

Company Registration No. 200307530N

ValueMax Group Limited and its Subsidiaries

Condensed Interim Financial Statements
For the six-month period ended 30 June 2022

ValueMax Group Limited and its Subsidiaries

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ValueMax Group Limited and its Subsidiaries

**Condensed interim consolidated statement of comprehensive income
For the six-month period ended 30 June 2022**

		The Group 6 months ended 30 June		
	Note	Unaudited 2022	Unaudited 2021	Variance
		\$'000	\$'000	%
Revenue		153,440	131,649	16.6
Cost of sales		(110,990)	(95,283)	16.5
Gross profit		42,450	36,366	16.7
Other item of income				
Other operating income		3,007	3,069	(2.0)
Other items of expense				
Marketing and distribution expenses		(815)	(861)	(5.3)
Administrative expenses		(15,986)	(13,942)	14.7
Finance costs		(1,077)	(1,471)	(26.8)
Other operating expenses		(163)	(2,861)	(94.3)
Share of results of associates		2,610	2,051	27.3
Profit before tax	5	30,026	22,351	34.3
Income tax expense	6	(4,480)	(3,632)	23.3
Profit for the period		25,546	18,719	36.5
Other comprehensive income:				
<i>Items that may be reclassified subsequently to profit or loss</i>				
Foreign currency translation		(504)	(229)	120.1
Fair value gain on cash flow hedges		302	-	n.m.
Total comprehensive income for the period		25,344	18,490	37.1
Profit for the period attributable to:				
Owners of the Company		25,185	18,409	36.8
Non-controlling interests		361	310	16.5
		25,546	18,719	36.5
Total comprehensive income for the period attributable to:				
Owners of the Company		24,983	18,180	37.4
Non-controlling interests		361	310	16.5
		25,344	18,490	37.1

ValueMax Group Limited and its Subsidiaries

**Condensed interim statements of financial position
As at 30 June 2022**

	Note	Group		Company	
		Unaudited 30.06.2022	Audited 31.12.2021	Unaudited 30.06.2022	Audited 31.12.2021
		\$'000	\$'000	\$'000	\$'000
Non-current assets					
Property, plant and equipment	10	27,739	28,340	45	58
Intangible assets	11	360	435	–	–
Right-of-use assets		7,875	7,746	–	14
Investments in subsidiaries		–	–	78,802	75,802
Investments in associates		28,002	26,038	1,002	1,002
Other investment		688	688	688	688
Trade and other receivables		298,906	263,908	–	–
Derivative assets		314	12	–	–
		363,884	327,167	80,537	77,564
Current assets					
Inventories		92,585	78,232	–	–
Trade and other receivables		401,393	377,661	224,899	188,153
Prepaid operating expenses		1,473	1,462	31	61
Cash and bank balances	12	47,676	14,601	621	4,283
		543,127	471,956	225,551	192,497
Total assets		907,011	799,123	306,088	270,061
Current liabilities					
Trade and other payables		5,547	4,773	12,860	12,523
Other liabilities		4,167	6,040	415	1,793
Loans and borrowings	13	493,567	403,509	45,000	25,000
Lease liabilities		4,326	4,363	–	15
Income tax payable		8,040	7,376	1,037	971
		515,647	426,061	59,312	40,302
Net current assets		27,480	45,895	166,239	152,195
Non-current liabilities					
Other payables		41	39	–	–
Provisions		484	508	–	–
Deferred tax liabilities		2,516	2,486	713	663
Loans and borrowings	13	34,216	39,060	–	–
Lease liabilities		3,734	3,564	–	–
		40,991	45,657	713	663
Total liabilities		556,638	471,718	60,025	40,965
Net assets		350,373	327,405	246,063	229,096

