



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 2021**

TABLE OF CONTENTS

- A. CONDENSED INTERIM CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
- B. CONDENSED INTERIM STATEMENTS OF FINANCIAL POSITION
- C. CONDENSED INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS
- D. CONDENSED INTERIM STATEMENTS OF CHANGES IN EQUITY
- E. NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS
- F. OTHER INFORMATION REQUIRED BY CATALIST RULE APPENDIX 7C

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 Ong Hwee Li (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 2021 ("1H2021")

	Group		Change %
	1H2021 \$'000	1H2020 \$'000	
Revenue	111,632	102,800	9%
Material costs	(71,326)	(64,546)	11%
Employee benefits expenses	(11,999)	(10,807)	11%
Depreciation and amortisation	(7,177)	(6,189)	16%
Finance costs	(4,961)	(6,294)	-21%
Other operating expenses	(9,407)	(9,693)	-3%
Interest income	23	96	-76%
Dividend income from equity instruments	197	99	99%
Rental income	616	304	103%
Other income	2,206	6,089	-64%
Share of results of joint venture	(21)	250	n.m.
Profit before tax	9,783	12,109	-19%
Income tax expense	(1,725)	(1,971)	-12%
Profit for the year	8,058	10,138	-21%
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	28	(43)	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	(27)	n.m.
Foreign currency translation	33	(45)	n.m.
Other comprehensive income for the period, net of tax	68	(115)	n.m.
Total comprehensive income for the period	8,126	10,023	-19%
Profit for the year attributable to:			
Owners of the Company	8,007	10,062	-20%
Non-controlling interests	51	76	-33%
	8,058	10,138	-21%
Total comprehensive income attributable to:			
Owners of the Company	8,075	9,947	-19%
Non-controlling interests	51	76	-33%
	8,126	10,023	-19%
Earnings per ordinary share (cents)			
-Basic and diluted	0.77	0.97	-21%

Other information :-

	Group		Change %
	1H2021 \$'000	1H2020 \$'000	
Amortisation of prepaid rent	2	2	n.m.
Depreciation of property, plant and equipment	1,701	1,439	18%
Depreciation of right-of-use assets	5,474	4,748	15%
Financial losses on pledged items not fully covered by insurance	-	25	n.m.
Foreign currency exchange gain, net	(1)	(953)	-100%
Loss on disposal of plant and equipment	146	50	192%

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 1H2021 was generally in line with the higher revenue.
- 1d - Higher employee benefits expenses for 1H2021 was mainly due to increase in headcount for both local and overseas.
- 1e - Higher depreciation and amortisation charges in 1H2021 were mainly due to newly acquired properties and additional recognition of right-of-use assets.
- 1f - Lower finance costs for 1H2021 was mainly due to lower interest rate charged on bank borrowings and lower interest costs from term notes.
- 1g - Lower other operating expenses for 1H2021 were mainly due to lower foreign exchange loss.
- 1h - Lower interest income for 1H2021 was mainly due to the reduction in investment securities.
- 1i - Higher rental income for 1H2021 was mainly due to additional rental arising from newly acquired properties.
- 1j - Decrease in other income for 1H2021 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 1H2020.

