



MAXI-CASH FINANCIAL SERVICES CORPORATION LTD

(Company Registration No: 200806968Z)
(Incorporated in the Republic of Singapore)

**UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE SIX MONTHS ENDED 30 JUNE 2022**

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This announcement has been reviewed by the Company's sponsor, SAC Capital Private Limited ("Sponsor"). This announcement has not been examined or approved by the Singapore Exchange Securities Trading Limited ("SGX-ST") and the SGX-ST assumes no responsibility for the contents of this announcement, including the correctness of any of the statements or opinions made, or reports contained in this announcement. The contact person for the Sponsor is Mr David Yeong (Tel: (65) 6232 3210) at 1 Robinson Road, #21-00 AIA Tower, Singapore 048542.

A. CONDENSED INTERIM CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
1(i) Condensed Interim Consolidated Statement of Comprehensive Income For The Six Months Ended 30 June 2022 ("1H2022")

	Group		Change %
	1H2022 \$'000	1H2021 \$'000	
Revenue	141,217	111,632	27%
Material costs	(94,980)	(71,326)	33%
Employee benefits expenses	(13,158)	(11,999)	10%
Depreciation and amortisation	(7,413)	(7,177)	3%
Finance costs	(6,447)	(4,961)	30%
Other operating expenses	(9,858)	(9,407)	5%
Interest income	4	23	-83%
Dividend income from equity instruments	98	197	-50%
Rental income	750	616	22%
Other income	1,255	2,206	-43%
Share of results of joint venture	47	(21)	n.m.
Profit before tax	11,515	9,783	18%
Income tax expense	(2,207)	(1,725)	28%
Profit for the period	9,308	8,058	16%
Other comprehensive income			
<i>Items that will not be reclassified to profit or loss (net of tax):</i>			
Net fair value changes on equity instruments at fair value through other comprehensive income as at the end of the financial period	(374)	28	n.m.
<i>Items that may be reclassified subsequently to profit or loss (net of tax):</i>			
Net fair value changes on debt instruments at fair value through other comprehensive income	-	7	n.m.
Foreign currency translation	84	33	155%
Other comprehensive income for the period, net of tax	(290)	68	n.m.
Total comprehensive income for the period	9,018	8,126	11%
Profit for the year attributable to:			
Owners of the Company	9,250	8,007	16%
Non-controlling interests	58	51	14%
	9,308	8,058	16%
Total comprehensive income attributable to:			
Owners of the Company	8,960	8,075	11%
Non-controlling interests	58	51	14%
	9,018	8,126	11%
Earnings per ordinary share (cents)			
-Basic and diluted	0.87	0.77	13%

Other information :-

	Group		Change %
	1H2022 \$'000	1H2021 \$'000	
Amortisation of prepaid rent	1	2	-50%
Depreciation of property, plant and equipment	1,704	1,701	0%
Depreciation of right-of-use assets	5,708	5,474	4%
Foreign currency exchange gain, net	(1)	(1)	0%
Loss on disposal of plant and equipment	48	146	-67%

n.m. - not meaningful

NOTES:

- 1a - Depreciation of fixed assets in pawnshops and retail outlets is computed on a straight-line basis over 3 to 5 years.
- 1b - The Group recognises all inventory, including trade-in stock and sales return stock, at the lower of cost and net realisable value.
- 1c - The increase in material costs in 1H2022 was generally in line with the higher revenue.
- 1d - Higher employee benefits expenses for 1H2022 was mainly due to increase in headcount locally and overseas.
- 1e - Higher depreciation and amortisation charges in 1H2022 were mainly due to additional recognition of right-of-use assets.
- 1f - Higher finance costs for 1H2022 was mainly due to higher borrowings and increase in interest rates.
- 1g - Higher other operating expenses for 1H2022 were mainly due to higher marketing expenditures.
- 1h - Lower interest income for 1H2022 was mainly due to the reduction in investment securities.
- 1i - Higher rental income for 1H2022 was mainly due to additional rental arising from newly acquired properties in 1H2021.
- 1j - Decrease in other income for 1H2022 was mainly due to lower rental rebates from landlords and cash grant under the job support scheme from the Government in relation to COVID-19 as compared to 1H2021.