ValueMax Group Limited and its Subsidiaries

**Condensed interim statements of financial position
As at 30 June 2022**

	Note	Group		Company	
		Unaudited	Audited	Unaudited	Audited
		30.06.2022	31.12.2021	30.06.2022	31.12.2021
		\$'000	\$'000	\$'000	\$'000
Equity attributable to owners of the Company					
Share capital	14	145,093	133,745	145,093	133,745
Treasury shares	14	(26)	(26)	(26)	(26)
Retained earnings		207,462	195,407	100,996	95,377
Other reserves		(7,007)	(6,805)	–	–
		<hr/>	<hr/>	<hr/>	<hr/>
		345,522	322,321	246,063	229,096
Non-controlling interests		4,851	5,084	–	–
		<hr/>	<hr/>	<hr/>	<hr/>
Total equity		350,373	327,405	246,063	229,096
		<hr/>	<hr/>	<hr/>	<hr/>
Total equity and liabilities		907,011	799,123	306,088	270,061

ValueMax Group Limited and its Subsidiaries

Condensed interim statements of changes in equity
For the six-month period ended 30 June 2022

		Attributable to owners of the Company									
Note	Share capital	Treasury shares	Capital reserve	Merger reserve	Foreign currency translation reserve	Cash flow hedge reserve	Retained earnings	Total	Non-controlling interests	Total equity	
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	
Group 2022	133,745	(26)	2,025	(7,599)	(1,243)	12	195,407	322,321	5,084	327,405	
At 1 January 2022											
Profit for the period	–	–	–	–	–	–	25,185	25,185	361	25,546	
<u>Other comprehensive income</u>											
Cash flow hedge reserve	–	–	–	–	–	302	–	302	–	302	
Foreign currency translation	–	–	–	–	(504)	–	–	(504)	–	(504)	
Total comprehensive income for the period	–	–	–	–	(504)	302	25,185	24,983	361	25,344	
<u>Contributions by and distributions to owners</u>											
Shares issued under scrip dividend scheme	14	11,348	–	–	–	–	–	11,348	–	11,348	
Dividends paid on ordinary shares	7	–	–	–	–	–	(13,130)	(13,130)	–	(13,130)	
Dividends paid to non-controlling interests		–	–	–	–	–	–	–	(594)	(594)	
Total contributions by and distributions to owners, representing total transactions with owners in their capacity as owners		11,348	–	–	–	–	(13,130)	(1,782)	(594)	(2,376)	
At 30 June 2022	145,093	(26)	2,025	(7,599)	(1,747)	314	207,462	345,522	4,851	350,373	

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 six-month 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	Retained earnings \$'000	Total \$'000	Non-	Total equity \$'000
					translation reserve \$'000			controlling interests \$'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 issue expenses	14	(130)	–	–	–	–	(130)	–	(130)
Dividends paid on ordinary shares	7	–	–	–	–	(10,474)	(10,474)	–	(10,474)
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	–	–	–	(10,474)	31,300	(745)	30,555
At 30 June 2021		133,745	(26)	2,025	(7,599)	(1,232)	172,305	4,815	304,033

ValueMax Group Limited and its Subsidiaries

**Condensed interim statements of changes in equity
For the six-month period ended 30 June 2022**

	Note	Share capital \$'000	Treasury shares \$'000	Retained earnings \$'000	Total equity \$'000
Company					
At 1 January 2022		133,745	(26)	95,377	229,096
Profit for the period, representing total comprehensive income for the period		–	–	18,749	18,749
<u>Contributions by and distributions to owners</u>					
Shares issued under scrip dividend scheme	14	11,348	–	–	11,348
Dividends paid on ordinary shares	7	–	–	(13,130)	(13,130)
Total contributions by and distributions to owners, representing total transactions with owners in their capacity as owners		11,348	–	(13,130)	(1,782)
At 30 June 2022		145,093	(26)	100,996	246,063
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>					
Shares issued pursuant to right issue	14	41,904	–	–	41,904
Share issue expenses	14	(130)	–	–	(130)
Dividends paid on ordinary shares	7	–	–	(10,474)	(10,474)
Total contributions by and distributions to owners, representing total transactions with owners in their capacity as owners		41,774	–	(10,474)	31,300
At 30 June 2021		133,745	(26)	91,076	224,795