B. CONDENSED INTERIM STATEMENTS OF FINANCIAL POSITION

	Group		Company	
	30-Jun-21 \$'000	31-Dec-20 \$'000	30-Jun-21 \$'000	31-Dec-20 \$'000
NON-CURRENT ASSETS				
Property, plant and equipment	87,685	65,474	35	45
Investments in properties	10,764	10,810	-	-
Right-of-use assets	36,168	34,046	-	-
Trade and other receivables	2,431	4,089	-	-
Investment in subsidiaries	-	-	54,242	54,242
Investment in joint venture	1,388	1,409	2,000	2,000
Investment securities	2,457	2,424	-	-
Prepaid rent	3	5	-	-
Deferred tax assets	3,553	3,973	-	-
	144,449	122,230	56,277	56,287
CURRENT ASSETS				
Inventories	85,945	74,656	-	-
Trade and other receivables	316,702	293,319	41	21
Prepaid rent	3	3	-	-
Prepayments	1,306	1,517	512	407
Due from subsidiaries (non-trade)	-	-	129,189	134,494
Due from a joint venture (non-trade)	-	263	-	263
Investment securities	246	738	-	-
Derivative financial instruments	30	-	-	-
Cash and bank balances	14,086	23,816	2,527	8,058
	418,318	394,312	132,269	143,243
	562,767	516,542	188,546	199,530
TOTAL ASSETS				
CURRENT LIABILITIES				
Trade and other payables	11,643	12,753	2,508	2,712
Due to immediate holding company (non-trade)	49	-	49	-
Due to a related company (non-trade)	357	84	357	26
Derivative financial instruments	-	25	-	-
Provision for taxation	4,047	5,025	498	481
Interest-bearing loans	230,214	200,117	-	-
Lease liabilities	10,923	9,725	-	-
	257,233	227,729	3,412	3,219
Net current assets	161,085	166,583	128,857	140,024
NON-CURRENT LIABILITIES				
Other payables	252	68	-	-
Interest-bearing loans	87,862	65,403	-	-
Term notes	45,250	45,250	45,250	45,250
Deferred tax liabilities	159	267	3	7
Lease liabilities	26,332	25,216	-	-
	159,855	136,204	45,253	45,257
TOTAL LIABILITIES	417,088	363,933	48,665	48,476
Net assets	145,679	152,609	139,881	151,054
EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY				
Share capital	137,286	137,286	137,286	137,286
Treasury shares	(59)	(9)	(59)	(9)
Other reserves	(5,994)	(6,066)	(22)	(26)
Revenue reserves	13,360	20,363	2,676	13,803
	144,593	151,574	139,881	151,054
Non-controlling interests	1,086	1,035	-	-
Total equity	145,679	152,609	139,881	151,054
Total equity and liabilities	562,767	516,542	188,546	199,530
Net asset value per ordinary share (cents)	13.97	14.64	13.52	14.59

B1. - Review of Financial Position

The equity attributable to owners of the Company was \$144.6 million as at 30 June 2021 as compared to \$151.6 million as at 31 December 2020. The decrease was mainly due to dividend declared for FY2020 recognised in 1H2021, partially offset by profit for the period.

The Group's total assets of \$562.8 million as at 30 June 2021 was \$46.2 million higher than that as at 31 December 2020 mainly due to an increase in trade and other receivables, property, plant and equipment, inventories, right-of-use assets partially offset by a decrease in investment securities, deferred tax assets, cash and cash equivalent and prepayment. The increase in trade and other receivables was mainly due to the increase in pledge book for the Group's pawnbroking business. The increase in property, plant and equipment was mainly due to the acquisition of three new commercial properties.

The Group's total liabilities of \$417.1 million as at 30 June 2021 was \$53.2 million higher than that as at 31 December 2020. This was mainly due to an increase in interest-bearing loans in 1H2021 relating to loans taken for the newly acquired properties and working capital, partially offset by a decrease in provision for taxation and trade and other payables.

