$'000	2012 \$'000	2013 %	2012 %
MoneyMax Pawnshop Pte. Ltd. ^(b) Singapore Pawn brokerage	17,014	(a)	100	100
MoneyMax Group Pte. Ltd. ^(b) Singapore Pawn brokerage	12,477	(a)	100	100
MoneyMax Pte. Ltd. ^(b) Singapore Pawn brokerage	9,618	(a)	100	100
Cash Online Pawnshop Pte. Ltd. ^(b) Singapore Pawn brokerage	2,725	(a)	100	100
MoneyMax Jewellery Pte. Ltd. ^(b) Singapore Retail sale of jewellery, watches and luxury goods	2,542	(a)	100	100
Cash Online Jewellery Pte. Ltd. ^(b) Singapore Retail sale of jewellery, watches and luxury goods	29	(a)	100	100
MoneyMax Capital Pte. Ltd. ^(b) Singapore Dormant	+	(a)	100	100
MoneyMax Pawnshop Sdn. Bhd. ^(c) Malaysia Dormant (FS Wong & Co., Malaysia)	+	(a)	100	100
MoneyMax Jewellery Sdn. Bhd. ^(c) Malaysia Dormant (FS Wong & Co., Malaysia)	+	(a)	100	100
Cash Online Sdn. Bhd. ^(c) Malaysia Dormant (FS Wong & Co., Malaysia)	+	(a)	100	100

+ Amount less than \$1,000.

(a) Presented on the basis that the group had existed since 1 January 2012 as set out in Note 2.

(b) Audited by RSM Chio Lim LLP in Singapore, a member firm of RSM International.

(c) 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.

16. INVENTORIES

	<u>Group</u>	
	<u>2013</u> \$'000	<u>2012</u> \$'000
Finished goods	<u>14,113</u>	<u>6,509</u>
Inventories are stated after allowance. Movements in allowance:		
Balance at beginning of the year	-	-
Charge to profit or loss included in other charges (Note 8)	<u>285</u>	<u>-</u>
Balance at end of the year	<u>285</u>	<u>-</u>

There are no inventories pledged as security for liabilities.

17. TRADE AND OTHER RECEIVABLES

	<u>Group</u>		<u>Company</u>	
	<u>2013</u> \$'000	<u>2012</u> \$'000	<u>2013</u> \$'000	<u>2012</u> \$'000
<u>Trade receivables:</u>				
Pledged loans ^(a)	128,449	115,284	-	-
Interest receivables ^(a)	4,208	3,594	-	-
Outside parties	272	365	-	-
Related parties (Note 3)	<u>-</u>	<u>3,737</u>	<u>-</u>	<u>-</u>
Subtotal	<u>132,929</u>	<u>122,980</u>	<u>-</u>	<u>-</u>
<u>Other receivables:</u>				
Subsidiaries (Note 3)	-	-	12,225	-
Related parties (Note 3)	-	2,240	-	-
Income tax refundable	71	-	-	-
Other receivables	<u>8</u>	<u>30</u>	<u>-</u>	<u>-</u>
Subtotal	<u>79</u>	<u>2,270</u>	<u>12,225</u>	<u>-</u>
Total trade and other receivables	<u>133,008</u>	<u>125,250</u>	<u>12,225</u>	<u>-</u>

^(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, Chapter 222.

The loans bear interest of 1.0% for the first month and 1.5% for the subsequent 5 months.

18. OTHER ASSETS

	<u>Group</u>		<u>Company</u>	
	<u>2013</u>	<u>2012</u>	<u>2013</u>	<u>2012</u>
	\$'000	\$'000	\$'000	\$'000
Prepayments	645	273	176	-
Deposits to secure services	2,788	1,601	-	-
	<u>3,433</u>	<u>1,874</u>	<u>176</u>	<u>-</u>

19. CASH AND CASH EQUIVALENTS

	<u>Group</u>		<u>Company</u>	
	<u>2013</u>	<u>2012</u>	<u>2013</u>	<u>2012</u>
	\$'000	\$'000	\$'000	\$'000
Cash on hand and in bank (not restricted in use)	<u>8,658</u>	<u>8,821</u>	<u>1,200</u>	<u>-</u>

The interest earning balances are not significant.