B. CONDENSED INTERIM STATEMENTS OF FINANCIAL POSITION

	Group		Company	
	30-Jun-22 \$'000	31-Dec-21 \$'000	30-Jun-22 \$'000	31-Dec-21 \$'000
NON-CURRENT ASSETS				
Property, plant and equipment	79,767	81,078	27	33
Investment in properties	16,850	16,850	-	-
Right-of-use assets	33,711	33,314	-	-
Trade and other receivables	1,958	2,086	-	-
Investment in subsidiaries	-	-	54,242	54,242
Investment in joint venture	1,513	1,466	2,000	2,000
Investment securities	2,657	2,957	-	-
Prepaid rent	-	1	-	-
Deferred tax assets	2,275	2,853	-	-
	138,731	140,605	56,269	56,275
CURRENT ASSETS				
Inventories	103,871	90,927	-	-
Trade and other receivables	358,828	329,488	98	11
Prepaid rent	3	3	-	-
Prepayments	1,236	967	507	157
Due from subsidiaries (non-trade)	-	-	163,626	135,604
Due from a related company (trade)	17	-	-	-
Due from a related company (non-trade)	82	-	1	-
Derivative financial instruments	422	219	-	-
Cash and bank balances	20,282	19,735	2,379	4,712
	484,741	441,339	166,611	140,484
TOTAL ASSETS	623,472	581,944	222,880	196,759
CURRENT LIABILITIES				
Trade and other payables	14,795	12,192	3,154	2,448
Due to immediate holding company (non-trade)	-	6	-	6
Due to a related company (non-trade)	18	3	-	3
Provision for taxation	3,041	2,944	379	376
Interest-bearing loans	263,188	252,296	-	-
Lease liabilities	9,981	10,304	-	-
Term notes	15,000	45,250	15,000	45,250
	306,023	322,995	18,533	48,083
Net current assets	178,718	118,344	148,078	92,401
NON-CURRENT LIABILITIES				
Other payables	45	111	-	-
Interest-bearing loans	79,345	84,001	-	-
Term notes	60,000	-	60,000	-
Deferred tax liabilities	146	175	3	4
Lease liabilities	24,804	24,106	-	-
	164,340	108,393	60,003	4
TOTAL LIABILITIES	470,363	431,388	78,536	48,087
Net assets	153,109	150,556	144,344	148,672
EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY				
Share capital	142,341	142,341	142,341	142,341
Treasury shares	(59)	(59)	(59)	(59)
Other reserves	(6,234)	(5,928)	(23)	(23)
Revenue reserves	15,920	13,072	2,085	6,413
	151,968	149,426	144,344	148,672
Non-controlling interests	1,141	1,130	-	-
Total equity	153,109	150,556	144,344	148,672
Total equity and liabilities	623,472	581,944	222,880	196,759
Net asset value per ordinary share (cents)	14.24	14.01	13.53	13.93

B1. - Review of Financial Position

The equity attributable to owners of the Company was \$152.0 million as at 30 June 2022 as compared to \$149.4 million as at 31 December 2021. The increase was mainly due to profit for the period, partially offset by dividend paid in 1H2022 in respect of profit for FY2021 and change in ownership interests in subsidiaries without a change in control.

The Group's total assets of \$623.5 million as at 30 June 2022 was \$41.5 million higher than that as at 31 December 2021 mainly due to an increase in trade and other receivables, inventories, right-of-use assets, prepayment, cash and cash equivalent, partially offset by a decrease in investment securities, deferred tax assets, property, plant and equipment. The increase in trade and other receivables was mainly due to the increase in pledge book from the Group's pawnbroking business.

The Group's total liabilities of \$470.4 million as at 30 June 2022 was \$39.0 million higher than that as at 31 December 2021. This was mainly due to an increase in interest-bearing loans in 1H2022 relating to loans taken for working capital, increase in trade and other payables and additional term notes issued in 1H2022.