C. CONDENSED INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS

	Group	
	1H2021 \$'000	1H2020 \$'000
OPERATING ACTIVITIES		
Profit before tax	9,783	12,109
Adjustments for:		
Depreciation of property, plant and equipment	1,701	1,439
Write-down of inventories	6	-
Interest expense	4,835	6,027
Interest income	(23)	(96)
Dividend income from equity instruments	(197)	(99)
Amortisation of prepaid commitment fee	126	218
Amortisation of premium on term notes	-	48
Financial losses on pledged items not fully covered by insurance	-	25
Loss on disposal of property, plant and equipment	146	50
Loss on disposal of investment securities	-	1
Net fair value change on derivatives	(55)	836
Amortisation of prepaid rent	2	2
Unrealised foreign exchange differences	43	(960)
Share of results of joint venture	21	(250)
Depreciation of right-of-use assets	5,474	4,748
Operating cash flows before changes in working capital	21,862	24,098
<i>Changes in working capital</i>		
Increase in inventories	(11,296)	(3,513)
(Increase)/decrease in trade and other receivables	(21,806)	37,915
Decrease in prepayments	211	1,235
Decrease in due from a related company (trade)	-	394
Decrease in trade and other payables	(888)	(889)
Total changes in working capital	(33,779)	35,142
Cash flows (used in)/from operations	(11,917)	59,240
Interest paid	(4,327)	(5,542)
Interest received	8	33
Income taxes refunded	-	182
Income taxes paid	(2,397)	(773)
Net cash flows (used in)/from operating activities	(18,633)	53,140
INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(24,026)	(25,837)
Interest received	290	623
Decrease/(increase) in due from a joint venture (non-trade)	263	(400)
Proceeds from disposal of investment securities	500	498
Net cash flows used in investing activities	(22,973)	(25,116)
FINANCING ACTIVITIES		
Repayments of term notes	-	(25,500)
Proceeds from short-term bank borrowings, net	25,950	8,805
Proceeds from term loans	29,074	18,653
Repayment of term loans	(2,457)	(695)
Purchase of treasury shares	(209)	-
Proceeds from/(repayment of) due to immediate holding company (non-trade), net	49	(2,838)
Proceeds from advances due to related companies (non-trade), net	273	-
Dividends paid on ordinary shares	(15,010)	(8,799)
Repayment of principal portion of lease liabilities	(5,791)	(5,005)
Net cash flows from/(used in) financing activities	31,879	(15,379)
Net (decrease)/increase in cash and cash equivalents	(9,727)	12,645
Effect of exchange rate changes on cash and cash equivalents	(3)	(2)
Cash and cash equivalents at the beginning of the financial period	23,816	16,041
Cash and cash equivalents at the end of the financial period	14,086	28,684

Cash and cash equivalents

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

	1H2021 \$'000	1H2020 \$'000
Cash at banks and on hand	14,086	28,684
Cash and cash equivalents	14,086	28,684

C. CONDENSED INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS (CONTINUED)
C1. - Cashflow Analysis
1H2021

Net cash used in operating activities for 1H2021 was \$18.6 million. This was due to increase in trade and other receivables, inventories and decrease in trade and other payables, partially offset by decrease in prepayments.

Net cash used in investing activities was \$23.0 million in 1H2021. The net cash used in investing activities was mainly for the newly acquired properties in 1H2021, partially offset by the proceeds from disposal of investment securities, reduction in amount due from joint venture and interest received.

Net cash flows from financing activities was \$31.9 million in 1H2021. The net cash flows from financing activities was mainly due to proceeds from short-term borrowings, proceeds from term loans for the newly acquired properties, advances from related companies (non-trade) and immediate holding company (non-trade), partially offset by the dividends paid on ordinary shares, repayment of principal portion of lease liabilities, repayment of term loans and purchase of treasury shares.

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 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 fair value though other comprehensive income ("FVOCI")	-	-	7	-	-	7
Net fair value changes in equity instruments at FVOCI	-	-	28	-	-	28
Dividends on ordinary shares - Cash	-	-	-	(15,010)	-	(15,010)
Treasury shares reissued pursuant to Maxi-Cash Performance Share Plan	-	159	4	-	-	163
Purchase of treasury shares	-	(209)	-	-	-	(209)
Balance as at 30 June 2021	137,286	(59)	(5,994)	13,360	1,086	145,679
Balance as at 1 January 2020	137,286	(9)	(5,870)	6,627	859	138,893
Profit for the period	-	-	-	10,062	76	10,138
Foreign currency translation	-	-	(45)	-	-	(45)
Net fair value changes in debt instruments at FVOCI	-	-	(27)	-	-	(27)
Net fair value changes in equity instruments at FVOCI	-	-	(43)	-	-	(43)
Dividends on ordinary shares-Cash	-	-	-	(3,623)	-	(3,623)
Change in ownership interests in subsidiaries without a change in control	-	-	-	-	26	26
Balance as at 30 June 2020	137,286	(9)	(5,985)	13,066	961	145,319
Company						
Balance as at 1 January 2021	137,286	(9)	(26)	13,803	-	151,054
Profit for the period	-	-	-	3,883	-	3,883
Purchase of treasury shares	-	(209)	-	-	-	(209)
Dividends on ordinary shares-Cash	-	-	-	(15,010)	-	(15,010)
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
Balance as at 1 January 2020	137,286	(9)	(26)	2,490	-	139,741
Profit for the period	-	-	-	1,556	-	1,556
Dividends on ordinary shares - Cash	-	-	-	(3,623)	-	(3,623)
Balance as at 30 June 2020	137,286	(9)	(26)	423	-	137,674

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 Aspial 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, money 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 2021 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 2020.