19A. CASH AND CASH EQUIVALENTS IN THE STATEMENT OF CASH FLOWS:

	<u>Group</u>	
	<u>2013</u>	<u>2012</u>
	\$'000	\$'000
Amount as shown above	8,658	8,821
Bank overdrafts (Note 22)	<u>(4,991)</u>	<u>(7,044)</u>
Cash and cash equivalents for statement of cash flows purposes at end of the year	<u>3,667</u>	<u>1,777</u>

19B. NON-CASH TRANSACTIONS:

There were no acquisitions of plant and equipment by means of finance leases in the reporting year (2012: \$166,000).

20. SHARE CAPITAL

	Number of shares <u>issued</u> '000	Share <u>capital</u> \$'000
Ordinary shares of no par value:		
Balance at beginning of the year 1 January 2012 and end of the year 31 December 2012 ^(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	353,800	56,144

- (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, net of listing expenses of \$647,000. 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 are fully paid, carry one vote each and have no right to fixed income.

In connection with the IPO during the reporting year 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).

20. SHARE CAPITAL (CONT'D)

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.

<u>Group:</u>	<u>2013</u>	<u>2012</u>
	<u>\$'000</u>	<u>\$'000</u>
Net debt:		
All current and non-current borrowings including finance leases	93,472	89,290
Less cash and cash equivalents	(8,658)	(8,821)
Net debt	<u>84,814</u>	<u>80,469</u>
Capital:		
Total Equity	<u>57,911</u>	<u>39,400</u>
Debt-to-capital ratio	<u>146%</u>	<u>204%</u>

There are significant borrowings but these are secured by specific assets. The improvement as shown by the decrease in the debt-to-capital ratio for the reporting year resulted primarily from the issuance of new shares from the IPO and improved retained earnings.

All reserves classified on the face of the statement of financial position as retained earnings represent past accumulated earnings and are distributable.

21. TRADE AND OTHER PAYABLES

	<u>Group</u>		<u>Company</u>	
	<u>2013</u>	<u>2012</u>	<u>2013</u>	<u>2012</u>
	\$'000	\$'000	\$'000	\$'000
<u>Trade payables:</u>				
Surplus payable ^(a)	50	152	-	-
Related parties (Note 3)	-	494	-	-
Outside parties	1,042	-	-	-
Subtotal	<u>1,092</u>	<u>646</u>	<u>-</u>	<u>-</u>
<u>Other payables:</u>				
Accrued liabilities	1,659	1,673	119	-
Subsidiary (Note 3)	-	-	362	-
Related parties (Note 3)	54	4,730	26	2
Directors (Note 3)	6,044	6,825	-	-
Other payables	874	607	50	-
Subtotal	<u>8,631</u>	<u>13,835</u>	<u>557</u>	<u>2</u>
Total trade and other payables	<u>9,723</u>	<u>14,481</u>	<u>557</u>	<u>2</u>

- (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.

22. OTHER FINANCIAL LIABILITIES

	<u>Group</u>	
	<u>2013</u>	<u>2012</u>
	\$'000	\$'000
<u>Non-current:</u>		
<u>Financial instruments with fixed interest rates:</u>		
Finance leases (Note 22B)	<u>25</u>	<u>35</u>
Non-current	<u>25</u>	<u>35</u>
<u>Current:</u>		
<u>Financial instruments with floating interest rates:</u>		
Bank overdrafts (secured) (Note 22A)	4,991	7,044
Bank loans (secured) (Note 22A)	88,440	82,126
<u>Financial instruments with fixed interest rates:</u>		
Finance leases (Note 22B)	<u>16</u>	<u>85</u>
Current	<u>93,447</u>	<u>89,255</u>
Total	<u>93,472</u>	<u>89,290</u>

22. OTHER FINANCIAL LIABILITIES (CONT'D)

The range of floating rate interest rates paid was as follows:

	<u>Group</u>	
	<u>2013</u>	<u>2012</u>
Bank overdrafts (secured)	5.00%	5.00%
Bank loans (secured)	1.95% to 2.46%	2.02% to 2.64%

22A. BANK OVERDRAFTS AND BANK LOANS (SECURED)

The bank borrowings are revolving loans and money market loans with maturities between one month to six months. The bank agreements for the bank loans and overdrafts provide among other matters for the following:

1. A first deed of debenture, a charge on all sums in the current account of certain subsidiaries and a fixed and floating charge over all present and future assets of certain subsidiaries.
2. Joint and several guarantees from certain directors.
3. Corporate guarantee from a related party.
4. Assignment of insurance policies.