ValueMax Group Limited and its Subsidiaries

**Condensed interim consolidated statement of cash flows
For the six-month period ended 30 June 2022**

	Group 6 months ended 30 June		
	Note	Unaudited 2022	Unaudited 2021
		\$'000	\$'000
Operating activities			
Profit before tax		30,026	22,351
<u>Adjustments for:</u>			
Depreciation of property, plant and equipment		781	825
Amortisation of intangible assets		75	75
Depreciation of right-of-use assets		2,667	2,448
Allowance for expected credit losses on trade receivables		163	2,859
Allowance for inventories		–	2
Interest income		(314)	(253)
Finance costs		5,904	3,983
Dividend income from other investment		(36)	(52)
(Increase)/decrease in fair value of inventories less point-of-sale costs		(124)	212
Net fair value loss/(gain) on loan from an unrelated party		33	(82)
Unrealised exchange loss		68	35
Share of results of associates		(2,610)	(2,051)
Operating cash flows before changes in working capital		36,633	30,352
<u>Changes in working capital</u>			
(Increase)/decrease in inventories		(14,229)	6,409
Increase in trade and other receivables		(58,893)	(79,916)
Increase in prepaid operating expenses		(12)	(247)
Increase in trade and other payables		776	286
Decrease in other liabilities		(1,996)	(2,532)
Cash flows used in operations		(37,721)	(45,648)
Interest received		314	253
Interest paid		(5,904)	(3,950)
Income taxes paid		(3,786)	(4,544)
Net cash flows used in operating activities		(47,097)	(53,889)
Investing activities			
Purchase of property, plant and equipment	A	(204)	(414)
Dividend received from associates		75	120
Dividend received from other investment		36	52
Net cash flows used in investing activities		(93)	(242)

ValueMax Group Limited and its Subsidiaries

**Condensed interim consolidated statement of cash flows
For the six-month period ended 30 June 2022**

	Note	Group 6 months ended 30 June	
		Unaudited 2022	Unaudited 2021
		\$'000	\$'000
Financing activities			
Proceeds from interest-bearing loans and borrowings		136,785	97,532
Repayment of interest-bearing loans and borrowings		(51,919)	(11,942)
Repayment of bond		–	(50,000)
Payment of principal portion of lease liabilities		(2,539)	(2,372)
Gross proceeds from shares issued pursuant to rights issue		–	41,904
Share issue expenses		–	(130)
Dividends paid to non-controlling interests		(594)	(745)
Dividends paid on ordinary shares		(1,782)	(10,474)
Net cash flows from financing activities		79,951	63,773
Net increase in cash and cash equivalents		32,761	9,642
Cash and cash equivalents at beginning of the period		14,481	11,066
Cash and cash equivalents at end of the period	B	47,242	20,708

Note to the condensed interim consolidated statement of cash flows

A. Property, plant and equipment

	Note	6 months ended 30 June	
		2022	2021
		\$'000	\$'000
Current year additions to property, plant and equipment	10	232	452
Less: Provision for restoration costs included in "Renovations"		(28)	(38)
Net cash outflow for purchase of property, plant and equipment		204	414

B. Cash and cash equivalents

	Note	6 months ended 30 June	
		2022	2021
		\$'000	\$'000
Comprise the following at the end of the reporting period:			
Cash and bank balances	12	47,676	21,078
Bank overdrafts		(434)	(370)
Cash and cash equivalents		47,242	20,708

ValueMax Group Limited and its Subsidiaries

Notes to the Condensed interim financial statements For the six-month period ended 30 June 2022

1. Corporate information

ValueMax Group Limited is a limited liability company incorporated and domiciled in Singapore and whose shares are publicly traded on the Main Board of the Singapore Exchange. These condensed interim financial statements as at and for the six months ended 30 June 2022 comprise the condensed interim financial information of 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 jewellery and gold.

2. Summary of significant accounting policies

2.1 *Basis of preparation*

The condensed interim financial statements for the six-month period 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 financial performance since the last audited consolidated financial statements for the financial year ended 31 December 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 Dollars which is the Company's functional currency.

2.2 *New and amended standards adopted by the Group*

A number of amendments to SFRS(I)s 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 audited consolidated financial statements for the financial year ended 31 December 2021.

ValueMax Group Limited and its Subsidiaries

Notes to the Condensed interim financial statements For the six-month period ended 30 June 2022

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 financial year ended 31 December 2021.

