IMPORTANT NOTICE

NOT FOR DISTRIBUTION IN THE UNITED STATES OR TO U.S. PERSONS

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Confirmation of Your Representation: In order to be eligible to view the attached information memorandum or make an investment decision with respect to the notes, investors must not be (i) a U.S. person (as defined in Regulation S under the Securities Act of 1933, as amended (the "**Securities Act**") or (ii) located within the United States ("**U.S.**"). The attached information memorandum is being sent at your request and by accepting this e-mail and accessing the attached information memorandum, you shall be deemed to have represented to us (1) that you are not located in the U.S. nor a U.S. person, as defined in Regulation S under the Securities Act, nor are you acting on behalf of a U.S. person, the e-mail address that you gave us and to which this e-mail has been delivered is not located in the U.S. and, to the extent you purchase the notes described in the attached information memorandum, you will be doing so pursuant to Regulation S under the Securities Act, and (2) that you consent to delivery of the attached information memorandum and any amendments or supplements thereto by electronic transmission. By accepting this e-mail and accessing the attached information memorandum, if you are an investor in Singapore, you (A) represent and warrant that you are either an institutional investor (as defined in Section 4A of the Securities and Futures Act (Chapter 289 of Singapore) (the "**SFA**")) pursuant to Section 274 of the SFA, a relevant person (as defined in Section 275(2) of the SFA) pursuant to Section 275(1) of the SFA, or a person to whom an offer is being made pursuant to Section 275(1A) of the SFA, and in accordance with the conditions specified in Section 275 of the SFA and (where applicable) Regulation 3 of the Securities and Futures (Classes of Investors) Regulations 2018 of Singapore, and (B) agree to be bound by the limitations and restrictions described therein. Any reference to the "**SFA**" is a reference to the Securities and Futures Act, Chapter 289 of Singapore and a reference to any term as defined in the SFA or any provision in the SFA is a reference to that term or provision as modified or amended from time to time including by such of its subsidiary legislation as may be applicable at the relevant time.

The attached information memorandum has been made available to you in electronic form. You are reminded that documents transmitted via this medium may be altered or changed during the process of transmission and consequently none of Maxi-Cash Financial Services Corporation Ltd., DBS Bank Ltd. or any person who controls any of them nor any of their respective directors, officers, employees, agents, representatives or affiliates accepts any liability or responsibility whatsoever in respect of any discrepancies between the information memorandum distributed to you in electronic format and the hard copy version.

Restrictions: The attached information memorandum is being furnished in connection with an offering of notes exempt from registration under the Securities Act solely for the purpose of enabling a prospective investor to consider the subscription for or purchase of the notes described therein.

NOTHING IN THIS ELECTRONIC TRANSMISSION CONSTITUTES AN OFFER OF NOTES FOR SALE IN THE UNITED STATES OR ANY OTHER JURISDICTION WHERE IT IS UNLAWFUL TO DO SO. THE NOTES HAVE NOT BEEN, AND WILL NOT BE, REGISTERED UNDER THE SECURITIES ACT, OR THE SECURITIES LAWS OF ANY STATE OF THE U.S. OR OTHER JURISDICTION AND MAY NOT BE OFFERED, SOLD OR DELIVERED WITHIN THE U.S. OR TO, OR FOR THE ACCOUNT OR BENEFIT OF, U.S. PERSONS, EXCEPT PURSUANT TO AN EXEMPTION FROM, OR IN A TRANSACTION NOT SUBJECT TO, THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT AND APPLICABLE STATE OR LOCAL SECURITIES LAWS.

Except with respect to eligible investors in jurisdictions where such offer is permitted by law, nothing in this electronic transmission constitutes an offer or an invitation by or on behalf of Maxi-Cash Financial Services Corporation Ltd. or DBS Bank Ltd. to subscribe for or purchase any of the notes described therein, and access has been limited so that it shall not constitute in the United States or elsewhere a general solicitation or general advertising (as those terms are used in Regulation D under the Securities Act) or directed selling efforts (as defined in Regulation S under the Securities Act).

The attached information memorandum or any materials relating to the offering do not constitute, and may not be used in connection with, an offer or solicitation in any place where offers or solicitations are not permitted by law. If a jurisdiction requires that the offering be made by a licensed broker or dealer and the dealers or any affiliate of the dealers is a licensed broker or dealer in that jurisdiction, the offering shall be deemed to be made by the dealers or such affiliate on behalf of Maxi-Cash Financial Services Corporation Ltd. in such jurisdiction. The attached information memorandum may only be communicated to persons in the United Kingdom in circumstances where section 21(1) of the Financial Services and Markets Act 2000 does not apply.