22B. FINANCE LEASES

<u>2013</u>	<u>Minimum payments \$'000</u>	<u>Group Finance charges \$'000</u>	<u>Present value \$'000</u>
Minimum lease payments payable:			
Due within one year	18	(2)	16
Due within 2 to 5 years	26	(1)	25
Total	<u>44</u>	<u>(3)</u>	<u>41</u>

Carrying amount of plant and equipment under finance leases

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<u>2012</u>	<u>Minimum payments \$'000</u>	<u>Finance charges \$'000</u>	<u>Present value \$'000</u>
Minimum lease payments payable:			
Due within one year	91	(6)	85
Due within 2 to 5 years	39	(4)	35
Total	<u>130</u>	<u>(10)</u>	<u>120</u>

Carrying amount of plant and equipment under finance leases

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22. OTHER FINANCIAL LIABILITIES (CONT'D)

22B. FINANCE LEASES (CONT'D)

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 6.16% (2012: 3.00% to 6.67%). All leases are on a fixed repayment basis and no arrangements have been entered into for contingent rental payments. All lease obligations are denominated in Singapore dollars. 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 corporate guarantees from a related party and joint and several guarantees from certain directors of the company.

23. OTHER LIABILITIES

	<u>Group</u>	
	<u>2013</u> \$'000	<u>2012</u> \$'000
Deposits	83	39
Provision for restoration costs ^(a)	285	230
Total	<u>368</u>	<u>269</u>

(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.

24. 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.

		<u>Notional</u>		<u>Strike Price</u>		<u>Fair Value</u>	
<u>Group</u>	<u>Reference unit</u>	<u>2013</u>	<u>2012</u>	<u>2013</u> US\$	<u>2012</u> US\$	<u>2013</u> \$'000	<u>2012</u> \$'000
Commodity put option	Ounce	322	-	1,180	-	(17)	-
Commodity call option	Ounce	643	-	1,230	-	3	-
						<u>(14)</u>	<u>-</u>

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.

25. FINANCIAL INSTRUMENTS: INFORMATION ON FINANCIAL RISKS

25A. 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:

	<u>Group</u>		<u>Company</u>	
	<u>2013</u>	<u>2012</u>	<u>2013</u>	<u>2012</u>
	\$'000	\$'000	\$'000	\$'000
<u>Financial assets:</u>				
Cash and cash equivalents	8,658	8,821	1,200	-
Loan and receivables	132,937	125,250	12,225	-
At end of the year	<u>141,595</u>	<u>134,071</u>	<u>13,425</u>	<u>-</u>
<u>Financial liabilities:</u>				
Other financial liabilities measured at amortised cost	93,472	89,290	-	-
Trade and other payables measured at amortised cost	9,723	14,481	557	2
At end of the year	<u>103,195</u>	<u>103,771</u>	<u>557</u>	<u>2</u>

Further quantitative disclosures are included throughout these financial statements.

There are no significant fair value measurements recognised in the statement of financial position.

25B. 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.

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

25C. 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.

25D. 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 and balances with banks, receivables, and certain other financial assets. The cash and cash balances with banks as disclosed in Note 19 have maturity of three months or less. 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.

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 (2012: 7 to 30 days).

There is no significant concentration of credit risk on customers, as the exposure is spread over a large number of counter-parties and customers.

There are no receivables 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 sale by auction in accordance with the provisions of the Pawnbrokers Act, Chapter 222.