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 2021. 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, except when 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 did not have to change its accounting policies or make retrospective adjustments as a result of adopting those standards.

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 2020.

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) Money lending; and
- (c) Retail and trading of jewellery and branded merchandise.

"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.

1H2021	Pawnbroking	Money Lending	Retail and trading of jewellery and branded merchandise business	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

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

1H2020	Pawnbroking	Money Lending	Retail and trading of jewellery and branded merchandise business	Others	Elimination	Group
Business Segment	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Revenue	21,723	1,539	79,537	1	-	102,800
Intersegment revenue	21,842	-	-	-	(21,842)	-
	43,565	1,539	79,537	1	(21,842)	102,800
Results :						
Segment result	12,910	1,145	3,552	350	1	17,958
Share of results of a joint venture	-	-	-	250	-	250
Interest income	-	1	-	1,026	(931)	96
Dividend income from equity instruments	-	-	-	99	-	99
Finance costs	(3,327)	(711)	(317)	(2,870)	931	(6,294)
Profit from operations before taxation	9,583	435	3,235	(1,145)	1	12,109
Tax expense	(1,580)	(72)	(234)	(85)	-	(1,971)
Profit for the period	8,003	363	3,001	(1,230)	1	10,138
Assets and liabilities						
Segment assets	359,114	26,485	88,175	245,498	(202,037)	517,235
Investment in Joint venture	-	-	-	6,665	-	6,665
Total assets						523,900
Segment liabilities	309,740	26,233	73,429	167,168	(197,989)	378,581
Total liabilities						378,581
Other segment information						
Capital expenditure	624	-	41	25,172	-	25,837
Depreciation and amortisation	5,282	-	451	456	-	6,189
Other significant non-cash expenses	53	-	105	29	-	187

E5. Disaggregation of Revenue

Segments	1H2021 S\$'000	1H2020 S\$'000
Major product or service lines		
Interest income from pawnbroking services	22,728	21,503
Interest income and distribution income from secured lending	912	1,539
Sale of jewellery and branded merchandise	87,992	79,758
	111,632	102,800
Timing of transfer of goods or services		
At a point in time	87,992	79,758
Over time	23,640	23,042
	111,632	102,800
Geographical information		
Singapore	105,607	99,201
Australia	1,876	1,640
Malaysia	1,058	267
Hong Kong	2,267	915
Ireland	824	777
	111,632	102,800

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	
	1H2021 S\$'000	1H2020 S\$'000
Purchases from a related company	201	196
Sales to a related company	(219)	(1,268)
Corporate services charged by immediate holding company	1,438	900
Rental charged from a joint venture	999	1,080
Rental charged from a director related company	-	38
Interest expense on advances from immediate holding company	-	13
Acquisition of properties from a director related company	-	23,700

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 2021 and 31 December 2020:

	Group			Company		
	Carrying amount			Carrying amount		
	Asset at amortised cost	Liabilities at amortised cost	Total	Asset at amortised cost	Liabilities at amortised cost	Total
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
30 June 2021						
Financial assets not measured at fair value						
Trade and other receivables*	317,576	-	317,576	41	-	41
Due from subsidiaries (non-trade)	-	-	-	129,189	-	129,189
Cash and equivalents	14,086	-	14,086	2,527	-	2,527
	331,662	-	331,662	131,757	-	131,757
Financial liabilities not measured at fair value						
Trade and other payables**	-	11,014	11,014	-	2,450	2,450
Due to immediate holding company (non-trade)	-	49	49	-	49	49
Due to a related company (non-trade)	-	357	357	-	357	357
Interest-bearing loans	-	318,076	318,076	-	-	-
Term notes	-	45,250	45,250	-	45,250	45,250
Lease liabilities	-	37,255	37,255	-	-	-
	-	412,001	412,001	-	48,106	48,106
31 December 2020						
Financial assets not measured at fair value						
Trade and other receivables*	295,165	-	295,165	21	-	21
Due from subsidiaries (non-trade)	-	-	-	134,494	-	134,494
Due from joint venture (non-trade)	263	-	263	263	-	263
Cash and equivalents	23,816	-	23,816	8,058	-	8,058
	319,244	-	319,244	142,836	-	142,836
Financial liabilities not measured at fair value						
Trade and other payables**	-	11,028	11,028	-	2,433	2,433
Due to a related company (non-trade)	-	84	84	-	26	26
Interest-bearing loans	-	265,520	265,520	-	-	-
Term notes	-	45,250	45,250	-	45,250	45,250
Lease liabilities	-	34,941	34,941	-	-	-
	-	356,823	356,823	-	47,709	47,709

