

Company Registration No. 200307530N

ValueMax Group Limited and its Subsidiaries

Condensed Interim Financial Statements
For the six months ended 30 June 2021

ValueMax Group Limited and its Subsidiaries

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ValueMax Group Limited and its Subsidiaries

Condensed interim consolidated statement of profit or loss and other comprehensive income for the financial period 6 months ended 30 June 2021 and 30 June 2020

		The Group 6 months ended 30 June		
	Note	Unaudited 2021 \$'000	Unaudited 2020 \$'000	Variance %
Revenue	4	131,649	95,045	38.5
Cost of sales		(95,283)	(68,320)	39.5
Gross profit		36,366	26,725	36.1
Other item of income				
Other operating income		3,069	3,677	(16.5)
Other items of expense				
Marketing and distribution expenses		(861)	(483)	78.3
Administrative expenses		(13,942)	(11,985)	16.3
Finance costs		(1,471)	(2,060)	(28.6)
Other operating expenses		(2,861)	(3,107)	(7.9)
Share of results of associates		2,051	2,273	(9.8)
Profit before tax	5	22,351	15,040	48.6
Income tax expense	6	(3,632)	(1,912)	90.0
Profit for the period		18,719	13,128	42.6
Other comprehensive income:				
<i>Items that may be reclassified subsequently to profit or loss</i>				
Foreign currency translation		(229)	(141)	62.4
Total comprehensive income for the period		18,490	12,987	42.4
Profit for the year attributable to:				
Owners of the Company		18,409	12,751	44.4
Non-controlling interests		310	377	(17.8)
		18,719	13,128	42.6
Total comprehensive income for the year attributable to:				
Owners of the Company		18,180	12,610	44.2
Non-controlling interests		310	377	(17.8)
		18,490	12,987	42.4
Earnings per share (cents per share)				
Basic and diluted	15	3.06	2.30	

ValueMax Group Limited and its Subsidiaries

Condensed interim statements of financial position
As at 30 June 2021 and 31 December 2020

	Note	Group		Company	
		Unaudited 30.06.2021	Audited 31.12.2020	Unaudited 30.06.2021	Audited 31.12.2020
		\$'000	\$'000	\$'000	\$'000
Non-current assets					
Property, plant and equipment	10	27,108	27,481	7	24
Intangible assets	11	243	318	–	–
Right-of-use assets		8,056	7,302	28	42
Investments in subsidiaries		–	–	74,522	70,622
Investments in associates		25,060	23,393	1,002	1,002
Other investment		688	688	688	688
Trade and other receivables		206,604	131,148	–	–
		267,759	190,330	76,247	72,378
Current assets					
Inventories		67,455	74,077	–	–
Trade and other receivables		315,594	313,993	171,894	182,322
Prepaid operating expenses		1,127	880	35	40
Cash and bank balances	12	21,078	11,818	8,943	82
		405,254	400,768	180,872	182,444
Total assets		673,013	591,098	257,119	254,822
Current liabilities					
Trade and other payables		4,697	4,404	25,525	23,373
Other liabilities		3,051	5,518	361	2,076
Interest-bearing loans and borrowings	13	304,029	267,011	5,214	55,013
Lease liabilities		4,398	3,807	29	28
Income tax payable		6,038	6,965	699	1,075
		322,213	287,705	31,828	81,565
Net current assets		83,041	113,063	149,044	100,879
Non-current liabilities					
Other payables		37	44	–	–
Provisions		459	421	–	–
Deferred tax liabilities		2,361	2,345	498	460
Interest-bearing loans and borrowings	13	40,058	41,916	–	–
Lease liabilities		3,854	3,679	–	15
		46,769	48,405	498	475
Total liabilities		368,982	336,110	32,326	82,040
Net assets		304,031	254,988	224,794	172,782

ValueMax Group Limited and its Subsidiaries

**Condensed interim statements of financial position
As at 30 June 2021 and 31 December 2020**

	Note	Group		Company	
		Unaudited 30.06.2021 \$'000	Audited 31.12.2020 \$'000	Unaudited 30.06.2021 \$'000	Audited 31.12.2020 \$'000
Equity attributable to owners of the Company					
Share capital	14	133,745	91,971	133,745	91,971
Treasury shares	14	(26)	(26)	(26)	(26)
Retained earnings		172,303	164,370	91,074	80,837
Other reserves		(6,806)	(6,577)	–	–
		299,216	249,738	224,793	172,782
Non-controlling interests		4,815	5,250	–	–
Total equity		304,031	254,988	224,793	172,782
Total equity and liabilities		673,013	591,098	257,119	254,822