C. CONDENSED INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS

	Group	
	1H2022 \$'000	1H2021 \$'000
OPERATING ACTIVITIES		
Profit before tax	11,515	9,783
Adjustments for:		
Depreciation of property, plant and equipment	1,704	1,701
Write-down of inventories	2	6
Interest expense	6,224	4,835
Interest income	(4)	(23)
Dividend income from equity instruments	(98)	(197)
Amortisation of term notes issuance fee	223	126
Allowance for expected credit losses on interest receivables	1,688	1,892
Loss on disposal of property, plant and equipment	48	146
Net fair value change on derivatives	(204)	(55)
Amortisation of prepaid rent	1	2
Unrealised foreign exchange differences	292	43
Share of results of joint venture	(47)	21
Depreciation of right-of-use assets	5,708	5,474
Operating cash flows before changes in working capital	27,052	23,754
<i>Changes in working capital</i>		
Increase in inventories	(12,944)	(11,296)
Increase in trade and other receivables	(31,139)	(23,698)
(Increase)/decrease in prepayments	316	211
Increase in due from a related company (trade)	(17)	-
Increase/(decrease) in trade and other payables	2,311	(888)
Total changes in working capital	(41,473)	(35,671)
Cash flows used in operations	(14,421)	(11,917)
Interest paid	(5,730)	(4,327)
Interest received	4	8
Income taxes paid	(1,504)	(2,397)
Net cash flows used in operating activities	(21,651)	(18,633)
INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(457)	(24,026)
Interest received	1	77
Dividend received	98	213
Purchase of investment securities	(150)	-
Increase in amount due from a related company (non-trade)	(82)	-
Decrease in amount due from a joint venture (non-trade)	-	263
Proceeds from disposal of investment securities	-	500
Net cash flows used in investing activities	(590)	(22,973)
FINANCING ACTIVITIES		
Repayment of term notes	(7,000)	-
Proceeds from issuance of term notes	36,750	-
Proceeds from short-term bank borrowings, net	10,533	25,950
Proceeds from term loans	-	29,074
Repayment of term loans	(4,269)	(2,457)
Purchase of treasury shares	-	(209)
(Repayment of)/proceeds from due to immediate holding company (non-trade), net	(6)	49
Term notes issuance fee paid	(585)	-
Increase in amount due to related companies (non-trade), net	15	273
Dividends paid on ordinary shares	(6,402)	(15,010)
Interest paid on leases liabilities	(495)	(509)
Payment of principal portion of lease liabilities	(5,728)	(5,282)
Acquisition of non-controlling interests in subsidiaries	(47)	-
Net cash flows from financing activities	22,766	31,879
Net increase/(decrease) in cash and cash equivalents	525	(9,727)
Effect of exchange rate changes on cash and cash equivalents	22	(3)
Cash and cash equivalents at the beginning of the financial period	19,735	23,816
Cash and cash equivalents at the end of the financial period	20,282	14,086

Cash and cash equivalents

Cash and cash equivalents included in the consolidated cash flow statements comprise the following amounts:-

	1H2022 \$'000	1H2021 \$'000
Cash at banks and on hand	20,282	14,086
Cash and cash equivalents	20,282	14,086

C. CONDENSED INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS (CONTINUED)
C1. - Cashflow Analysis
1H2022

Net cash used in operating activities for 1H2022 was \$21.7 million. This was due to increase in trade and other receivables, inventories and, prepayments partially offset by increase in trade and other payables.

Net cash used in investing activities was \$0.6 million in 1H2022. The net cash used in investing activities was mainly for the purchase of property, plant and equipment, purchase of investment securities and increase in amount due from a related company (non-trade).

Net cash flows from financing activities was \$22.8 million in 1H2022. The net cash flows from financing activities was mainly due to proceeds from issuance of term notes, proceeds from short-term borrowings, partially offset by the repayment of term notes, repayment of term loans, dividends paid on ordinary shares and repayment of principal and interest portion of lease liabilities.

D. CONDENSED INTERIM STATEMENTS OF CHANGES IN EQUITY

	Attributable to owners of the Company				Non-controlling interests \$'000	Total \$'000
	Share capital \$'000	Treasury shares \$'000	Other reserves \$'000	Revenue reserves \$'000		
Group						
Balance as at 1 January 2022	142,341	(59)	(5,928)	13,072	1,130	150,556
Profit for the period	-	-	-	9,250	58	9,308
Foreign currency translation	-	-	84	-	-	84
Net fair value changes in equity instruments at FVOCI	-	-	(374)	-	-	(374)
Dividends on ordinary shares - Cash	-	-	-	(6,402)	-	(6,402)
Change in ownership interests in subsidiaries without a change in control	-	-	(16)	-	(47)	(63)
Balance as at 30 June 2022	142,341	(59)	(6,234)	15,920	1,141	153,109
Balance as at 1 January 2021	137,286	(9)	(6,066)	20,363	1,035	152,609
Profit for the period	-	-	-	8,007	51	8,058
Foreign currency translation	-	-	33	-	-	33
Net fair value changes in debt instruments at FVOCI	-	-	7	-	-	7
Net fair value changes in equity instruments at FVOCI	-	-	28	-	-	28
Dividends on ordinary shares-Cash	-	-	-	(15,010)	-	(15,010)
Purchase of treasury shares	-	(209)	-	-	-	(209)
Treasury shares reissued pursuant to Maxi-Cash Performance Share Plan	-	159	4	-	-	163
Balance as at 30 June 2021	137,286	(59)	(5,994)	13,360	1,086	145,679
Company						
Balance as at 1 January 2022	142,341	(59)	(23)	6,413	-	148,672
Profit for the period	-	-	-	2,074	-	2,074
Dividends on ordinary shares-Cash	-	-	-	(6,402)	-	(6,402)
Balance as at 30 June 2022	142,341	(59)	(23)	2,085	-	144,344
Balance as at 1 January 2021	137,286	(9)	(26)	13,803	-	151,054
Profit for the period	-	-	-	3,883	-	3,883
Dividends on ordinary shares - Cash	-	-	-	(15,010)	-	(15,010)
Purchase of treasury shares	-	(209)	-	-	-	(209)
Treasury shares reissued pursuant to Maxi-Cash Performance Share Plan	-	159	4	-	-	163
Balance as at 30 June 2021	137,286	(59)	(22)	2,676	-	139,881

E. NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS
E1. Corporate Information

Maxi-Cash Financial Services Corporation Ltd. (the "Company") is a limited liability Company incorporated and domiciled in Singapore and is listed on the Catalist Board of the Singapore Exchange Securities Trading Limited ("SGX-ST").

The Company's immediate and ultimate holding companies are Aspiat Corporation Limited and MLHS Holdings Pte Ltd respectively, both incorporated in Singapore.

The Company's registered office is located at 80 Raffles Place, #32-01 UOB Plaza 1, Singapore 048624 and its principal place of business is located at 55 Ubi Avenue 3, #03-01, Singapore 408864.

The principal activity of the Company is investment holding and provision of management services. The principal activities of the Group are pawnbroking, secured lending and retail and trading of jewellery and branded merchandise.

E2. Basis of Preparation

The condensed interim financial statements for the six months ended 30 June 2022 have been prepared in accordance with SFRS(I) 1-34 *Interim Financial Reporting* issued by the Accounting Standards Council Singapore. The condensed interim financial statements do not include all the information required for a complete set of financial statements. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Group's financial position and performance of the Group since the last annual financial statements for the year ended 31 December 2021.

The accounting policies and method of computation adopted are consistent with those of the previous financial year except that in the current financial period, the Group has adopted all the new and amended standards which are relevant to the Group and are effective for annual financial periods beginning on or after 1 January 2022. The adoption of these standards did not have any material effect on the financial performance or position of the Group.

The condensed interim financial statements are presented in Singapore dollar which is the Company's functional currency and all values are rounded to the nearest thousand, unless otherwise indicated.

E. NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
E2.1 New and amended standard adopted by the Group

A number of amendments to Standards have become applicable for the current reporting period. The Group has adopted all new and amended standard which are relevant to the Group and are effective for the financial periods beginning on or after 1 January 2022. The adoption of these standards did not have any material effect on the financial performance or position of the Group.

E2.2 Use of Judgements and Estimates

In preparing the condensed interim financial statements, management has made judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

The significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements as at and for the year ended 31 December 2021.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

E3. Seasonal Operations

The Group's businesses are not affected significantly by seasonal or cyclical factors during the financial period.

E4. Segment Information

The segment reporting format is determined to be business segments as the Group's risks and rates of return are affected predominantly by differences in the respective products and services. The operating businesses are organised and managed separately accordingly to the nature of the products and services provided, with each segment representing a strategic business unit that offers different products and services and serves different markets.

The Group is organised into three main operating business segments, namely:

- (a) Pawnbroking;
- (b) Secured lending; and
- (c) Retail and trading of jewellery and branded merchandise.

The "others" segment include rental of properties, provision of other support services, share of result of joint venture and investment holding (including investment properties) which are mainly intersegment transactions.

1H2022	Pawnbroking	Secured Lending	Retail and trading of jewellery and branded merchandise	Others	Elimination	Group
Business Segment	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Revenue	24,392	1,612	115,213	-	-	141,217
Intersegment revenue	19,748	-	22	-	(19,770)	-
	44,140	1,612	115,235	-	(19,770)	141,217
Results :						
Segment result	9,076	1,359	5,750	4,183	(2,555)	17,813
Share of results of a joint venture	-	-	-	47	-	47
Interest income	-	-	-	973	(969)	4
Dividend income from equity instruments	-	-	-	98	-	98
Finance costs	(2,989)	(867)	(431)	(3,129)	969	(6,447)
Profit from operations before taxation	6,087	492	5,319	2,172	(2,555)	11,515
Tax expense	(1,085)	(87)	(693)	(342)	-	(2,207)
Profit for the period	5,002	405	4,626	1,830	(2,555)	9,308
Assets and liabilities						
Segment assets	399,102	28,464	125,471	324,221	(255,299)	621,959
Investment in Joint venture	-	-	-	1,513	-	1,513
Total assets						623,472
Segment liabilities	347,416	27,781	109,250	241,427	(255,511)	470,363
Total liabilities						470,363
Other segment information						
Capital expenditure	403	-	46	8	-	457
Depreciation and amortisation	5,725	-	1,178	510	-	7,413
Other significant non-cash expenses	48	-	2	-	-	50

E. NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
E4. Segment Information (Continued)

1H2021	Pawnbroking	Secured Lending	Retail and trading of jewellery and branded merchandise	Others	Elimination	Group
Business Segment	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Revenue	22,679	912	88,041	-	-	111,632
Intersegment revenue	19,927	-	8	-	(19,935)	-
	42,606	912	88,049	-	(19,935)	111,632
Results :						
Segment result	5,727	696	6,115	5,751	(3,744)	14,545
Share of results of a joint venture	-	-	-	(21)	-	(21)
Interest income	7	-	-	563	(547)	23
Dividend income from equity instruments	-	-	-	197	-	197
Finance costs	(2,520)	(305)	(319)	(2,364)	547	(4,961)
Profit from operations before taxation	3,214	391	5,796	4,126	(3,744)	9,783
Tax expense	(463)	(66)	(843)	(353)	-	(1,725)
Profit for the period	2,751	325	4,953	3,773	(3,744)	8,058
Assets and liabilities						
Segment assets	371,877	18,911	104,138	275,895	(209,442)	561,379
Investment in Joint venture	-	-	-	1,388	-	1,388
Total assets						562,767
Segment liabilities	323,968	18,413	87,490	196,814	(209,597)	417,088
Total liabilities						417,088
Other segment information						
Capital expenditure	1,046	-	458	22,522	-	24,026
Depreciation and amortisation	5,897	-	793	487	-	7,177
Other significant non-cash expenses	129	-	23	-	-	152

E5. Disaggregation of Revenue

Segments	1H2022 S\$'000	1H2021 S\$'000
Major product or service lines		
Interest income from pawnbroking services	24,392	22,679
Interest income and distribution income from secured lending	1,612	912
Sale of jewellery and branded merchandise	115,213	88,041
	141,217	111,632
Timing of transfer of goods or services		
At a point in time	115,213	88,041
Over time	26,004	23,591
	141,217	111,632
Geographical information		
Singapore	130,642	105,607
Others	10,575	6,025
	141,217	111,632

E6. Related Party Transactions

The following significant transactions between the Group and related parties took place on terms agreed between the parties during the financial period:

	Group	
	1H2022 S\$'000	1H2021 S\$'000
Purchases from a related company	65	201
Sales to a related company	(89)	(219)
Corporate services charged from a related company	1,200	1,438
Rental charged from a joint venture	1,020	999
Management services to related companies	(195)	-

E. NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
E7. Financial assets and financial liabilities

Set out below is an overview of the financial assets and financial liabilities of the Group as at 30 June 2022 and 31 December 2021:

	Group			Company		
	Carrying amount			Carrying amount		
	Asset at amortised cost S\$'000	Liabilities at amortised cost S\$'000	Total S\$'000	Asset at amortised cost S\$'000	Liabilities at amortised cost S\$'000	Total S\$'000
30 June 2022						
Financial assets not measured at fair value						
Trade and other receivables*	360,531	-	360,531	98	-	98
Due from subsidiaries (non-trade)	-	-	-	163,626	-	163,626
Due from joint venture (non-trade)	-	-	-	-	-	-
Due from a related company (trade)	17	-	17	-	-	-
Due from a related company (non-trade)	82	-	82	1	-	1
Cash and equivalents	20,282	-	20,282	2,379	-	2,379
	380,912	-	380,912	166,104	-	166,104
Financial liabilities not measured at fair value						
Trade and other payables**	-	13,417	13,417	-	3,087	3,087
Due to a related company (non-trade)	-	18	18	-	-	-
Interest-bearing loans	-	342,533	342,533	-	-	-
Term notes	-	75,000	75,000	-	75,000	75,000
Lease liabilities	-	34,785	34,785	-	-	-
	-	465,753	465,753	-	78,087	78,087
31 December 2021						
Financial assets not measured at fair value						
Trade and other receivables*	331,292	-	331,292	11	-	11
Due from subsidiaries (non-trade)	-	-	-	135,604	-	135,604
Due from joint venture (non-trade)	-	-	-	-	-	-
Cash and equivalents	19,735	-	19,735	4,712	-	4,712
	351,027	-	351,027	140,327	-	140,327
Financial liabilities not measured at fair value						
Trade and other payables**	-	10,793	10,793	-	2,426	2,426
Due to immediate holding company (non-trade)	-	6	6	-	6	6
Due to a related company (non-trade)	-	3	3	-	3	3
Interest-bearing loans	-	336,297	336,297	-	-	-
Term notes	-	45,250	45,250	-	45,250	45,250
Lease liabilities	-	34,410	34,410	-	-	-
	-	426,759	426,759	-	47,685	47,685

