



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 AND FULL YEAR ENDED 31 December 2021**

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

A. CONDENSED INTERIM CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

Condensed Interim Consolidated Statements of Comprehensive Income For The Six Months Ended 31 December 2021 ("2H 2021") and Financial Year Ended 31 December 2021 ("FY2021")

	Group		Change %	Group		Change %
	2H2021 \$'000	2H2020 \$'000		FY2021 \$'000	FY2020 \$'000	
Revenue	114,071	160,021	-29%	225,703	262,821	-14%
Material costs	(72,555)	(114,674)	-37%	(143,881)	(179,220)	-20%
Employee benefits expenses	(13,436)	(11,384)	18%	(25,435)	(22,191)	15%
Depreciation and amortisation	(7,332)	(7,412)	-1%	(14,509)	(13,601)	7%
Finance costs	(5,201)	(4,905)	6%	(10,162)	(11,199)	-9%
Other operating expenses	(10,579)	(7,230)	46%	(19,986)	(16,923)	18%
Interest income	5	52	-90%	28	148	-81%
Dividend income from equity instruments	101	-	n.m.	298	99	201%
Rental income	713	345	107%	1,329	649	105%
Other income	1,935	2,586	-25%	4,141	8,675	-52%
Share of results of joint venture	78	(256)	n.m.	57	(6)	n.m.
Profit before tax	7,800	17,143	-55%	17,583	29,252	-40%
Income tax (expense)/credit	(1,317)	2,108	n.m.	(3,042)	137	n.m.
Profit for the year	6,483	19,251	-66%	14,541	29,389	-51%
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 year	-	(4)	n.m.	28	(47)	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	(3)	15	n.m.	4	(12)	n.m.
Foreign currency translation	70	(92)	n.m.	103	(137)	n.m.
Other comprehensive income for the year, net of tax	67	(81)	n.m.	135	(196)	n.m.
Total comprehensive income for the year	6,550	19,170	-66%	14,676	29,193	-50%
Profit for the year attributable to:						
Owners of the Company	6,439	19,202	-66%	14,446	29,264	-51%
Non-controlling interests	44	49	-10%	95	125	-24%
Total comprehensive income attributable to:	6,483	19,251	-66%	14,541	29,389	-51%
Owners of the Company	6,506	19,121	-66%	14,581	29,068	-50%
Non-controlling interests	44	49	-10%	95	125	-24%
Earnings per ordinary share (cents)	0.62	1.85	-67%	1.39	2.83	-51%
-Basic and diluted						

Other information :-

	Group		Change %	Group		Change %
	2H2021 \$'000	2H2020 \$'000		FY2021 \$'000	FY2020 \$'000	
Amortisation of prepaid rent	1	1	0%	3	3	0%
Depreciation of property, plant and equipment	1,777	1,496	19%	3,478	2,935	19%
Depreciation of right-of-use assets	5,554	5,915	-6%	11,028	10,663	3%
Financial losses on pledged items not fully covered by insurance	108	108	0%	108	133	-19%
Foreign currency exchange gain, net	(1)	(115)	n.m.	(2)	(1,068)	n.m.
Loss on disposal of plant and equipment	(12)	69	n.m.	134	119	13%

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 decrease in material costs in FY2021 and 2H2021 were generally in line with the lower revenue.
- 1d - Higher employee benefits expenses for FY2021 and 2H2021 were mainly due to increase in headcount for both local and overseas.
- 1e - Higher depreciation and amortisation charges in FY2021 was mainly due to newly acquired properties. However, lower depreciation and amortisation charges in 2H2021 was mainly due to closure of store.
- 1f - Lower finance costs for FY2021 was mainly due to lower interest rate charged on bank borrowings and lower interest costs from term notes. However, higher finance costs in 2H2021 was mainly due to higher bank borrowings.
- 1g - Higher other operating expenses for FY2021 and 2H2021 were mainly due to increase in write-off of interest receivable for unredeemed pledges, higher marketing expenses and sales and support costs for both local and overseas.
- 1h - Lower interest income for FY2021 and 2H2021 were mainly due to the reduction in investment securities.
- 1i - Higher rental income for FY2021 and 2H2021 were mainly due to additional rental arising from newly acquired properties and lesser rental rebates to tenants.
- 1j - Decrease in other income for FY2021 and 2H2021 were 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 FY2020 and 2H2020 respectively.
- 1k - Higher income tax expense for FY2021 and 2H2021 were mainly due to recognition of deferred tax assets in FY2020 in relation to unabsorbed tax losses from previous years.