ValueMax Group Limited and its Subsidiaries

**Condensed interim statements of changes in equity
For the financial period ended 30 June 2021**

		Attributable to owners of the Company								
	Note	Share capital \$'000	Treasury shares \$'000	Capital reserve \$'000	Merger reserve \$'000	Foreign currency translation reserve \$'000	Retained earnings \$'000	Total \$'000	Non-controlling interests \$'000	Total equity \$'000
Group 2021		91,971	(26)	2,025	(7,599)	(1,003)	164,370	249,738	5,250	254,988
At 1 January 2021										
Profit for the period		–	–	–	–	–	18,409	18,409	310	18,719
<u>Other comprehensive income</u>										
Foreign currency translation		–	–	–	–	(229)	–	(229)	–	(229)
Total comprehensive income for the period		–	–	–	–	(229)	18,409	18,180	310	18,490
<u>Contributions by and distributions to owners</u>										
Ordinary shares issued under rights issue	14	41,904	–	–	–	–	–	41,904	–	41,904
Share issuance expenses	14	(130)	–	–	–	–	–	(130)	–	(130)
Dividends paid on ordinary shares	7	–	–	–	–	–	(10,476)	(10,476)	–	(10,476)
Dividends paid to non-controlling interests		–	–	–	–	–	–	–	(745)	(745)
Total contributions by and distributions to owners, representing total transactions with owners in their capacity as owners		41,774	–	–	–	–	(10,476)	31,298	(745)	30,553
At 30 June 2021		133,745	(26)	2,025	(7,599)	(1,232)	172,303	299,216	4,815	304,031

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

ValueMax Group Limited and its Subsidiaries

**Condensed interim statements of changes in equity
For the financial period ended 30 June 2020**

		Attributable to owners of the Company								
	Note	Share capital	Treasury shares	Capital reserve	Merger reserve	Foreign currency translation reserve	Retained earnings	Total	Non-controlling interests	Total equity
		\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Group 2020										
At 1 January 2020		84,230	(26)	1,984	(7,599)	(987)	139,438	217,040	4,624	221,664
Profit for the period		–	–	–	–	–	12,751	12,751	377	13,128
<u>Other comprehensive income</u>										
Foreign currency translation		–	–	–	–	(141)	–	(141)	–	(141)
Total comprehensive income for the period		–	–	–	–	(141)	12,751	12,610	377	12,987
<u>Contributions by and distributions to owners</u>										
Dividends paid on ordinary shares	7	–	–	–	–	–	(8,940)	(8,940)	–	(8,940)
Dividends paid to non-controlling interests		–	–	–	–	–	–	–	(489)	(489)
Total contributions by and distributions to owners, representing total transactions with owners in their capacity as owners		–	–	–	–	–	(8,940)	(8,940)	(489)	(9,429)
At 30 June 2020		84,230	(26)	1,984	(7,599)	(1,128)	143,249	220,710	4,512	225,222

ValueMax Group Limited and its Subsidiaries

**Condensed interim statements of changes in equity
For the financial period ended 30 June 2021 and 30 June 2020**

	Note	Share capital \$'000	Treasury shares \$'000	Retained earnings \$'000	Total equity \$'000
Company					
At 1 January 2021		91,971	(26)	80,837	172,782
Profit for the period, representing total comprehensive income for the period		–	–	20,713	20,713
<u>Contributions by and distributions to owners</u>					
Ordinary shares issued under rights issue	14	41,904	–	–	41,904
Share issue expenses	14	(130)	–	–	(130)
Dividends paid on ordinary shares	7	–	–	(10,476)	(10,476)
Total contributions by and distributions to owners, representing total transactions with owners in their capacity as owners		41,774	–	(10,476)	31,298
At 30 June 2021		133,745	(26)	91,074	224,793
<hr/>					
At 1 January 2020		84,230	(26)	77,046	161,250
Profit for the period, representing total comprehensive income for the period		–	–	11,697	11,697
<u>Contributions by and distributions to owners</u>					
Dividends paid on ordinary shares		–	–	(8,940)	(8,940)
At 30 June 2020		84,230	(26)	79,803	164,007

ValueMax Group Limited and its Subsidiaries

**Condensed interim consolidated statement of cash flows
For the financial period ended 30 June 2021 and 30 June 2020**

	The Group	
	6 months ended	
	30 June	
Note	Unaudited	Audited
	2021	2020
	\$'000	\$'000
Operating activities		
Profit before tax	22,351	15,040
<u>Adjustments for:</u>		
Depreciation of property, plant and equipment	825	872
Amortisation of intangible assets	75	75
Depreciation of right-of-use assets	2,448	2,052
Allowance for expected credit losses	2,859	2,214
Allowance for write-down of inventories	2	893
Interest income	(253)	(403)
Finance costs	3,983	5,100
Dividend income from an unquoted investment	(52)	–
Decrease in fair value of inventories less point-of-sale costs	212	(979)
Net fair value gain on loan from an unrelated party	(82)	(16)
Unrealised exchange loss	37	39
Share of results of associates	(2,051)	(2,273)
Operating cash flows before changes in working capital	30,354	22,614
<u>Changes in working capital</u>		
Decrease/(increase) in inventories	6,409	(3,613)
(Increase)/decrease in trade and other receivables	(79,916)	11,613
(Increase)/decrease in prepaid operating expenses	(247)	60
Increase/(decrease) in trade and other payables	286	(1,230)
(Decrease) in other liabilities	(2,532)	(1,308)
Cash flows (used in)/generated from operations	(45,646)	28,136
Interest received	253	403
Interest paid	(3,950)	(5,048)
Income taxes paid	(4,544)	(1,689)
Net cash flows (used in)/ generated from operating activities	(53,887)	21,802
Investing activities		
Purchase of property, plant and equipment	(414)	(212)
Dividend received from associates	120	–
Dividend received from an unquoted investment	52	–
Net cash flows used in investing activities	(242)	(212)