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

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

25E. LIQUIDITY RISK - FINANCIAL LIABILITIES MATURITY ANALYSIS

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

	<u>Group</u>		
	<u>Less than 1 year</u>	<u>1-3 years</u>	<u>Total</u>
	<u>\$'000</u>	<u>\$'000</u>	<u>\$'000</u>
<u>Non-derivative financial liabilities:</u>			
<u>2013:</u>			
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	<u>103,534</u>	<u>26</u>	<u>103,560</u>
	<u>Less than 1 year</u>	<u>1-3 years</u>	<u>Total</u>
	<u>\$'000</u>	<u>\$'000</u>	<u>\$'000</u>
<u>Non-derivative financial liabilities:</u>			
<u>2012:</u>			
Gross borrowing commitments	89,248	-	89,248
Gross finance lease obligations	91	39	130
Trade and other payables	14,481	-	14,481
At end of the year	<u>103,820</u>	<u>39</u>	<u>103,859</u>
	<u>Company</u>		
	<u>2013</u>	<u>2012</u>	
	<u>\$'000</u>	<u>\$'000</u>	
<u>Non-derivative financial liabilities:</u>			
<u>Less than 1 year</u>			
Trade and other payables	557	2	
At end of the year	<u>557</u>	<u>2</u>	

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 paid 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.

25. FINANCIAL INSTRUMENTS: INFORMATION ON FINANCIAL RISKS (CONT'D)**25E. LIQUIDITY RISK - FINANCIAL LIABILITIES MATURITY ANALYSIS (CONT'D)**

Financial guarantee contracts - For financial guarantee contracts the maximum earliest period in which the guarantee amount can be claimed by the other party is used. At the end of the reporting year no claims on the financial guarantees are expected to be payable. The following table shows the maturity analysis of the contingent liabilities from financial guarantees:

	<u>Group</u>	
	<u>2013</u>	<u>2012</u>
	<u>\$'000</u>	<u>\$'000</u>
<u>Less than 1 year</u>		
Financial guarantee contracts - in favour of a related party	-	5,000

Bank facilities:

	<u>Group</u>	
	<u>2013</u>	<u>2012</u>
	<u>\$'000</u>	<u>\$'000</u>
Undrawn borrowing facilities	30,994	30,254

The undrawn borrowing facilities are available for operating activities and to settle other commitments. Borrowing facilities are maintained to ensure funds are available for the operations. A schedule showing the maturity of financial liabilities and unused bank facilities is provided regularly to management to assist in monitoring the liquidity risk.

25F. INTEREST RATE RISK

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

	<u>Group</u>	
	<u>2013</u>	<u>2012</u>
	<u>\$'000</u>	<u>\$'000</u>
<u>Financial liabilities:</u>		
Fixed rate	41	120
Floating rate	93,431	89,170
At end of the year	93,472	89,290

The floating rate debt instruments are with interest rates that are re-set at regular intervals. The interest rates are disclosed in Note 22.

25. FINANCIAL INSTRUMENTS: INFORMATION ON FINANCIAL RISKS (CONT'D)**25F. INTEREST RATE RISK (CONT'D)**

Sensitivity analysis:

	<u>Group</u>	
	<u>2013</u>	<u>2012</u>
	\$'000	\$'000
<u>Financial liabilities:</u>		
A hypothetical variation in interest rates by 10 basis points with all other variables held constant, would have an increase/ decrease in pre-tax profit for the reporting year by	<u>93</u>	<u>89</u>

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).

25G. 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.

26. OPERATING LEASE PAYMENT COMMITMENTS

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

	<u>Group</u>	
	<u>2013</u>	<u>2012</u>
	\$'000	\$'000
Not later than one year	5,313	4,778
Later than one year and not later than five years	<u>4,848</u>	<u>5,743</u>
Rental expenses for the year	<u>5,175</u>	<u>3,837</u>

Operating lease payments are for rental payable for retail outlets. The lease terms are for an average 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 \$320,000 (2012: \$165,000) as disclosed in Note 27.

27. OPERATING LEASE INCOME COMMITMENTS

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

	<u>Group</u>	
	<u>2013</u> \$'000	<u>2012</u> \$'000
Not later than one year	203	145
Later than one year and not later than five years	<u>31</u>	<u>44</u>
Rental income for the year	<u>320</u>	<u>165</u>

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.

28. CONTINGENT LIABILITIES

Details and estimated maximum amounts of contingent liabilities are as follows:

	<u>Group</u>	
	<u>2013</u> \$'000	<u>2012</u> \$'000
Guarantee in favour of a related party's banking facility	<u>-</u>	<u>5,000</u>

29. EVENTS AFTER THE END OF THE REPORTING YEAR

Subsequent to the end of the reporting year, the company subscribed for a further 2,000,000 ordinary shares of no par value issued by MoneyMax Group Pte. Ltd., a wholly owned subsidiary, for an aggregate cash consideration of \$2,000,000.