B. CONDENSED INTERIM STATEMENTS OF FINANCIAL POSITION

	Group		Company	
	31-Dec-21 \$'000	31-Dec-20 \$'000	31-Dec-21 \$'000	31-Dec-20 \$'000
NON-CURRENT ASSETS				
Property, plant and equipment	81,078	65,474	33	45
Investment properties	16,850	10,810	-	-
Right-of-use assets	33,314	34,046	-	-
Trade and other receivables	2,086	4,089	-	-
Investment in subsidiaries	-	-	54,242	54,242
Investment in joint venture	1,466	1,409	2,000	2,000
Investment securities	2,957	2,424	-	-
Prepaid rent	1	5	-	-
Deferred tax assets	2,853	3,973	-	-
	140,605	122,230	56,275	56,287
CURRENT ASSETS				
Inventories	90,927	74,656	-	-
Trade and other receivables	329,488	293,319	11	21
Prepaid rent	3	3	-	-
Prepayments	967	1,517	157	407
Due from subsidiaries (non-trade)	-	-	135,604	134,494
Due from a joint venture (non-trade)	-	263	-	263
Investment securities	-	738	-	-
Derivative financial instruments	219	-	-	-
Cash and bank balances	19,735	23,816	4,712	8,058
	441,339	394,312	140,484	143,243
TOTAL ASSETS	581,944	516,542	196,759	199,530
CURRENT LIABILITIES				
Trade and other payables	12,192	12,753	2,448	2,712
Due to immediate holding company (non-trade)	6	-	6	-
Due to a related company (non-trade)	3	84	3	26
Derivative financial instruments	-	25	-	-
Provision for taxation	2,944	5,025	376	481
Interest-bearing loans	252,296	200,117	-	-
Lease liabilities	10,304	9,725	-	-
Term notes	45,250	-	45,250	-
	322,995	227,729	48,083	3,219
Net current assets	118,344	166,583	92,401	140,024
NON-CURRENT LIABILITIES				
Other payables	111	68	-	-
Interest-bearing loans	84,001	65,403	-	-
Term notes	-	45,250	-	45,250
Deferred tax liabilities	175	267	4	7
Lease liabilities	24,106	25,216	-	-
	108,393	136,204	4	45,257
TOTAL LIABILITIES	431,388	363,933	48,087	48,476
Net assets	150,556	152,609	148,672	151,054
EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY				
Share capital	142,341	137,286	142,341	137,286
Treasury shares	(59)	(9)	(59)	(9)
Other reserves	(5,928)	(6,066)	(23)	(26)
Revenue reserves	13,072	20,363	6,413	13,803
	149,426	151,574	148,672	151,054
Non-controlling interests	1,130	1,035	-	-
Total equity	150,556	152,609	148,672	151,054
Total equity and liabilities	581,944	516,542	196,759	199,530
Net asset value per ordinary share (cents)	14.01	14.64	13.93	14.59

B1. - Review of Financial Position

The equity attributable to owners of the Company was \$149.4 million as at 31 December 2021 as compared to \$151.6 million as at 31 December 2020. The decrease was mainly due to dividend declared for FY2020 recognised in FY2021, partially offset by profit for the year and increase in share capital.