ValueMax Group Limited and its Subsidiaries

**Condensed interim consolidated statement of cash flows
For the financial period ended 30 June 2021 and 30 June 2020**

	Note	The Group 6 months ended 30 June	
		Unaudited 2021	Audited 2020
		\$'000	\$'000
Financing activities			
Proceeds from interest-bearing loans and borrowings		97,532	25,084
Repayment of interest-bearing loans and borrowings		(11,942)	(30,635)
Repayment of bond		(50,000)	–
Payment of lease liabilities		(2,372)	(1,649)
Gross proceeds from issuance of ordinary shares pursuant to the rights issue		41,904	–
Share issue expenses		(130)	–
Dividends paid to non-controlling interests		(745)	(489)
Dividends paid on ordinary shares		(10,476)	–
Net cash flows generated from/(used in) financing activities		63,771	(7,689)
Net increase in cash and cash equivalents		9,642	13,901
Cash and cash equivalents at beginning of the period		11,066	5,222
Cash and cash equivalents at end of the period	12	20,708	19,123

Note to the condensed interim consolidated statement of cash flows

A. Property, plant and equipment

	Note	6 months ended 30 June	
		2021	2020
		\$'000	\$'000
Current year additions to property, plant and equipment	10	452	212
Less: Provision for restoration costs included in "Renovations"		(38)	–
Net cash outflow for purchase of property, plant and equipment		414	212

B. Cash and cash equivalents

	Note	6 months ended 30 June	
		2021	2020
		\$'000	\$'000
Comprise the following at the end of the reporting period:			
Cash and bank balances	12	21,078	20,878
Bank overdrafts		(370)	(1,755)
Cash and cash equivalents		20,708	19,123

ValueMax Group Limited and its Subsidiaries

Notes to the Condensed interim financial statements For the financial period ended 30 June 2021

1. Corporate information

ValueMax Group Limited is a limited liability company incorporated and domiciled in Singapore and whose shares are publicly traded on the Mainboard of the Singapore Exchange. These condensed interim consolidated financial statements as at and for the six months ended 30 June 2021 comprise the Company and its subsidiaries (collectively, the Group). The immediate and ultimate holding company is Yeah Holdings Pte. Ltd., which is incorporated in Singapore.

The registered office and principal place of business of the Company is located at 261 Waterloo Street #01-35, Singapore 180261.

The principal activities of the Company are those of investment holding and provision of management services. The Group is principally engaged in the businesses of pawnbroking, moneylending, and retail and trading of gold and jewellery.

2. Summary of significant accounting policies

2.1 *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 interim financial statements for the period ended 30 June 2021.

The accounting policies adopted are consistent with those of the previous financial year which were prepared in accordance with SFRS(I)s, except for the adoption of new and amended standards as set out in Note 2.2.

The condensed interim financial statements are presented in Singapore dollar which is the Company's functional currency.

2.2 *New and amended standards 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.

2.3 *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.

2.3 **Use of judgements and estimates (cont'd)**

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.

Information about critical judgements in applying accounting policies that have the most significant effect on the amounts recognised in the financial statements is included in Note 3.2 in the audited consolidated financial statements for the year ended 31 December 2020.

3. **Seasonal operations**

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

4. **Segment and revenue information**

Business segments

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 products sold and services rendered. The operating businesses are organised and managed separately according 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 four operating business segments, namely:

- (a) Pawnbroking;
- (b) Retail and trading of jewellery and gold;
- (c) Moneylending; and
- (d) Other operations including investment holding and provision of other support services.

Allocation basis

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 income tax payable, deferred tax liabilities and deferred tax assets.

Segment revenue, expenses and results include transfers between business segments. These transfers are eliminated on consolidation.

Non-cash items are not material to the financial statements and have not been separately presented.

Geographical information

As the Group's business activities are mainly conducted in Singapore, with its non-current assets mainly located in Singapore, information about geographical areas is not relevant to the Group.