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 six-month period ended 30 June 2022

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 2022 to 30 June 2022							
Revenue from external customers	16,328	116,740	20,372	–	–		153,440
Inter-segment revenue	9,607	–	–	–	(9,607)	A	–
Results:							
Interest income	–	–	–	4,493	(4,179)	A	314
Allowance for expected credit losses on trade receivables	(188)	–	25	–	–		(163)
Share of results of associates	–	–	–	2,610	–		2,610
Segment profit	6,860	5,665	13,198	1,693	2,610	B	30,026
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 results of associates	–	–	–	2,051	–		2,051
Segment profit	5,366	5,121	8,412	1,401	2,051	B	22,351

ValueMax Group Limited and its Subsidiaries

**Notes to the Condensed interim financial statements
For the six-month period ended 30 June 2022**

4. Segment and revenue information (cont'd)

4.1 Reportable segments (cont'd)

The following table presents the assets and liabilities information for the Group's operating segments as at 30 June 2022 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 2022	238,767	98,093	505,376	143,376	(78,601)	C	907,011
31 December 2021	225,285	82,363	425,142	141,934	(75,601)	C	799,123
Liabilities							
30 June 2022	169,096	51,117	259,617	64,372	12,436	D	556,638
31 December 2021	147,570	47,295	217,860	47,203	11,790	D	471,718

ValueMax Group Limited and its Subsidiaries

Notes to the Condensed interim financial statements For the six-month period ended 30 June 2022

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 condensed interim consolidated statement of comprehensive income:

	Group	
	30 Jun 2022	30 Jun 2021
	\$'000	\$'000
Share of results of associates	2,610	2,051

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

	Group	
	30 Jun 2022	31 Dec 2021
	\$'000	\$'000
Inter-segment assets	(78,601)	(75,601)

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

	Group	
	30 Jun 2022	31 Dec 2021
	\$'000	\$'000
Deferred tax liabilities	1,602	1,635
Income tax payable	(473)	(71)
Inter-segment liabilities	11,307	10,226
	12,436	11,790

ValueMax Group Limited and its Subsidiaries

Notes to the Condensed interim financial statements For the six-month period ended 30 June 2022

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	
	2022	2021
	\$'000	\$'000
Income:		
Rental income from leasehold properties	359	380
Interest income on loans and receivables	314	253
Dividend income from unquoted investments	36	52
Expenses:		
Interest on loans and borrowings	5,904	3,983
Depreciation of property, plant and equipment	781	825
Amortisation of intangible assets	75	75
Depreciation of right-of-use assets	2,667	2,448
Inventories recognised as an expense in cost of sales	106,126	92,853
(Increase)/decrease in fair value of inventories less point-of-sale costs	(124)	212
Operating lease expense	262	292
Net fair value loss/(gain) on loan from an unrelated party	33	(82)
Foreign exchange loss, net	70	52
Allowance for expected credit losses	163	2,859
Allowance for inventories	–	2

ValueMax Group Limited and its Subsidiaries

Notes to the Condensed interim financial statements For the six-month period ended 30 June 2022

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 period:

	The Group	
	6 months ended	
	30 June	
	2022	2021
	\$'000	\$'000
Sale of goods to director-related companies	2,082	3,058
Purchase of goods from director-related companies	912	1,021
Purchase of goods from associates	102	109
Rental paid to director-related companies	295	288
Management fee income received from associates	300	247
Interest received from associates	313	249
Dividend income from associates	111	120
Interest paid/payable on term notes held by directors	–	389
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.

ValueMax Group Limited and its Subsidiaries

Notes to the Condensed interim financial statements For the six-month period ended 30 June 2022

6. Income tax expense

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 are:

	The Group 6 months ended 30 June	
	2022 \$'000	2021 \$'000
Current income taxation	4,450	3,466
Deferred income taxation	30	166
Income tax expense recognised in profit or loss	<u>4,480</u>	<u>3,632</u>

7. Dividends

	The Group 6 months ended 30 June	
	2022 \$'000	2021 \$'000
<i>Declared and paid during the financial period:</i>		
<i>Dividends on ordinary shares:</i>		
- Final exempt (one-tier) dividend for 2021: 1.88 (2020: 1.80) cents per share	13,130	10,474

8. Net asset value

	Group		Company	
	30 Jun 2022	31 Dec 2021	30 Jun 2022	31 Dec 2021
Net asset value per ordinary share (cents)	<u>47.23</u>	<u>46.15</u>	<u>33.63</u>	<u>32.80</u>

The number of ordinary shares was based on the 731,589,000 and 698,407,000 outstanding shares (excluding treasury shares) as at 30 June 2022 and 31 December 2021.