* Excludes GST receivables (net), tax recoverable, grant receivable and non-refundable deposits

** Excludes GST payables (net), accrued operating expenses (provision of unutilised leave and provision for reinstatement cost), deferred revenue/income, withholding tax payable and dividend payables

E8. Taxation

The Group calculates the period income tax expense using the tax rate that would be applicable to the expected total annual earnings. The major components of income tax expense in the condensed interim consolidated statement of comprehensive income are:

	Group	
	1H2022 S\$'000	1H2021 S\$'000
Current income tax		
Current income taxation	1,630	1,417
Over provision in respect of previous years	(57)	-
Withholding tax	27	8
Deferred income tax		
Origination and reversal of temporary differences	614	352
Over provision in respect of previous years	(7)	(52)
	2,207	1,725

E9. Dividends

	Group and Company	
	1H2022 S\$'000	1H2021 S\$'000
Ordinary dividends paid:		
Interim exempt (one-tier) dividend in respect of profits for 2020: 1.45 cents per share	-	15,010
Interim exempt (one-tier) dividend in respect of profits for 2021: 0.60 cents per share	6,402	-
	6,402	15,010

E. NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
E10. Net Asset Value

	Group		Company	
	30-Jun-22	31-Dec-21	30-Jun-22	31-Dec-21
Net asset value per ordinary share (cents)	14.24	14.01	13.53	13.93
Number of ordinary shares in issue ('000)	1,066,927	1,066,927	1,066,927	1,066,927

E11. Financial Assets At Fair Value Through Other Comprehensive Income

The fair value of each of the investments in equity instruments designated at FVOCI at the end of the reporting period is as follows:

	Group	
	30-Jun-22 S\$'000	31-Dec-21 S\$'000
At FVOCI		
Equity securities (unquoted)		
-Bigfundr Private Limited	650	500
Equity securities (quoted)		
-Lippo Malls Indonesia Retail Trust	2,007	2,457
	2,657	2,957

E11.1 Fair Value Measurement

The Group categorises fair value measurements using a fair value hierarchy that is dependent on the valuation inputs used as follows:

Level 1 - Quoted prices (unadjusted) in active market for identical assets or liabilities that the Group can access at the measurement date,

Level 2 - Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly, and

Level 3 - Unobservable inputs for the asset or liability.

Fair value measurements that use inputs of different hierarchy levels are categorised in its entirety at the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

The following table shows an analysis of each class of assets measured at fair value at the end of the reporting period:

	Group 30-Jun-22			
	Quoted prices in active markets for identical assets (Level 1) S\$'000	Significant observable inputs other than quoted prices (Level 2) S\$'000	Significant unobservable inputs (Level 3) S\$'000	Total S\$'000
Assets measured at fair value				
Financial assets				
<u>At fair value through other comprehensive income</u>				
- Equity securities (unquoted)	-	-	650	650
- Equity securities (quoted)	2,007	-	-	2,007
<u>At fair value through profit or loss</u>				
- Forward currency contracts	-	422	-	422
	2,007	422	650	3,079
Non-financial assets				
- Investment properties	-	-	16,850	16,850

	Group 31-Dec-21			
	Quoted prices in active markets for identical assets (Level 1) S\$'000	Significant observable inputs other than quoted prices (Level 2) S\$'000	Significant unobservable inputs (Level 3) S\$'000	Total S\$'000
Assets measured at fair value				
Financial assets				
<u>At fair value through other comprehensive income</u>				
- Equity securities (unquoted)	-	-	500	500
- Equity securities (quoted)	2,457	-	-	2,457
<u>At fair value through profit or loss</u>				
- Forward currency contracts	-	219	-	219
	2,457	219	500	3,176
Non-financial assets				
- Investment properties	-	-	16,850	16,850

E12. Property, Plant and Equipment

During the six months ended 30 June 2022, the Group acquired assets amounting to \$457,000 (30 June 2021: \$24,026,000).

E. NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
E13. Investment Properties

The Group has no restrictions on the realisability of its investment properties and no contractual obligations to purchase, construct or develop investment property or for repairs, maintenance or enhancements.

There were no acquisition and disposal of investment properties for the period ended 30 June 2022 and 30 June 2021.

E13.1 Valuation

Investment properties that are stated at fair value has been determined based on valuations performed by external appraisers with a recognised and relevant professional qualification and with recent experience in the location and category of the properties being appraised.