30. 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 any modification of the measurement methods or the presentation in the financial statements.

FRS No.

FRS 1	Amendment to FRS 1 Presentation of Financial Statements (Annual Improvements)
FRS 16	Amendment to FRS 16 Property, Plant and Equipment (Annual Improvements)
FRS 19	Employee Benefits (Revised)
FRS 36	Amendment to FRS 36: Recoverable Amount Disclosures for Non- Financial Assets (relating to goodwill) (early adoption) (*)
FRS 107	Amendments to FRS 32 and 107 titled Offsetting Financial Assets and Financial Liabilities (*)
FRS 113	Fair Value Measurements
INT FRS 120	Stripping Costs in the Production Phase of a Surface Mine (*)

(*) Not relevant to the entity.

31. 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.

<u>FRS No.</u>	<u>Title</u>	<u>Effective date for periods beginning on or after</u>
FRS 27	Consolidated and Separate Financial Statements (Amendments to)	1 Jul 2013
FRS 27	Separate Financial Statements (Revised)	1 Jan 2014
FRS 28	Investments in Associates and Joint Ventures (Revised) (*)	1 Jan 2014
FRS 32	Amendments to FRS 39: Novation to Derivatives and Continuation of Hedge Accounting	1 Jan 2014
FRS 36	Amendment to FRS 36: Recoverable Amount Disclosures for Non-Financial Assets (relating to goodwill) (*)	1 Jan 2014
FRS 110	Consolidated Financial Statements	1 Jan 2014
FRS 111	Joint Arrangements (*)	1 Jan 2014
FRS 112	Disclosure of Interests in Other Entities (*)	1 Jan 2014
FRS 110	Amendments to FRS 110, FRS 111 and FRS 112	1 Jan 2014
INT FRS 121	Levies (*)	1 Jan 2014

(*) Not relevant to the entity.

SHAREHOLDER STATISTICS AS AT 21 MARCH 2014

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 - 999	-	-	-	-
1,000 - 10,000	851	58.41	3,910,000	1.11
10,001 - 1,000,000	596	40.90	39,708,000	11.22
1,000,001 and above	10	0.69	310,182,000	87.67
Total	1,457	100.00	353,800,000	100.00

SHAREHOLDING HELD IN HANDS OF PUBLIC

As at 21 March 2014, approximately 15.17% of the issued ordinary shares of the Company is held in the hands of the public. Therefore Rule 723 of the Listing Manual Section B: Rules of Catalist of the Singapore Exchange Securities Trading Limited is complied with.

TWENTY LARGEST SHAREHOLDERS

No.	Name	No. of Shares	%
1	Money Farm Pte Ltd	213,000,000	60.20
2	Lim Yong Guan	44,370,000	12.54
3	Lim Yong Sheng	38,280,000	10.82
4	Lim Liang Eng	4,350,000	1.23
5	Phillip Securities Pte Ltd	2,831,000	0.80
6	CIMB Securities (Singapore) Pte Ltd	1,881,000	0.53
7	UOB Kay Hian Pte Ltd	1,570,000	0.45
8	Li Yong De	1,500,000	0.42
9	Khoo Hang Choong	1,250,000	0.35
10	Cheok Eng Soon (Shi Yongshun)	1,150,000	0.33
11	Maybank Kim Eng Securities Pte Ltd	975,000	0.28
12	Neo Ah Choo	900,000	0.25
13	DBS Nominees Pte Ltd	853,000	0.24
14	Lim & Tan Securities Pte Ltd	643,000	0.18
15	Goh Chye Heang	600,000	0.17
16	Kok Sip Chon	573,000	0.16
17	OCBC Securities Private Ltd	560,000	0.16
18	Ong Chu Tek	550,000	0.16
19	Ng Keng Hong	507,000	0.14
20	Chan Soue Lien	500,000	0.14
Total		316,843,000	89.55

SUBSTANTIAL SHAREHOLDERS

As recorded in the Register of Substantial Shareholders as at 21 March 2014

Name of shareholders		Direct Interest		Deemed Interest	
		No. of shares	%	No. of shares	%
Money Farm Pte Ltd	(1)	213,000,000	60.20	-	-
Lim Yong Guan	(2), (3)	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, Lim Yong Guan, Lim Yong Sheng and Lim Liang Eng are deemed to be interested in the shares which Money Farm Pte Ltd holds in MoneyMax Financial Services Ltd.