The Group's total assets of \$581.9 million as at 31 December 2021 was \$65.4 million higher than that as at 31 December 2020 mainly due to an increase in trade and other receivables, property, plant and equipment, inventories partially offset by a decrease in right-of-use assets, 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 \$431.4 million as at 31 December 2021 was \$67.5 million higher than that as at 31 December 2020. This was mainly due to an increase in interest-bearing loans in FY2021 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	
	FY2021 \$'000	FY2020 \$'000
OPERATING ACTIVITIES		
Profit before tax	17,583	29,252
Adjustments for:		
Depreciation of property, plant and equipment	3,478	2,935
Fair value gain on investment properties	(40)	-
(Write-back) / Write-down of inventories	(14)	536
Interest expense	9,910	10,871
Interest income	(28)	(148)
Dividend income from equity instruments	(298)	(99)
Amortisation of prepaid commitment fee	252	344
Amortisation of premium on term notes	-	(16)
Financial losses on pledged items not fully covered by insurance	108	133
Loss on disposal of property, plant and equipment	134	119
Gain on disposal of investment securities	(7)	(1)
Net fair value change on derivatives	(243)	627
Amortisation of prepaid rent	3	3
Gain on purchase of term notes	-	(14)
Unrealised foreign exchange differences	348	(1,010)
Share of results of joint venture	(57)	6
Depreciation of right-of-use assets	11,028	10,663
Gain on termination of right-of-use assets	-	(6)
Operating cash flows before changes in working capital	42,157	54,195
<i>Changes in working capital</i>		
Increase in inventories	(16,257)	(730)
(Increase)/decrease in trade and other receivables	(34,479)	27,675
Decrease in prepayments	550	1,124
Decrease in due from a related company (trade)	-	394
(Decrease)/increase in trade and other payables	(608)	1,719
Total changes in working capital	(50,794)	30,182
Cash flows (used in)/from operations	(8,637)	84,377
Interest paid	(8,908)	(9,848)
Interest received	8	50
Income taxes refunded	-	289
Income taxes paid	(4,132)	(2,100)
Net cash flows (used in)/from operating activities	(21,669)	72,768
INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(25,255)	(26,807)
Interest received	325	2,909
Purchase of investment securities	(500)	-
Proceeds from disposal of plant and equipment	15	19
Decrease in due from a joint venture (non-trade)	263	2,640
Proceeds from disposal of investment securities	750	1,248
Capital reduction in joint venture	-	5,000
Net cash flows used in investing activities	(24,402)	(14,991)
FINANCING ACTIVITIES		
Proceeds from issuance of ordinary shares	5,055	-
Redemption of term notes	-	(4,736)
Repayment of term notes	-	(25,500)
Proceeds from / (repayment of) short-term bank borrowings, net	47,520	(20,223)
Proceeds from term loans	29,039	37,053
Repayment of term loans	(5,770)	(992)
Purchase of treasury shares	(209)	-
Proceeds from/(repayment of advances to) immediate holding company (non-trade), net	6	(2,697)
Repayments of advances to related companies (non-trade), net	(81)	(680)
Proceeds from issuance of ordinary shares by subsidiaries from non-controlling interests	-	51
Dividends paid on ordinary shares	(21,737)	(20,704)
Interest paid on leases liabilities	(1,002)	(1,023)
Payment of principal portion of lease liabilities	(10,803)	(10,272)
Increase in due from a related company (non-trade)	-	(195)
Net cash flows from/(used in) financing activities	42,018	(49,918)
Net (decrease)/increase in cash and cash equivalents	(4,053)	7,859
Effect of exchange rate changes on cash and cash equivalents	(28)	(84)
Cash and cash equivalents at the beginning of the financial year	23,816	16,041
Cash and cash equivalents at the end of the financial year	19,735	23,816

Cash and cash equivalents

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

	FY2021 \$'000	FY2020 \$'000
Cash at banks and on hand	19,735	23,816
Cash and cash equivalents	19,735	23,816

C. CONDENSED INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS (CONTINUED)

C1. - Cashflow Analysis

FY2021

Net cash used in operating activities for FY2021 was \$21.7 million. This was due to increase in trade and other receivables, increase in inventories and decrease in trade and other payables, partially offset by decrease in prepayments.