ValueMax Group Limited and its Subsidiaries

Notes to the Condensed interim financial statements
For the financial period ended 30 June 2021

4. Segment and revenue information (cont'd)

4.1 Reportable segments

	Pawnbroking \$'000	Retail and trading of jewellery and gold \$'000	Moneylending \$'000	Others \$'000	Adjustments and eliminations \$'000	Note	Group \$'000
Period from 1 January 2021 to 30 June 2021							
Revenue from external customers	14,068	102,502	15,079	–	–		131,649
Inter-segment revenue	11,866	–	–	–	(11,866)	A	–
Results:							
Interest income	–	–	–	3,702	(3,449)	A	253
Allowance for write-down of inventories	–	(2)	–	–	–		(2)
Allowance for expected credit losses on trade receivables	(741)	–	(2,118)	–	–		(2,859)
Share of profit of associates	–	–	–	2,051	–		2,051
Segment profit	5,366	5,121	8,412	1,401	2,051	B	22,351
Period from 1 January 2020 to 30 June 2020							
Revenue from external customers	14,127	72,616	8,302	–	–		95,045
Inter-segment revenue	6,952	–	–	–	(6,952)	A	–
Results:							
Interest income	–	–	–	3,767	(3,364)	A	403
Allowance for write-down of inventories	–	(893)	–	–	–		(893)
Allowance for expected credit losses on trade receivables	(563)	–	(1,651)	–	–		(2,214)
Share of profit of associates	–	–	–	2,273	–		2,273
Segment profit	7,093	2,691	2,461	522	2,273	B	15,040

ValueMax Group Limited and its Subsidiaries

**Notes to the Condensed interim financial statements
For the financial period ended 30 June 2021**

4. Segment and revenue information (cont'd)

4.1 Reportable segments (cont'd)

The following table presents the assts and liabilities information for the Group's operating segments as at 30 June 2021 and 31 December 2021, respectively:

	Pawnbroking	Retail and trading of jewellery and gold	Moneylending	Others	Adjustments and eliminations	Note	Group
Assets	\$'000	\$'000	\$'000	\$'000	\$'000		\$'000
30 June 2021	220,492	74,570	311,231	141,307	(74,588)		673,012
31 December 2020	213,248	76,712	244,324	127,501	(70,687)	C	591,098
Liabilities							
30 June 2021	139,232	45,087	149,669	25,517	9,478		368,983
31 December 2020	132,518	39,570	75,606	77,777	10,639	D	336,110

ValueMax Group Limited and its Subsidiaries

Notes to the Condensed interim financial statements For the financial period ended 30 June 2021

4. Segment and revenue information (cont'd)

4.1 Reportable segments (cont'd)

Notes

A Inter-segment revenues and income are eliminated on consolidation.

B The following items are added to segment profit to arrive at "profit before tax" presented in the consolidated condensed interim statement of comprehensive income:

	Group	
	30 Jun 2021	30 Jun 2020
	\$'000	\$'000
Share of results of associates	2,051	2,273

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

	Group	
	30 Jun 2021	31 Dec 2020
	\$'000	\$'000
Inter-segment assets	(74,588)	(70,687)

D The following items are added to segment liabilities to arrive at total liabilities reported in the consolidated condensed interim statement of financial position:

	Group	
	30 Jun 2021	31 Dec 2020
	\$'000	\$'000
Deferred tax liabilities	1,520	1,400
Income tax payable	(589)	(332)
Inter-segment liabilities	8,547	9,571
	9,478	10,639

ValueMax Group Limited and its Subsidiaries

Notes to the Condensed interim financial statements For the financial period ended 30 June 2021

5. Profit before tax

5.1 Significant items

The following items have been included in arriving at profit before tax:

	The Group	
	6 months ended	
	30 June	
	2021	2020
	\$'000	\$'000
Income:		
Rental income from leasehold properties	380	360
Interest income on loans and receivables	253	403
Dividend income from unquoted investments	52	–
Expenses:		
Interest on loans and borrowings	3,983	5,100
Depreciation of property, plant and equipment	825	872
Amortisation of intangible assets	75	75
Depreciation of right-of-use assets	2,448	2,052
Inventories recognised as an expense in cost of sales	92,853	65,298
Decrease/(increase) in fair value of inventories less point-of-sale costs	212	(979)
Operating lease expense	292	264
Net fair value gain on loan from an unrelated party	(82)	(16)
Foreign exchange loss, net	52	41
Allowance for expected credit losses	2,859	2,214
Allowance for write-down of inventories	2	893

ValueMax Group Limited and its Subsidiaries

Notes to the Condensed interim financial statements For the financial period ended 30 June 2021

5. Profit before tax (cont'd)

5.2 Related party transactions

(a) *Sale and purchase of goods and services*

In addition to the related party information disclosed elsewhere in the financial statements, the following significant transactions between the Group and related parties took place on terms agreed between the parties during the financial year:

	The Group	
	6 months ended 30 June	
	2021	2020
	\$'000	\$'000
Sale of goods to director-related companies	3,058	261
Purchase of goods from director-related companies	1,021	1,216
Rental paid to director-related companies	288	286
Management fee income received from associates	247	266
Interest received from associates	249	398
Interest paid/payable on term notes held by directors	389	610
Performance guarantee fee paid to holding company	190	-

The Group has sale and purchase transactions with director-related companies, wherein these companies are controlled by close family members of Mr Yeah Hiang Nam, a director of the Company. These sale and purchase transactions are based on the bid price quotation of gold, and are due and payable under normal payment terms.