ValueMax Group Limited and its Subsidiaries

Notes to the Condensed interim financial statements For the six-month period ended 30 June 2022

9. Fair value of assets and liabilities

(a) 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 markets for identical assets or liabilities;

Level 2 – Inputs other than quoted prices included within Level 1 which are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and

Level 3 – Inputs for the assets or liability which are not based on observable market data (unobservable inputs)

(b) Assets and liabilities measures 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 June 2022				
Assets measured at fair value				
Financial assets:				
– Derivative assets	–	314	–	314
– Unquoted equity security	–	–	688	688
	–	314	688	1,002
Non-financial assets:				
– Commodity inventories at fair value, representing total non-financial assets as at 30 June 2022	6,677	–	–	6,677
Liabilities measured at fair value				
Non-financial liabilities:				
– Loan from an unrelated party, representing total non-financial liabilities as at 30 June 2022	(1,775)	–	–	(1,775)

ValueMax Group Limited and its Subsidiaries

Notes to the Condensed interim financial statements
For the six-month period ended 30 June 2022

9. Fair value of assets and liabilities (cont'd)

(b) *Assets and liabilities measures at fair value*

	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				
31 December 2021				
Assets measured at fair value				
Financial assets:				
– Derivative assets	–	12	–	12
– Unquoted equity security	–	–	688	688
	–	12	688	700
Non-financial assets:				
– Commodity inventories at fair value, representing total non-financial assets as at 31 December 2021	8,005	–	–	8,005
Liabilities measured at fair value				
Non-financial liabilities:				
– Loan from an unrelated party, representing total non-financial liabilities as at 31 December 2021	(1,742)	–	–	(1,742)

ValueMax Group Limited and its Subsidiaries

**Notes to the Condensed interim financial statements
For the six-month period ended 30 June 2022**

10. Property, plant and equipment

During the six-month period ended 30 June 2022, the Group acquired assets amounting to \$232,000 (30 June 2021: \$452,000).

11. Intangible assets

	Group		
	Money lending licence \$'000	Lease assignment fee \$'000	Total \$'000
6 months ended 30 June 2022			
Cost			
At 1 January 2022	310	665	975
Accumulated amortisation			
At 1 January 2022	–	540	540
Amortisation	–	75	75
At 30 June 2022	–	615	615
Net carrying amount			
At 30 June 2022	310	50	360

	Group		
	Money lending licence \$'000	Lease assignment fee \$'000	Total \$'000
At 31 Dec 2021			
Cost			
At 1 January 2021	43	665	708
Additions	267	–	267
At 31 December 2021	310	665	975
Accumulated amortisation			
At 1 January 2020	–	390	390
Amortisation	–	150	150
At 31 December 2021	–	540	540
Net carrying amount			
At 31 December 2021	310	125	435

Moneylending licence

Moneylending licence, as issued by the Registry of Moneylenders in Singapore, were acquired when the Group acquired the subsidiaries, VM Credit Pte. Ltd in 2014 and Hersing Credit Pte Ltd in 2021.

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Notes to the Condensed interim financial statements For the six-month period ended 30 June 2022

11. Intangible assets (cont'd)

Moneylending licence (cont'd)

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.

12. Cash and bank balances

	Group		Company	
	30.06.2022	31.12.2021	30.06.2022	31.12.2021
	\$'000	\$'000	\$'000	\$'000
Cash at banks and on hand	47,676	14,601	621	4,283

Cash at banks do not earn interest.

Cash and bank balances denominated in foreign currencies as at 30 June 2022 and 31 December 2021 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.