Net cash used in investing activities was \$24.4 million in FY2021. The net cash used in investing activities was mainly for the newly acquired properties and purchase of investment securities in FY2021, 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 \$42.0 million in FY2021. The net cash flows from financing activities was mainly due to proceeds from issuance of ordinary shares, proceeds from short-term bank borrowings, proceeds from term loans for the newly acquired properties, partially offset by the dividends paid on ordinary shares, interest paid on leases liabilities, payment 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 year	-	-	-	14,446	95	14,541
Foreign currency translation	-	-	103	-	-	103
Net fair value changes in debt instruments at fair value through other comprehensive income ("FVOCI")	-	-	4	-	-	4
Net fair value changes in equity instruments at FVOCI	-	-	28	-	-	28
Dividends on ordinary shares - Cash	-	-	-	(21,737)	-	(21,737)
Treasury shares reissued pursuant to Maxi-Cash Performance Share Plan	-	159	3	-	-	162
Purchase of treasury shares	-	(209)	-	-	-	(209)
Issuance on ordinary shares	5,055	-	-	-	-	5,055
Balance as at 31 December 2021	142,341	(59)	(5,928)	13,072	1,130	150,556
Balance as at 1 January 2020	137,286	(9)	(5,870)	6,627	859	138,893
Profit for the year	-	-	-	29,264	125	29,389
Foreign currency translation	-	-	(137)	-	-	(137)
Net fair value changes in debt instruments at FVOCI	-	-	(12)	-	-	(12)
Net fair value changes in equity instruments at FVOCI	-	-	(47)	-	-	(47)
Dividends on ordinary shares-Cash	-	-	-	(15,528)	-	(15,528)
Change in ownership interests in subsidiaries without a change in control	-	-	-	-	51	51
Balance as at 31 December 2020	137,286	(9)	(6,066)	20,363	1,035	152,609
Company						
Balance as at 1 January 2021	137,286	(9)	(26)	13,803	-	151,054
Profit for the year	-	-	-	14,347	-	14,347
Purchase of treasury shares	-	(209)	-	-	-	(209)
Dividends on ordinary shares-Cash	-	-	-	(21,737)	-	(21,737)
Issuance on ordinary shares	5,055	-	-	-	-	5,055
Treasury shares reissued pursuant to Maxi-Cash Performance Share Plan	-	159	3	-	-	162
Balance as at 31 December 2021	142,341	(59)	(23)	6,413	-	148,672
Balance as at 1 January 2020	137,286	(9)	(26)	2,490	-	139,741
Profit for the year	-	-	-	26,841	-	26,841
Dividends on ordinary shares - Cash	-	-	-	(15,528)	-	(15,528)
Balance as at 31 December 2020	137,286	(9)	(26)	13,803	-	151,054

E. NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

E1. Corporate Information

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

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

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

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

E2. Basis of Preparation

The condensed interim financial statements for the six months and full year ended 31 December 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 30 June 2021.

The accounting policies and method of computation adopted are consistent with those of the previous financial year except that in the current financial year, 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 and voluntary change in accounting policy relating investment properties. 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 Voluntary change in accounting policy relating to investment properties

During the financial year ended 31 December 2021, the Group changed its accounting policy with respect to the subsequent measurement of investment property from the cost model to the fair value model, with changes in fair value recognised in profit or loss. The Group believes that subsequent measurement using the fair value model provides more relevant information about the financial performance of these assets, assists users to better understand the risks associated with these assets and is consistent with industry practice in relation to these types of assets. This change in accounting policy was applied retrospectively and has no material impact on the financial performance or position of the Group.