6. Income tax expense

(a) *Major components of income tax expense*

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 profit or loss are:

	The Group	
	6 months ended 30 June	
	2021	2020
	\$'000	\$'000
Current income taxation	3,466	1,746
Deferred income taxation	166	166
Income tax expense recognised in profit or loss	3,632	1,912

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Notes to the Condensed interim financial statements For the financial period ended 30 June 2021

7. Dividends

	The Group 6 months ended 30 June	
	2021	2020
	\$'000	\$'000
<i>Declared and payable during the financial period:</i>		
<i>Dividends on ordinary shares:</i>		
- Final exempt (one-tier) dividend for 2020 1.8 (2019 1.6) cents per share	10,476	8,940

8. Net asset value

	Group		Company	
	30 Jun 2021	31 Dec 2020	30 Jun 2021	31 Dec 2020
Net asset value per ordinary share (cents)	42.84	42.91	32.19	29.69

The number of ordinary shares was based on the 698,407,000 and 582,006,000 outstanding shares (excluding treasury shares) as at 30 June 2021 and 31 December 2020.

9. Financial assets at fair value through other comprehensive income

Financial assets at fair value through other comprehensive income comprise the following:

9.1 Fair value measurement

Fair value hierarchy

The Group classifies financial assets measured at fair value using a fair value hierarchy which reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

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.

ValueMax Group Limited and its Subsidiaries

**Notes to the Condensed interim financial statements
For the financial period ended 30 June 2021**

9. Financial assets at fair value through other comprehensive income

9.1 Fair value measurement

Assets and liabilities measured at fair value

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

	Fair value measurements at the end of the reporting period using			Total \$'000
	Quoted prices in active markets for identical instruments (Level 1) \$'000	Significant observable inputs other than quoted prices (Level 2) \$'000	Significant un-observable inputs (Level 3) \$'000	
Group				
30 Jun 2021				
Assets measured at fair value				
Financial assets:				
<u>Equity security at FVOCI</u>				
– Unquoted equity security, representing total financial assets as at 31 December 2020	–	–	688	688
Non-financial assets:				
– Commodity inventories at fair value, representing total non-financial assets as at 30 June 2021	4,843	–	–	4,843
Liabilities measured at fair value				
Non-financial liabilities:				
– Loan from an unrelated party, representing total non-financial liabilities as at 31 June 2021	(1,685)	–	–	(1,685)

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**Notes to the Condensed interim financial statements
For the financial period ended 30 June 2021**

9. Financial assets at fair value through other comprehensive income (cont'd)

9.1 Fair value measurement (cont'd)

		Fair value measurements at the end of the reporting period using			
	Note	Quoted prices in active markets for identical instruments (Level 1)	Significant observable inputs other than quoted prices (Level 2)	Significant un-observable inputs (Level 3)	Total
		\$'000	\$'000	\$'000	\$'000
Group					
31 Dec 2020					
Assets measured at fair value					
Financial assets:					
<u>Equity security at FVOCI</u>					
– Unquoted equity security, representing total financial assets as at 31 December 2020					
		–	–	688	688
Non-financial assets:					
– Commodity inventories at fair value, representing total non-financial assets as at 31 December 2020					
		11,937	–	–	11,937
Liabilities measured at fair value					
Non-financial liabilities:					
– Loan from an unrelated party, representing total non-financial liabilities as at 31 December 2020					
		(1,768)	–	–	(1,768)

10. Property, plant and equipment

During the six months ended 30 June 2021, the Group acquired assets amounting to \$452,000 (30 June 2020: \$212,000) and disposed of assets amounting to \$NIL (30 June 2020: \$NIL)

ValueMax Group Limited and its Subsidiaries

Notes to the Condensed interim financial statements
For the financial period ended 30 June 2021

11. Intangible assets

	Group		
	Money lending licence	Lease assignment fee	Total
	\$'000	\$'000	\$'000
Cost			
At 1 January 2021 and 30 June 2021	43	665	708
Accumulated amortisation			
At 1 January 2021	–	390	390
Amortisation	–	75	75
At 30 June 2021	–	465	465
Net carrying amount			
At 30 June 2021	43	200	243

	Group		
	Money lending licence	Lease assignment fee	Total
	\$'000	\$'000	\$'000
Cost			
At 1 January 2020 and 31 December 2020	43	665	708
Accumulated amortisation			
At 1 January 2020	–	240	240
Amortisation	–	150	150
At 31 December 2020	–	390	390
Net carrying amount			
At 31 December 2020	43	275	318

Moneylending licence

Moneylending licence, as issued by the Registry of Moneylenders in Singapore, was acquired when the Group acquired the entire equity interest in VM Credit Pte. Ltd. during the financial year ended 31 December 2014.