* 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	
	1H2021 S\$'000	1H2020 S\$'000
Current income tax		
Current income taxation	1,417	1,997
Withholding tax	8	-
Deferred income tax		
Origination and reversal of temporary differences	352	(26)
Over provision in respect of previous years	(52)	-
	1,705	1,971

E9. Dividends

	Group and Company	
	1H2021 S\$'000	1H2020 S\$'000
Ordinary dividends paid:		
Final exempt (one-tier) dividend in respect of profits for 2019: 0.35 cent per share	-	3,623
Interim exempt (one-tier) dividend in respect of profits for 2020: 1.45 cents per share	15,010	-
	15,010	3,623

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

	Group		Company	
	30-Jun-21	31-Dec-20	30-Jun-21	31-Dec-20
Net asset value per ordinary share (cents)	13.97	14.64	13.52	14.59
Number of ordinary shares in issue ('000)	1,034,927	1,035,186	1,034,927	1,035,186

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-21 S\$'000	31-Dec-20 S\$'000
At FVOCI		
Equity securities (quoted)		
- Lippo Malls Indonesia Retail Trust	2,457	2,424
	2,457	2,424

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-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>				
- Debt securities (quoted)	246	-	-	246
- Equity securities (quoted)	2,457	-	-	2,457
	2,703	-	-	2,703
<u>At fair value through profit or loss</u>				
- Forward currency contracts	-	30	-	30
	-	30	-	30

	Group 31-Dec-20			
	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>				
- Debt securities (quoted)	738	-	-	738
- Equity securities (quoted)	2,424	-	-	2,424
	3,162	-	-	3,162
Financial liabilities				
<u>At fair value through profit or loss</u>				
- Forward currency contracts	-	(25)	-	(25)
	-	(25)	-	(25)

E12. Property, Plant and Equipment

During the six months ended 30 June 2021, the Group acquired assets amounting to \$24,026,000 (30 June 2020: \$25,837,000).

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.

During the six months ended 30 June 2021, the Group acquired assets amounting to \$Nil (30 June 2020: \$Nil) and disposed of investment properties amounting to \$Nil (30 June 2020: \$Nil). There were no acquisition and disposal of investment properties.

E. NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
E13.1 Valuation

The carrying amount of investment properties as at 31 December 2020 approximates fair value. The valuations were performed on the date of acquisition of the respective properties and management had assessed that there were no significant changes to fair value of these properties as at 30 June 2021. The valuations were performed by Suntec Real Estate Consultants Pte Ltd and Savills Valuation and Professional Services (S) Pte Ltd, independent valuers with recognised and relevant professional qualification and with relevant experience in the location and category of the property being valued. The valuations are based on the Direct Comparison Method which makes reference to sales of comparable properties with the consideration of their location, tenure, age, floor area, floor level, condition and standard of finishes.

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

As at 30-June-21		As at 31-Dec-20	
Secured \$'000	Unsecured \$'000	Secured \$'000	Unsecured \$'000
230,214	-	200,117	-

Amount repayable after one year

As at 30-June-21		As at 31-Dec-20	
Secured \$'000	Unsecured \$'000	Secured \$'000	Unsecured \$'000
87,862	45,250	65,403	45,250

Details of collateral

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

- corporate guarantees by the Company; and
- 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 2021	1,035,186	137,277
Share buyback (Note 1)	(1,149)	(209)
Treasury Shares reissued pursuant to Maxi-Cash Performance Share Plan (Note 2)	890	159
Balance as at 30 June 2021	1,034,927	137,227

Note 1 - On 09 June 2021, the Company purchased an aggregate of 1,148,500 shares, which are held as treasury shares.