E2.2 New and amended standard adopted by the Group

A number of amendments to Standards have become applicable for the current reporting year. The Group did not have to change its accounting policies or make retrospective adjustments as a result of adopting those standards.

E2.3 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.

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

2H2021	Pawnbroking	Money Lending	Retail and trading of jewellery and branded merchandise business	Others	Elimination	Group
Business Segment	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Revenue	23,364	1,170	89,537	-	-	114,071
Intersegment revenue	21,194	-	5	-	(21,199)	-
	44,558	1,170	89,542	-	(21,199)	114,071
Results :						
Segment result	7,409	965	3,306	12,068	(10,931)	12,817
Share of results of a joint venture	-	-	-	78	-	78
Interest income	1	-	-	556	(552)	5
Dividend income from equity instruments	-	-	-	101	-	101
Finance costs	(2,646)	(511)	(347)	(2,248)	551	(5,201)
Profit before taxation	4,764	454	2,959	10,555	(10,932)	7,800
Assets and liabilities						
Segment assets	380,139	23,299	108,526	286,492	(217,978)	580,478
Investment in Joint venture	-	-	-	1,466	-	1,466
Total assets						581,944
Segment liabilities	332,638	22,422	95,415	198,810	(217,897)	431,388
Total liabilities						431,388
Other segment information						
Capital expenditure	775	-	441	13	-	1,229
Depreciation and amortisation	5,932	-	934	466	-	7,332
Other significant non-cash expenses	113	-	(37)	(40)	-	36

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

E4. Segment Information (Continued)

2H2020	Pawnbroking	Money Lending	Retail and trading of jewellery and branded merchandise business	Others	Elimination	Group
Business Segment	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Revenue	20,272	1,344	138,405	-	-	160,021
Intersegment revenue	15,705	-	-	-	(15,705)	-
	35,977	1,344	138,405	-	(15,705)	160,021
Results :						
Segment result	7,720	1,340	8,884	30,682	(26,374)	22,252
Share of results of a joint venture	-	-	-	(256)	-	(256)
Interest income	25	1	-	590	(564)	52
Finance costs	(2,336)	(491)	(303)	(2,339)	564	(4,905)
Profit before taxation	5,409	850	8,581	28,677	(26,374)	17,143
Assets and liabilities						
Segment assets	364,824	11,155	91,448	261,093	(213,387)	515,133
Investment in Joint venture	-	-	-	1,409	-	1,409
Total assets						516,542
Segment liabilities	322,027	10,982	75,994	168,491	(213,559)	363,935
Unallocated liabilities						(2)
Total liabilities						363,933
Other segment information						
Capital expenditure	675	-	506	(211)	-	970
Depreciation and amortisation	6,202	-	737	473	-	7,412
Other significant non-cash expenses	202	-	428	(29)	-	601

FY2021	Pawnbroking	Money Lending	Retail and trading of jewellery and branded merchandise business	Others	Elimination	Group
Business Segment	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Revenue	46,043	2,082	177,578	-	-	225,703
Intersegment revenue	41,121	-	13	-	(41,134)	-
	87,164	2,082	177,591	-	(41,134)	225,703
Results :						
Segment result	13,136	1,661	9,421	17,819	(14,675)	27,362
Share of results of a joint venture	-	-	-	57	-	57
Interest income	8	-	-	1,119	(1,099)	28
Dividend income from equity instruments	-	-	-	298	-	298
Finance costs	(5,166)	(816)	(666)	(4,612)	1,098	(10,162)
Profit before taxation	7,978	845	8,755	14,681	(14,676)	17,583
Assets and liabilities						
Segment assets	380,139	23,299	108,526	286,492	(217,978)	580,478
Investment in Joint venture	-	-	-	1,466	-	1,466
Total assets						581,944
Segment liabilities	332,638	22,422	95,415	198,810	(217,897)	431,388
Total liabilities						431,388
Other segment information						
Capital expenditure	1,821	-	899	22,535	-	25,255
Depreciation and amortisation	11,829	-	1,727	953	-	14,509
Other significant non-cash expenses	242	-	(14)	(40)	-	188