The Group did not engage an independent valuer to determine the fair value of the properties as at 30 June 2022. However, the Management had taken into consideration those underlying factors that would have impacts to the fair value of the investment properties.

E14. Group Borrowings and Debt Securities
Amount repayable in one year or less, or on demand

As at 30-June-22		As at 31-Dec-21	
Secured \$'000	Unsecured \$'000	Secured \$'000	Unsecured \$'000
263,188	15,000	252,296	45,250

Amount repayable after one year

As at 30-June-22		As at 31-Dec-21	
Secured \$'000	Unsecured \$'000	Secured \$'000	Unsecured \$'000
79,345	60,000	84,001	-

Details of collateral

The Group's borrowings and debt securities are secured as follows:-

- i) corporate guarantees by the Company; and
- ii) fixed and floating charges on all assets of certain subsidiaries.

E15. Changes in Share Capital

	No. of ordinary shares (excluding treasury shares) '000	Issued and fully paid-up share capital \$'000
Balance as at 1 January 2022 and 30 June 2022	1,066,927	142,341

The total number of issued shares excluding treasury shares as at 30 June 2022 was 1,066,927,234 (31 December 2021: 1,066,927,234). The Company has no outstanding convertibles or subsidiary holdings as at 30 June 2022 and 30 June 2021.

E16. Changes in Treasury Shares

	As at 30 June 2022 (('000))	As at 30 June 2021 (('000))
Total number of treasury shares	325	325
Total number of ordinary shares (excluding treasury shares)	1,066,927	1,034,927
% of treasury shares over total number of ordinary shares	0.03%	0.03%

E17. Changes in Subsidiary Holdings

Not applicable. The Company does not have any subsidiary holdings.

E18. Subsequent Event

There are no known subsequent events which have led to adjustments to this set of interim financial statements.

F. OTHER INFORMATION REQUIRED BY CATALIST RULE APPENDIX 7C
F1. Auditor's Report

The condensed interim statements of financial position of Maxi-Cash Financial Services Corporation Ltd and its subsidiaries as at 30 June 2022 and the related condensed interim consolidated statement of comprehensive income, condensed interim statements of changes in equity and condensed interim consolidated statement of cash flows for the six-month period then ended and certain explanatory notes have not been audited or reviewed.

F2. Audit Opinion (Applicable to Companies That Have Received Modified Audit Opinions)

Not applicable. The Group's latest financial statements for the financial year ended 31 December 2021 was not subject to an adverse opinion, qualified opinion or disclaimer of opinion.

F3. Variance from Forecast Statement

No forecast for the financial period ended 30 June 2022 was previously provided.

F. OTHER INFORMATION REQUIRED BY CATALIST RULE APPENDIX 7C (CONTINUED)
F4. Earnings per Share

	Group	
	1H2022	1H2021
i) Basic earnings per share (cents)	0.87	0.77
ii) Diluted earnings per share (cents)	0.87	0.77
- Weighted average number of shares ('000)	1,066,927	1,035,077

F5. Review of Corporate Performance

The Group's revenue increased by 27% to \$141.2 million in 1H2022 and was \$29.6 million higher than 1H2021. The increase in revenue was primarily attributable to higher revenue from the retail of jewellery and branded merchandise, increase in interest income from the pawnbroking business and secured lending business.

The retail and trading of jewellery and branded merchandise business reported a 30.9% increase in revenue in 1H 2022 as compared to 1H 2021. Revenue contribution from the pawnbroking business increased by about 7.6% in 1H 2022. The increase was primarily attributed to the higher interest income from its growing pledge book. The secured lending business reported a 76.75% increase in revenue in 1H 2022 as compared to 1H 2021 due to increase in lending activities.

The profit before tax of the Group increased from \$9.8 million in 1H2021 to \$11.5 million in 1H2022 mainly due to increase in revenue and gross profit, offset by lower other income, higher operating expenses and higher finance costs.

As compared to 1H2021, operating expenses in 1H2022 increased by \$1.8 million. The increase is mainly due to higher marketing expenditures, staff costs and depreciation costs to support expansion both locally and regionally. The increase in finance costs for 1H2022 was mainly due to higher borrowings and increase in interest rates.

F6. Business Outlook

The unemployment rate in Singapore continues to trend down to pre-pandemic levels, indicating businesses are expanding to meet a rising end demand. This bodes well for retail sales for the rest of the year. The pawnbroking business continues to see healthy growth as demands for quick short-term loans rise with the increased economic activities.

The Group has entered into an agreement to purchase the jewellery business of Aspiat Corporation Limited. This will significantly expand the Group's retail business, making us the pre-eminent consumer lifestyle company in Singapore with a portfolio of strong retail brands. In the long run, the combined businesses will allow the Group to benefit from higher synergy across its retail businesses and enjoy an improved bargaining position when dealing with its business partners and suppliers. The proposed transaction is subject to relevant regulatory and shareholder approval.