Note 2 - On 25 June 2021, the Company transferred 889,500 treasury shares to eligible employees under the Maxi-Cash Performance Share Plan.

The total number of issued shares excluding treasury shares as at 30 June 2021 was 1,034,927,234 (31 December 2020: 1,035,186,234). The Company has no outstanding convertibles or subsidiary holdings as at 30 June 2021 and 30 June 2020.

E16. Changes in Treasury Shares

	As at 30 June 2021 ('000)	As at 30 June 2020 ('000)
Total number of treasury shares	325	66
Total number of ordinary shares (excluding treasury shares)	1,034,927	1,035,186
% of treasury shares over total number of ordinary shares	0.03%	0.01%

On 25 June 2021, 889,500 treasury shares were transferred to eligible employees under the Maxi-Cash Performance Share Plan. The treasury shares held by the Company as at 30 June 2021 was 325,122 representing 0.03% of the total number of issued shares (excluding treasury shares) (30 June 2020: 0.01%). Save as disclosed, there were no sales, transfer, cancellation and/or use of treasury shares during and as at the end of the current financial period reported on.

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. Audit's Report

The condensed interim statements of financial position of Maxi-Cash Financial Services Corporation Ltd and its subsidiaries as at 30 June 2021 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 2020 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 2021 was previously provided.

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

	Group	
	1H2021	1H2020
i) Basic earnings per share (cents)	0.77	0.97
ii) Diluted earnings per share (cents)	0.77	0.97
- Weighted average number of shares ('000)	1,035,077	1,035,186

F5. Review of Corporate Performance

The Group's revenue increased by 9% to \$111.6 million in 1H2021 and was \$8.8 million higher than 1H2020. The increase in revenue was primarily attributable to higher revenue from the retail of jewellery and branded merchandise and increase in interest income from the pawnbroking business both locally and regionally.

The lower overall revenue recorded by the pawnbroking business was attributable to the lower intersegment sales which consist mainly the sales of unredeemed pledges. The lower gold price in 1H2021 has resulted in the lower profit for the sales of unredeemed pledges.

As compared to 1H2020, operating expenses in 1H2021 increased by \$1.9 million. The increase is mainly due to higher staff costs and depreciation costs in support of business expansion both locally and regionally.

Arising from the above, profit before tax of the Group decreased from \$12.1 million in 1H2020 to \$9.8 million in 1H2021 as the increase in revenue and gross profit was offset by lower other income and higher operating expenses.

F6. Business Outlook

The resurgence of the coronavirus pandemic may dampen the pace of global economic recovery and continue to affect business and consumer sentiments in the countries we operate. Nevertheless, we expect the Singapore market to be fairly stable as local vaccination rate increases.

The Group will continue to improve the effectiveness and efficiency in delivering its products and services by leveraging on its branding, store network, innovation and staff training.

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	1H2021
Name of dividend	Interim
Dividend Type	Cash
Dividend Rate	\$0.0065 per ordinary share
Tax Rate	One-tier tax exempt
Record date	18 August 2021
Payment date	26 August 2021

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

Yes

Name of dividend	1H2020
Name of dividend	Interim
Dividend Type	Cash
Dividend Amount per share	\$0.0115 per ordinary share
Tax Rate	One-tier tax exempt

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

There were no acquisitions or realization of shares thereby resulting (i) in a change in the shareholding percentage in any subsidiary or associated company of the Group or (ii) an entity becoming or ceasing to be (as the case may be) a subsidiary or associated company of the Group during 1H2021. Neither was there any incorporation of new subsidiary or associated company by the Group during 1H2021.

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 2021 to be false or misleading in any material respect.

On behalf of the Board of Directors,

Ng Leok Cheng
CEO

Koh Wee Seng
Non-Executive Chairman

06 August 2021