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

E4. Segment Information (Continued)

FY2020	Pawnbroking	Money Lending	Retail and trading of jewellery and branded merchandise business	Others	Elimination	Group
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Business Segment						
Revenue	41,995	2,883	217,943	-	-	262,821
Intersegment revenue	37,547	-	-	-	(37,547)	-
	79,542	2,883	217,943	-	(37,547)	262,821
Results :						
Segment result	20,630	2,485	12,436	31,032	(26,373)	40,210
Share of results of a joint venture	-	-	-	(6)	-	(6)
Interest income	25	2	-	1,616	(1,495)	148
Dividend income from equity instruments	-	-	-	99	-	99
Finance costs	(5,663)	(1,202)	(620)	(5,209)	1,495	(11,199)
Profit before taxation	14,992	1,285	11,816	27,532	(26,373)	29,252
Assets and liabilities						
Segment assets	364,824	11,155	91,448	261,093	(213,387)	515,133
Investment in Joint venture	-	-	-	1,409	-	1,409
Total assets						516,542
Segment liabilities	322,027	10,982	75,994	168,491	(213,559)	363,935
Unallocated liabilities	-	-	-	-	-	(2)
Total liabilities						363,933
Other segment information						
Capital expenditure	1,299	-	547	24,961	-	26,807
Depreciation and amortisation	11,484	-	1,188	929	-	13,601
Other significant non-cash expenses	255	-	533	-	-	788

E5. Disaggregation of Revenue

Segments	2H2021 S\$'000	2H2020 S\$'000	FY2021 S\$'000	FY2020 S\$'000
Major product or service lines				
Interest income from pawnbroking services	23,364	20,272	46,043	41,995
Interest income and distribution income from secured lending	1,170	1,344	2,082	2,883
Sale of jewellery and branded merchandise	89,537	138,405	177,578	217,943
	114,071	160,021	225,703	262,821
Timing of transfer of goods or services				
At a point in time	89,537	138,405	177,578	217,943
Over time	24,534	21,616	48,125	44,878
	114,071	160,021	225,703	262,821
Geographical information				
Singapore	106,833	155,065	212,440	254,266
Australia	2,126	1,188	4,002	2,828
Ireland	884	1,044	1,708	1,821
Malaysia	1,271	905	2,329	1,172
Hong Kong	2,957	1,819	5,224	2,734
	114,071	160,021	225,703	262,821

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		Group	
	2H2021 S\$'000	2H2020 S\$'000	FY2021 S\$'000	FY2020 S\$'000
Purchases from a related company	180	332	381	528
Sales to a related company	(205)	(308)	(424)	(1,576)
Corporate services charged by immediate holding company	1,456	1,677	2,894	2,577
Rental charged from a joint venture	1,020	811	2,019	1,891
Management services charged from a related company	21	-	21	-
Management services to a related company	(195)	-	(195)	-
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 31 December 2021 and 31 December 2020:

	Group			Company		
	Carrying amount			Carrying amount		
	Asset at amortised cost S\$'000	Liabilities at amortised cost S\$'000	Total S\$'000	Asset at amortised cost S\$'000	Liabilities at amortised cost S\$'000	Total S\$'000
31 December 2021						
Financial assets not measured at fair value						
Trade and other receivables*	331,292	-	331,292	11	-	11
Due from subsidiaries (non-trade)	-	-	-	135,604	-	135,604
Cash and equivalents	19,735	-	19,735	4,712	-	4,712
	351,027	-	351,027	140,327	-	140,327
Financial liabilities not measured at fair value						
Trade and other payables**	-	10,794	10,794	-	2,427	2,427
Due to immediate holding company (non-trade)	-	6	6	-	6	6
Due to a related company (non-trade)	-	3	3	-	3	3
Interest-bearing loans	-	336,297	336,297	-	-	-
Term notes	-	45,250	45,250	-	45,250	45,250
Lease liabilities	-	34,410	34,410	-	-	-
	-	426,760	426,760	-	47,686	47,686
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		Group	
	2H2021 S\$'000	2H2020 S\$'000	FY2021 S\$'000	FY2020 S\$'000
Current income tax				
Current income taxation	1,058	2,467	2,475	4,464
Over provision in respect of previous years	(83)	(507)	(83)	(507)
Withholding tax	18	-	26	-
Deferred income tax				
Origination and reversal of temporary differences	340	126	692	100
Over provision in respect of previous years	(15)	(4,194)	(67)	(4,194)
	1,317	(2,108)	3,042	(137)