ValueMax Group Limited and its Subsidiaries

**Notes to the Condensed interim financial statements
For the six-month period ended 30 June 2022**

13. Loans and borrowings

	Group		Company	
	30 Jun 2022	31 Dec 2021	30 Jun 2022	31 Dec 2021
	\$'000	\$'000	\$'000	\$'000
Current				
Secured	439,374	370,367	–	–
Unsecured	54,193	33,142	45,000	25,000
	493,567	403,509	45,000	25,000
Non-current				
Secured	29,060	32,960	–	–
Unsecured	5,156	6,100	–	–
	34,216	39,060	–	–
Total current and non-current borrowings	527,783	442,569	45,000	25,000

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.

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 2022	698,507	(100)	133,745	(26)
Shares issued under scrip dividend scheme	33,182	–	11,348	–
Balance at 30 June 2022	731,689	(100)	145,093	(26)
Balance at 1 January 2021	582,106	(100)	91,971	(26)
Shares issued pursuant to rights issue, net of share issue expense	116,401	–	41,774	–
Balance at 31 December 2021	698,507	(100)	133,745	(26)

ValueMax Group Limited and its Subsidiaries

Notes to the Condensed interim financial statements For the six-month period ended 30 June 2022

14. Share capital (cont'd)

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.

On 28 June 2022, the Company issued 33,182,000 ordinary shares under the Company's scrip dividend scheme.

On 31 May 2021, the Company issued 116,401,000 ordinary shares pursuant to a non-renounceable non-underwritten rights issue.

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 2022 and 31 December 2021.

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	
	2022	2021
Profit for the financial period attributable to owners of the Company (\$'000)	25,185	18,409
Weighted average number of ordinary shares outstanding for basic and diluted earnings per share ('000)	698,957	600,656
Basic and diluted earnings per share (cents)	3.60	3.06

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 2022 and 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

For the six-month period ended 30 June 2022

1. Review

The condensed interim consolidated financial statements of the Group and the condensed interim statement of financial position and condensed interim statement of changes in equity of the Company as of and for the six-month period ended 30 June 2022 and certain explanatory notes have not been audited or reviewed.

2. Review of performance of the Group

Revenue

The Group's revenue increased from \$131.6 million in 1H2021 to \$153.4 million in 1H2022. Revenue from retail and trading of jewellery and gold business, pawnbroking and moneylending business increased by \$14.2 million, \$2.3 million and \$5.3 million respectively.

Cost of sales

The Group's cost of sales increased from \$95.3 million in 1H2021 to \$111.0 million in 1H2022. The increase is mainly due to an increase of \$13.4 million, \$0.2 million and \$2.1 million in cost of goods sold for retail and trading of jewellery and gold business, pawnbroking and moneylending business. This is in line with the increase in revenue.

Gross profit

Overall gross profit increased by \$6.1 million in 1H2022 compared with the same period in 1H2021. Gross profit margin increased from 27.6% in 1H2021 to 27.7% in 1H2022.

Other operating income

Other operating income remains stable at \$3.0 million in 1H2022 compared with the same period in 1H2021.

Marketing and distribution expenses

Marketing and distribution expenses comprise mainly commission expenses, labour charges, licenses, packaging, and repair and reconditioning expenses.

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 \$13.9 million in 1H2021 to \$16.0 million in 1H2022 was mainly due to the increase in employee benefits expenses of \$1.6 million.

Other operating expense

Other operating expenses comprise mainly allowance for expected credit losses of \$0.2 million in 1H2022 compared with allowance for expected credit losses of \$2.9 million in 1H2021.

ValueMax Group Limited and its Subsidiaries

Other information

For the six-month period ended 30 June 2022

Share of results of associates

The Group's share of results of associates increased from \$2.1 million in 1H2021 to \$2.6 million in 1H2022, due to increased contribution from Malaysian associated companies.

Profit before tax

As a result of the above, profit before tax increased by \$7.7 million to \$30.0 million in 1H2022.

Income tax expense

Income tax expense increased by \$0.8 million in 1H2022, which is in line with the increase in profit.