Impairment testing of moneylending licence

Impairment testing of moneylending licence has been done by comparing the carrying amount with its recoverable amount.

In the Group's impairment assessment, management has considered the profitability and solvency of the underlying business unit to which the moneylending licence is attributable to.

ValueMax Group Limited and its Subsidiaries

Notes to the Condensed interim financial statements For the financial period ended 30 June 2021

12. Cash and bank balances

	Group		Company	
	30.06.2021	31.12.2020	30.06.2021	31.12.2020
	\$'000	\$'000	\$'000	\$'000
Cash at banks and on hand	21,078	11,818	8,943	82

Cash at banks do not earn interest.

Cash and bank balances denominated in foreign currencies as at 30 June 2021 and 31 December 2020 are not material to the financial statements.

Cash and cash equivalents

Bank overdrafts are denominated in SGD, bear interest at the banks' prime lending rate and are secured by a fixed and floating charge over the assets of certain subsidiaries of the Group.

13. Interest-bearing loans and borrowings

	Group		Company	
	30 Jun 2021	31 Dec 2020	30 Jun 2021	31 Dec 2020
	\$'000	\$'000	\$'000	\$'000
Current				
Secured	292,610	205,729	–	–
Unsecured	11,419	61,282	5,214	55,013
	304,029	267,011	5,214	55,013
Non-current				
Secured	32,980	35,916	–	–
Unsecured	7,078	6,000	–	–
	40,058	41,916	–	–
Total current and non-current borrowings	344,087	308,927	5,214	55,013
Add:				
Loans from subsidiaries	–	–	10,608	11,298
Loans from shareholders	3,045	2,995	–	–
Total loans and borrowings	347,132	311,922	15,822	66,311

During the financial year ended 31 December 2018, unsecured term notes due 2021 ("Series002 Notes") issued by the Group and the Company under the MTN Programme amounted to \$50,000,000, with issuance expenses amounting to \$311,000. Interest was payable semi-annually. Series002 Notes was redeemed upon maturity on 26 April 2021.

The bank loans are secured by a fixed and floating charge on all the assets of certain subsidiaries, corporate guarantees by the Company and personal guarantees by certain directors of a subsidiary.

ValueMax Group Limited and its Subsidiaries

Notes to the Condensed interim financial statements
For the financial period ended 30 June 2021

14. Share capital

Group and Company	No. of ordinary shares		Amount	
	Issued share capital	Treasury shares	Share capital	Treasury shares
	'000	'000	\$'000	\$'000
Balance at 1 January 2021	582,106	(100)	91,971	(26)
Shares issued under rights issue	116,401	–	41,774	–
Balance at 30 June 2021	698,507	(100)	133,745	(26)
Balance at 1 January 2020	555,411	(100)	84,230	(26)
Shares issued under scrip dividend scheme	26,695	–	7,741	–
Balance at 31 December 2020	582,106	(100)	91,971	(26)

The holders of ordinary shares (except treasury shares) are entitled to receive dividends as and when declared by the Company. All ordinary shares (except treasury shares) carry one vote per share without restrictions. The ordinary shares have no par value.

During the financial period ended 30 June 2021, the Company issued 116,401,000 ordinary shares pursuant to a non-renounceable non-underwritten rights issue.

During the financial year ended 31 December 2020, the Company issued 26,695,000 ordinary shares under the Company's scrip dividend scheme. Treasury shares relate to ordinary shares of the Company that is held by the Company.

The Company's subsidiaries do not hold any shares in the Company as at 30 June 2021 and 31 December 2020.

15. Earnings per share

Basic earnings per share amounts is calculated by dividing the profit for the period attributable to owners of the Company by the weighted average number of ordinary shares outstanding during the financial period.

	The Group 6 months ended 30 June	
	2021	2020
Profit for the financial period attributable to owners of the Company (\$'000)	18,409	12,751
Weighted average number of ordinary shares outstanding for basic and diluted earnings per share ('000)	600,656	555,311
Basic and diluted earnings per share (cents)	3.06	2.30

The diluted earnings per share is the same as the basic earnings per share as there were no outstanding convertible securities for the financial periods ended 30 June 2021 and 2020.

ValueMax Group Limited and its Subsidiaries

**Notes to the Condensed interim financial statements
For the financial period ended 30 June 2021**

16. Subsequent events

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

ValueMax Group Limited and its Subsidiaries

Other Information required by Listing Rule Appendix 7.2 For the financial period ended 30 June 2021

1. Review

The condensed consolidated statement of financial position of the Company and its subsidiaries as at 30 June 2021 and the related condensed consolidated profit or loss and other comprehensive income, condensed consolidated statement of changes in equity and condensed consolidated statement of cash flows for the six-month period then ended and certain explanatory notes have not been audited or reviewed.