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Annual General Meeting of MoneyMax Financial Services Ltd. (the "Company") will be held at 8 Wilkie Road #03-01 Wilkie Edge Singapore 228095 on Monday, 28 April 2014 at 2:00 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 2013 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 2013. Resolution 2

3. To re-elect Mdm. Lim Liang Eng 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. Ng Cher Yan who is retiring in accordance with Article 88 of the Company's Articles of Association, as a Director of the Company. Resolution 4

 [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 the 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 Catalyst ("Catalist Rules").]

5. To re-elect Dr. Ong Seh Hong who is retiring in accordance with Article 88 of the Company's Articles of Association, as a Director of the Company. Resolution 5

 [Dr. Ong Seh Hong shall, upon re-election as a Director of the Company, remain as Chairman of the Nominating Committee and as a member of the Audit Committee and Remuneration Committee. Dr. Ong Seh Hong shall be considered independent for the purpose of Rule 704(7) of the Catalyst Rules.]

6. To re-elect Mr. Khua Kian Kheng Ivan who is retiring in accordance with Article 88 of the Company's Articles of Association, as a Director of the Company. Resolution 6

 [Mr. Khua Kian Kheng Ivan shall, upon re-election as a Director of the Company, remain as Chairman of the Remuneration Committee and as a member of the Audit Committee and Nominating Committee. Mr. Khua Kian Kheng Ivan shall be considered independent for the purpose of Rule 704(7) of the Catalyst Rules.]

7. To re-elect Mr. Foo Say Tun who is retiring in accordance with Article 88 of the Company's Articles of Association, as a Director of the Company. Resolution 7

 [Mr. Foo Say Tun shall, upon re-election as a Director of the Company, remain as a member of the Nominating Committee, Audit Committee and Remuneration Committee. Mr. Foo Say Tun shall be considered independent for the purpose of Rule 704(7) of the Catalyst Rules.]

8. To approve the Directors' fees of S\$64,384.00 for the financial year ended 31 December 2013. Resolution 8

- | | | |
|-----|---|---------------|
| 9. | To approve the Directors' fees of S\$125,000.00 for the financial year ending 31 December 2014, payable quarterly in arrears. | Resolution 9 |
| 10. | To re-appoint Messrs RSM Chio Lim LLP as Auditors of the Company and to authorise the Directors to fix their remuneration. | Resolution 10 |

AS SPECIAL BUSINESS

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

- | | | |
|------|---|---------------|
| 11 . | Authority to allot and issue shares up to one hundred per centum (100%) of the issued shares in the capital of the Company | Resolution 11 |
|------|---|---------------|

"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 ("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);
- (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)]

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

Resolution 12

"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)]

13. 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: 10 April 2014

Note:

- a) A member entitled to attend and vote at this meeting is entitled to appoint one or two proxies 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 registered office of the Company at 51 Kaki Bukit Place, Eunos Techpark, Singapore 416228 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 11, 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 12, 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.

PROXY FORM

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.

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 Monday, 28 April 2014 at 2:00 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 Mdm. Lim Liang Eng as Director				
4	To re-elect Mr. Ng Cher Yan as Director				
5	To re-elect Dr. Ong Seh Hong as Director				

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**
6	To re-elect Mr. Khua Kian Kheng Ivan as Director				
7	To re-elect Mr. Foo Say Tun as Director				
8	To approve Directors' fees for financial year ended 31 December 2013				
9	To approve Directors' fees for financial year ending 31 December 2014, payable quarterly in arrears				
10	To re-appoint Messrs RSM Chio Lim LLP as Auditors				
11	To authorise the Directors to allot and issue shares				
12	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 _____ 2014

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 registered office of the Company at 51 Kaki Bukit Place, Eunos Techpark, Singapore 416228 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.



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