F7. Interested Person Transactions

The Group does not have a general mandate from shareholders for interested person transactions pursuant to Rule 920(1)(a)(ii) of the Catalist Rules.

F8. Dividend

(i) Any dividend declared for the current financial period reported on?

Yes

Name of dividend	1H2022
Name of dividend	Interim
Dividend Type	Cash
Dividend Rate	\$0.0065 per ordinary share
Tax Rate	One-tier tax exempt
Record date	18 August 2022
Payment date	9 September 2022

(ii) Any dividend declared for the previous corresponding financial period?

Yes

Name of dividend	1H2021
Name of dividend	Interim
Dividend Type	Cash
Dividend Rate	\$0.0065 per ordinary share
Tax Rate	One-tier tax exempt

F9. Disclosure pursuant to Rule 706(A) of The Catalist Rules

Pursuant to Rule 706A of the Catalist Rules, the Company wishes to announce the following transactions for the financial period from 1 January 2022 to 30 June 2022:

(i) Incorporation of a wholly-owned subsidiary

Name : Maxi Cash Trading Sdn Bhd
 Shareholding percentage : 100%
 Place of incorporation : Malaysia
 Registered Capital : MYR 2
 Principal activities : Retail and trading of jewellery and branded merchandise business

(ii) Increase in shareholding percentage in subsidiaries

Name : Maxi Cash (Penang) Sdn. Bhd.
 Shareholding percentage acquired / Increased : 10% (increased to 100%)
 Place of incorporation : Malaysia
 Increased in registered Capital : Based on par value per share of MYR 10 on a willing-buyer willing-seller basis
 Principal activities : Inactive

Name : Maxi Cash (S2) Sdn. Bhd.
 Shareholding percentage acquired / Increased : 1% (increased to 100%)
 Place of incorporation : Malaysia
 Increased in registered Capital : Based on par value per share of MYR 40,000 on a willing-buyer willing-seller basis
 Principal activities : Pawn brokerage

F. OTHER INFORMATION REQUIRED BY CATALIST RULE APPENDIX 7C (CONTINUED)
F9. Disclosure pursuant to Rule 706(A) of The Catalist Rules (Continued)

(ii) Increase in shareholding percentage in subsidiaries (Continued)

Name	: Maxi Cash (S3) Sdn. Bhd.
Shareholding percentage acquired / Increased	: 1% (increased to 100%)
Place of incorporation	: Malaysia
Increased in registered Capital	: Based on par value per share of MYR 40,000 on a willing-buyer willing-seller basis
Principal activities	: Pawn brokerage

Name	: Maxi Cash (KL1) Sdn. Bhd.
Shareholding percentage acquired / Increased	: 1% (increased to 100%)
Place of incorporation	: Malaysia
Increased in registered Capital	: Based on par value per share of MYR 40,000 on a willing-buyer willing-seller basis
Principal activities	: Pawn brokerage

Name	: Maxi Cash (KL2) Sdn. Bhd.
Shareholding percentage acquired / Increased	: 1% (increased to 100%)
Place of incorporation	: Malaysia
Increased in registered Capital	: Based on par value per share of MYR 40,000 on a willing-buyer willing-seller basis
Principal activities	: Pawn brokerage

(iii) Amalgamation of two wholly-owned subsidiaries

Aspial Property Investment Pte Ltd (“API”) and Maxi-Cash Property Pte Ltd (“MP”), both wholly-owned subsidiaries of the Company, had applied to and received approval from the Accounting and Corporate Regulatory Authority of Singapore for API and MP to be amalgamated pursuant Section 215D of the Companies Act 1967 of Singapore on 1 January 2022, with MP being the surviving amalgamated company with the same name.

F10. Confirmation That The Issuer Has Procured Undertakings From All Its Directors And Executive Officers Pursuant to Rule 720(1) of The Catalist Rules

The Company confirms that all the required undertakings under Rule 720(1) of the Catalist Rules have been obtained from all its directors and executive officers in the format set out in Appendix 7H.

F11. Confirmation Pursuant to The Rule 705(5) of The Catalist Rules

On behalf of the Board of Directors of the Company, we hereby confirm to the best of our knowledge that nothing has come to the attention of the Board of Directors of the Company which may render the unaudited financial statements for the six months ended 30 June 2022 to be false or misleading in any material respect.

On behalf of the Board of Directors,

Ng Kean Seen
CEO

Koh Wee Seng
Non-Executive Chairman

08 August 2022