2. Review of performance of the Group

Revenue

The Group's revenue increased from \$95.0 million in 1H2020 to \$131.6 million in 1H2021. Revenue from retail and trading of pre-owned jewellery and gold business and moneylending business increased by \$29.9 million and \$6.8 million respectively. This is partially offset by the decrease in revenue from the pawnbroking business by \$0.1 million.

Cost of sales

The Group's cost of sales increased from \$68.3 million in 1H2020 to \$95.3 million in 1H2021. The increase is mainly due to an increase of \$27.5 million in cost of goods sold for the retail and trading of pre-owned jewellery and gold business and \$0.2 million in cost of sales for the moneylending business. This is partially offset by the decrease in cost of sales from pawnbroking business of \$0.7 million. This increase is in line with the increase in revenue.

Gross profit

Overall gross profit increased by \$9.6 million in 1H2021 compared with the same period in 1H2020. Gross profit margin declined from 28.1% in 1H2020 to 27.6% in 1H2021 due to a change in sale mix, with higher contribution to revenue from the retail and trading of pre-owned jewellery and gold business segment.

Other operating income

Other operating income was \$3.1 million in 1H2021 compared with \$3.7 million in 1H2020. The lower other operating income was mainly due to lower amounts of government grants received in 1H2021.

Marketing and distribution expenses

Marketing and distribution expenses comprise mainly commission expenses, labour charges, licenses, packaging, and repair and reconditioning expenses. Marketing and distribution expenses increased by \$0.4 million in 1H2021 due to the increase in commission expense of \$0.4 million.

Administrative expenses

Administrative expenses comprise mainly employee benefits expense, rental expenses, depreciation expenses, legal and professional fees and insurance premiums. The increase in administrative expenses from \$12.0 million in 1H2020 to \$13.9 million in 1H2021 was mainly due to the increase in employee benefits expenses of \$1.2 million.

ValueMax Group Limited and its Subsidiaries

Other Information required by Listing Rule Appendix 7.2 For the financial period ended 30 June 2021

2. Review of performance of the Group (continued)

Other operating expense

Other operating expenses comprise mainly of allowance for expected credit losses of \$2.9 million in 1H2021 compared with allowance for expected credit losses and allowance of write-down inventory of \$2.2 million and \$0.9 million respectively in 1H2020.

Share of results of associates

The Group's share of results of associates decreased from \$2.3 million in 1H2020 to \$2.1 million in 1H2021, due to decreased contribution from Malaysian associated companies.

Profit before tax

As a result of the above, profit before tax increased by \$7.3 million to \$22.4 million in 1H2021.

Income tax expense

Income tax expense increased by \$1.7 million in 1H2021, which is in line with the increase in profit.

Review of the Group's Financial Position

Non-current assets increased by \$77.5 million from \$190.3 million as at 31 December 2020 to \$267.8 million as at 30 June 2021. This was due to the increases in trade and other receivables, investment in associates and right-of-use assets of \$75.5 million, \$1.7 million and \$0.8 million respectively. These were offset by a decrease in property, plant and equipment and intangible assets of \$0.4 million and \$0.1 million respectively.

Current assets increased by \$4.5 million from \$400.8 million as at 31 December 2020 to \$405.3 million as at 30 June 2021. This was mainly due to the increases in trade and other receivables, prepaid operating expenses and cash and bank balances of \$1.6 million, \$0.2 million and \$9.3 million respectively. These were offset by a decrease in inventories of \$6.6 million.

Current liabilities increased by \$34.4 million from \$287.7 million as at 31 December 2020 to \$322.2 million as at 30 June 2021 due to an increase in interest-bearing loans and borrowings, trade and other payables and lease liabilities of \$37.0 million, \$0.3 million and \$0.5 million respectively. These were partially offset by decreases in other current liabilities of \$2.5 million and income tax payable of \$0.9 million.

Non-current liabilities decreased by \$1.7 million from \$48.4 million as at 31 December 2020 to \$46.7 million as at 30 June 2021 as a result of decreases in interest-bearing loans and borrowings of \$1.9 million. This was partially offset by an increase in lease liabilities of \$0.2 million.

Equity comprises share capital, treasury shares, retained earnings, capital reserve, merger reserve, foreign currency translation reserve and non-controlling interests. Equity attributable to owners of the Company increased from \$255.0 million as at 31 December 2020 to \$304.0 million as at 30 June 2021 mainly due to the increase in retained earnings.

ValueMax Group Limited and its Subsidiaries

Other Information required by Listing Rule Appendix 7.2 For the financial period ended 30 June 2021

2. Review of performance of the Group (continued)

Review of the Group's Cash Flows

In 1H2021, the net cash used in operating activities was \$45.6 million. This comprises operating cash flows before working capital adjustments of \$30.4 million, adjusted by net working capital outflow of \$76.0 million. In 1H2021, the Group received interest income of \$0.3 million, with net income tax paid of \$4.5 million and interest expense paid of \$3.9 million respectively. The net working capital outflow was a result of the increase in trade and other receivables and prepaid operating expenses of \$79.9 million and \$0.2 million respectively as well as the decrease in other liabilities of \$2.5 million. These were partially offset by the decrease in inventories of \$6.4 million and the increase in trade and other payables of \$0.3 million.