E9. Dividends

	Group and Company	
	FY2021 S\$'000	FY2020 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 (2020: 1.15) cents per share	15,010	11,905
Interim exempt (one-tier) dividend in respect of profits for 2021: 0.65 cents per share	6,727	-
	21,737	15,528

E10. Net Asset Value

	Group		Company	
	31-Dec-21	31-Dec-20	31-Dec-21	31-Dec-20
Net asset value per ordinary share (cents)	14.01	14.64	13.93	14.59
Number of ordinary shares in issue ('000)	1,066,927	1,035,186	1,066,927	1,035,186

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

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	
	31-Dec-21 S\$'000	31-Dec-20 S\$'000
At FVOCI		
Debt securities (quoted)	-	738
- Fragrance Group Ltd		
Equity securities (quoted)		
- Lippo Malls Indonesia Retail Trust	2,457	2,424
Equity securities (unquoted)		
- Bigfunder Private Limited	500	-
	2,957	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 31-Dec-21			
	Quoted prices in active markets for identical assets (Level 1) S\$'000	Significant observable inputs other than quoted prices (Level 2) S\$'000	Significant unobservable inputs (Level 3) S\$'000	Total S\$'000
Assets measured at fair value				
Financial assets				
<u>At fair value through other comprehensive income</u>				
- Debt securities (unquoted)	-	-	500	500
- Equity securities (quoted)	2,457	-	-	2,457
<u>At fair value through profit or loss</u>				
- Forward currency contracts	-	219	-	219
	2,457	219	500	3,176
Non-financial assets				
- Investment properties	-	-	16,850	16,850

	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
Non-financial assets				
- Investment properties	-	-	10,810	10,810
Liabilities measured at fair value				
Financial liabilities				
<u>At fair value through profit or loss</u>				
- Forward currency contracts	-	(25)	-	(25)

E12. Property, Plant and Equipment

During the six months ended 31 December 2021, the Group acquired assets amounting to \$1,229,000 (six months ended 31 December 2020: \$970,000).

During the year ended 31 December 2021, the Group acquired assets amounting to \$25,255,000 (31 December 2020: \$26,807,000).

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

E13. Investment Properties

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

There were no acquisition and disposal of investment properties for the year ended 31 December 2021 and 2020. Freehold property of \$6,000,000 was transferred from property plant and equipment to investment properties on 31 December 2021 due to a change in management's intention for use of the property.

E13.1 Valuation

Investment properties are stated at fair value, which has been determined based on valuations performed by external appraisers with a recognised and relevant professional qualification and with recent experience in the location and category of the properties being 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 31-Dec-21		As at 31-Dec-20	
Secured \$'000	Unsecured \$'000	Secured \$'000	Unsecured \$'000
252,296	45,250	200,117	-

Amount repayable after one year

As at 31-Dec-21		As at 31-Dec-20	
Secured \$'000	Unsecured \$'000	Secured \$'000	Unsecured \$'000
84,001	-	65,403	45,250

Details of collateral

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

- corporate guarantees by the Company;
- fixed and floating charges on all assets of certain subsidiaries; and
- mortgage over freehold and leasehold properties and investment properties 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	137,228
Ordinary Shares issued (Note 3)	32,000	5,055
Balance as at 31 December 2021	1,066,927	142,282

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.