Review of the Group's Financial Position

Non-current assets increased by \$36.7 million from \$327.2 million as at 31 December 2021 to \$363.9 million as at 30 June 2022. This was due to the increases in trade and other receivables, investment in associates, derivative assets and right-of-use assets of \$35.0 million, \$2.0 million, \$0.3 million and \$0.1 million respectively. These were partly offset by a decrease in property, plant and equipment and intangible assets of \$0.6 million and \$0.1 million respectively.

Current assets increased by \$71.1 million from \$472.0 million as at 31 December 2021 to \$543.1 million as at 30 June 2022. This was mainly due to the increases in inventories, trade and other receivables and cash and bank balances of \$14.3 million, \$23.7 million and \$33.1 million respectively.

Current liabilities increased by \$89.5 million from \$426.1 million as at 31 December 2021 to \$515.6 million as at 30 June 2022 due to an increase in interest-bearing loans and borrowings, trade and other payables and income tax payable of \$90.0 million, \$0.8 million and \$0.6 million respectively. These were partially offset by a decrease in other current liabilities of \$1.9 million.

Non-current liabilities decreased by \$4.7 million from \$45.7 million as at 31 December 2021 to \$41.0 million as at 30 June 2022 as a result of decreases in interest-bearing loans and borrowings of \$4.8 million. This was partially offset by an increase in lease liabilities of \$0.1 million.

Equity comprises share capital, treasury shares, retained earnings, capital reserve, merger reserve, foreign currency translation reserve, cash flow hedge reserve and non-controlling interests. Equity attributable to owners of the Company increased from \$322.3 million as at 31 December 2021 to \$345.5 million as at 30 June 2022 mainly due to the increases in share capital and retained earnings.

Review of the Group's Cash Flows

In 1H2022, the net cash used in operating activities was \$47.1 million. This comprises operating cash flows before working capital adjustments of \$36.6 million, adjusted by net working capital outflow of \$74.3 million. In 1H2022, the Group received interest income of \$0.3 million, with net income tax paid of \$3.8 million and interest expense paid of \$5.9 million. The net working capital outflow was a result of the increases in inventories and trade and other receivables of \$14.2 million and \$58.8 million respectively as well as the decrease in other liabilities of \$2.0 million. These were partially offset by the increase in trade and other payables of \$0.7 million.

ValueMax Group Limited and its Subsidiaries

Other information

For the six-month period ended 30 June 2022

In 1H2022, the net cash used in investing activities comprise the purchase of property, plant and equipment of \$0.2 million, partially offset by dividend income received of \$0.1 million.

The net cash generated from financing activities in 1H2022 amounted to \$80.0 million comprising the net proceeds from interest-bearing loans and borrowings of \$84.9 million. These were partially offset by the repayment of lease liabilities of \$2.5 million and payment of dividends of \$2.4 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 breached USD2,000 per ounce in early March and fell briefly below USD1,700 per ounce in July. With the on-going war in Ukraine, rising inflation and the uneven economic recovery across the globe, gold price may continue to remain volatile while interest rates are expected to rise further. The Group continues to face a challenging business environment with significant increase in financing cost, as well as increasing operating cost and intensifying 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

For the six-month period ended 30 June 2022

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 2022 as it is the Company's policy to consider declaring a final dividend after the end of the financial year.

6. 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 26 April 2022. During the financial period under review, 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:

	1H2022	1H2021
	\$'000	\$'000
Sales of goods to director-related companies		
- Cantik Jewellery	850	1,511
- Hwa Goldsmith and Jewellers	301	389
- Lucky Jewellery	725	1,169
- Mei Zhi Jewellery	167	-
Purchase of goods from director-related companies		
- Mei Zhi Jewellery	-	283
Rental paid to director-related company		
- Yeah Properties Pte Ltd	170	168

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

	1H2022	1H2021
	\$'000	\$'000
Performance guarantee fee		
- Yeah Holdings Pte Ltd	-	190

ValueMax Group Limited and its Subsidiaries

Other information

For the six-month period ended 30 June 2022

7. 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.

8. 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 condensed interim financial statements for the six-month period ended 30 June 2022 to be false or misleading in any material respects.

For and on behalf of the Board

Yeah Hiang Nam
Executive Chairman

Yeah Chia Kai
Chief Executive Officer