In 1H2021, the net cash used in investing activity comprises the purchase of property, plant and equipment of \$0.4 million, partially offset by dividend income received of \$0.2 million.

The net cash generated from financing activities in 1H2021 amounted to \$63.8 million comprising the net proceed of interest-bearing loans and borrowings of \$85.6 million and right shares issued of \$41.8million. These were partially offset by the repayment of bond of \$50.0 million, finance lease repayment of \$2.4 million, and payment of dividends of \$11.2 million.

3. Where a forecast, or a prospect statement, has been previously disclosed to shareholders, any variance between it and the actual results

There is no material variance from the prospects disclosed in paragraph 10 of the Group's previous results announcement.

4. A commentary at the date of the announcement of the significant trends and competitive conditions of the industry in which the Group operates and any known factors or events that may affect the Group in the next operating period and the next 12 months

Since the last results announcement in February, gold price briefly touched USD1,900 beginning June before settling within the range of USD1,750 and USD1,830 per ounce for the rest of the month. With the on-going COVID-19 pandemic and the uneven economic recovery across the globe, gold price may continue to remain volatile while interest rates are expected to rise. The Group continues to face a challenging business environment with increasing operating costs and competition.

The Group will continue to explore acquisition opportunities and suitable locations to grow our network of pawnshops and retail outlets, and grow our moneylending business.

ValueMax Group Limited and its Subsidiaries

Other Information required by Listing Rule Appendix 7.2 For the financial period ended 30 June 2021

5. Dividend Information

5a. Current Financial Period Reported on

Any dividend recommended for the current financial period reported on?

No.

5b. Corresponding Period of the Immediate Preceding Financial Year

Any dividend declared for the corresponding period of the immediately preceding financial year?

No.

5c. If no dividend has been declared (recommended), at statement to that effect

No dividend has been declared for the six-month period ended 30 June 2021 as it is the Company's policy to consider declaring a final dividend after the end of the financial year.

6. Use of proceeds raised from rights issue

In accordance with the section titled "Use of Proceeds" as announced on 9 April 2021 ("Announcement"), and as at the date of this announcement, the Company wishes to announce that the net proceeds of approximately \$41.8 million has been fully utilised as follows:

Use of Proceeds	Percentage allocation (as stated in the Announcement) (%)	Amount allocated based on state percentage (\$'million)	Amount utilised as at the date of this announcement (\$'million)
For the expansion of the Group's moneylending business segment ⁽¹⁾	60	25.1	25.1
For the working capital requirements of the Group ⁽²⁾	40	16.7	16.7
	100	41.8	41.8

(1) All the proceeds allocated for the expansion of the Group's moneylending business has been utilised for loan disbursements.

(2) Net proceeds allocated for working capital purposes have been used to reduce the utilisation of bank borrowings.

ValueMax Group Limited and its Subsidiaries

Other Information required by Listing Rule Appendix 7.2 For the financial period ended 30 June 2021

7. Interested person transactions

The Group has a general mandate from shareholders of the Company for interested person transactions which was renewed in the Annual General Meeting held on 27 April 2021. During the six-month financial period, the following interested persons transactions were entered into by the Group:

Aggregate value of interested person transactions above \$100,000 conducted under the shareholders' mandate during the financial period under review:

	1H2021 \$'000	1H2020 \$'000
Sales of goods to director-related companies		
- Hwa Goldsmith and Jewellers	389	–
- Lucky Jewellery	1,169	186
Purchase of goods from director-related companies		
- Mei Zhi Jewellery	284	236
- Hwa Goldsmith and Jewellers	–	236
- Kong Hin Goldsmith & Jewellers	–	171
Rental paid to director-related company		
- Yeah Properties Pte Ltd	168	168

Aggregate value of interested person transactions above \$100,000, excluding transactions conducted under the shareholders' mandate, during the financial period under review:

	1H2021 \$'000	1H2020 \$'000
Sales of goods to director-related party		
- Cantik Jewellery	1,511	–
Performance guarantee fee		
- Yeah Holdings Pte Ltd	190	–

8. Confirmation that the issuer has procured undertaking from all its directors and executive officers (in the format set out in Appendix 7.7) under Rule 720(1)

The Company has received undertaking from all its directors and executive officers in the format as set out in Appendix 7.7 under Rule 720(1) of the Listing Manual of the SGX-ST.

9. Negative confirmation pursuant to Rule 705(5)

The board of Directors of the Company (the "Board") confirms that, to the best of our knowledge, nothing has come to the attention of the Board which may render the unaudited interim financial statements for the period ended 30 June 2021 to be false or misleading in any material respects.

For and on behalf of the Board

Yeah Hiang Nam
Managing Director

Yeah Lee Ching
Executive Director