Note 3 - On 13 December 2021, the Company issued an aggregate of 32,000,000 ordinary shares.

The total number of issued shares excluding treasury shares as at 31 December 2021 was 1,066,927,234 (31 December 2020: 1,035,186,234). The Company has no outstanding convertibles or subsidiary holdings as at 31 December 2021 and 31 December 2020.

E16. Changes in Treasury Shares

	As at 31 December 2021 ('000)	As at 31 December 2020 ('000)
Total number of treasury shares	325	66
Total number of ordinary shares (excluding treasury shares)	1,066,927	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 31 December 2021 was 325,122 representing 0.03% of the total number of issued shares (excluding treasury shares) (31 December 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 year 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 consolidated interim financial statements have neither been audited nor reviewed by the auditors.

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.

F. OTHER INFORMATION REQUIRED BY CATALIST RULE APPENDIX 7C (CONTINUED)
F3. Variance from Forecast Statement

No forecast for the financial year ended 31 December 2021 was previously provided.

F4. Earnings per Share

	Group		Group	
	2H2021	2H2020	FY2021	FY2020
i) Basic earnings per share (cents)	0.62	1.85	1.39	2.83
ii) Diluted earnings per share (cents)	0.62	1.85	1.39	2.83
- Weighted average number of shares ('000)	1,038,232	1,035,186	1,036,667	1,035,186

F5. Review of Corporate Performance

The Group's revenue decreased by 14% to \$225.7 million in FY2021 and 29% to \$114.1 million in 2H2021. The decrease in revenue for FY2021 was primarily attributable to lower revenue from the trading of jewellery and branded merchandise and partially offset by increase in retail sales and interest income from the pawnbroking business both locally and regionally.

The Group's gross profit decreased by 2% to \$81.8 million in FY2021 and 8% to \$41.5 million in 2H2021. The decrease is mainly due to lower profit from the sales of unredeemed pledges and the trading of jewellery.

As compared to FY2020 and 2H2020, operating expenses in FY2021 and 2H2021 increased by \$7.2 million and \$5.3 million respectively as we emerged from lockdowns and restrictions in 2020. The increase is mainly due to higher staff costs, depreciation costs and marketing expenses for business expansion both locally and regionally.

As a result, profit before tax of the Group decreased to \$17.6 million in FY2021 from \$29.3 million in FY2020. The decrease is contributed by lower gross profit, higher operating expenses and substantially lower other income relating to government subsidies and rental rebates.

F6. Business Outlook

The ongoing Omicron wave of Covid-19 infections is impacting business operations both locally and regionally. However, the Group is cautiously optimistic about retail activities picking up as restrictions are eased beyond the current Covid-19 wave.

The Group continues to improve the effectiveness and efficiency in delivering its products and services by leveraging on its branding, retail network, digital touchpoints 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) Proposed Dividend

Name of dividend	2021	2020
Dividend Type	Interim	Interim
Dividend Rate	Cash	Cash
Tax Rate	\$0.0060 per ordinary share	\$0.0145 per ordinary share
Record date	One-tier tax exempt	One-tier tax exempt
Payment date	14 March 2022	15 March 2021
	24 March 2022	25 March 2021

(ii) Total Annual Dividend

Total dividend proposed and paid for the financial year ended 31 December 2021 will be \$0.0125 per share (2020: \$0.0260 per share).

Name of dividend	2021	2020
Interim dividend	13,128,591 *	26,914,842
Total annual dividend	13,128,591	26,914,842

* This refers to the first interim dividend of \$6,727,028 paid on 26 August 2021 and proposed second interim dividend of \$6,401,563.

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 FY2021. Neither was there any incorporation of new subsidiary or associated company by the Group during FY2021.

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.

On behalf of the Board of Directors,

Ng Leok Cheng
CEO

Koh Wee Seng
Non-Executive Chairman

24 February 2022