You are reminded that you have accessed the attached information memorandum on the basis that you are a person into whose possession the attached information memorandum may be lawfully delivered in accordance with the laws of the jurisdiction in which you are located and you may not nor are you authorised to deliver the attached information memorandum, electronically or otherwise, to any other person. **If you have gained access to this transmission contrary to the foregoing restrictions, you will be unable to subscribe for or purchase any of the notes described therein.**

Actions that You May Not Take: If you receive the attached information memorandum by e-mail, you should not reply by e-mail, and you may not purchase any notes by doing so. Any reply e-mail communications, including those you generate by using the "Reply" function on your e-mail software, will be ignored or rejected.

YOU ARE NOT AUTHORISED TO, AND YOU MAY NOT, FORWARD OR DELIVER THE ATTACHED INFORMATION MEMORANDUM, ELECTRONICALLY OR OTHERWISE, TO ANY OTHER PERSON OR REPRODUCE SUCH INFORMATION MEMORANDUM IN ANY MANNER WHATSOEVER. ANY FORWARDING, DISTRIBUTION OR REPRODUCTION OF THIS E-MAIL AND THE ATTACHED INFORMATION MEMORANDUM IN WHOLE OR IN PART IS UNAUTHORISED. FAILURE TO COMPLY WITH THIS DIRECTIVE MAY RESULT IN A VIOLATION OF THE SECURITIES ACT OR THE APPLICABLE LAWS OF OTHER JURISDICTIONS.

You are responsible for protecting against viruses and other destructive items. **If you receive the attached information memorandum by e-mail, your use of this e-mail is at your own risk and it is your responsibility to take precautions to ensure that it is free from viruses and other items of a destructive nature.**

Maxi-Cash 大興當

MAXI-CASH FINANCIAL SERVICES CORPORATION LTD.

(Incorporated in the Republic of Singapore on 10 April 2008)
(UEN/Company Registration No. 200806968Z)

S$300,000,000
Multicurrency Medium Term Note Programme
(the "Programme")

This Information Memorandum has not been and will not be registered as a prospectus with the Monetary Authority of Singapore under the Securities and Futures Act, Chapter 289 of Singapore (the "**SFA**"). Accordingly, this Information Memorandum and any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of notes (the "**Notes**") to be issued from time to time by Maxi-Cash Financial Services Corporation Ltd. (the "**Issuer**") pursuant to the Programme may not be circulated or distributed, nor may the Notes be offered or sold, or be made the subject of an invitation for subscription or purchase, whether directly or indirectly, to any person in Singapore other than (i) to an institutional investor (as defined in Section 4A of the SFA) under Section 274 of the SFA, (ii) to a relevant person (as defined in Section 275(2) of the SFA) pursuant to Section 275(1) of the SFA, or any person pursuant to Section 275(1A) of the SFA, and in accordance with the conditions specified in Section 275 of the SFA and (where applicable) Regulation 3 of the Securities and Futures (Classes of Investors) Regulations 2018 of Singapore, or (iii) otherwise pursuant to, and in accordance with the conditions of, any other applicable provision of the SFA.

Where the Notes are subscribed or purchased under Section 275 of the SFA by a relevant person which is:

(a) a corporation (which is not an accredited investor (as defined in Section 4A of the SFA)) the sole business of which is to hold investments and the entire share capital of which is owned by one or more individuals, each of whom is an accredited investor; or

(b) a trust (where the trustee is not an accredited investor) whose sole purpose is to hold investments and each beneficiary of the trust is an individual who is an accredited investor,

securities or securities-based derivatives contracts (each term as defined in Section 2(1) of the SFA) of that corporation or the beneficiaries' rights and interest (howsoever described) in that trust shall not be transferred within six months after that corporation or that trust has acquired the Notes pursuant to an offer made under Section 275 of the SFA except:

(1) to an institutional investor or to a relevant person or to any person arising from an offer referred to in Section 275(1A) or Section 276(4)(i)(B) of the SFA;

(2) where no consideration is or will be given for the transfer;

(3) where the transfer is by operation of law;

(4) as specified in Section 276(7) of the SFA; or

(5) as specified in Regulation 37A of the Securities and Futures (Offers of Investments) (Securities and Securities-based Derivatives Contracts) Regulations 2018 of Singapore.

Any reference to the "SFA" is a reference to the Securities and Futures Act, Chapter 289 of Singapore and a reference to any term as defined in the SFA or any provision in the SFA is a reference to that term or provision as modified or amended from time to time including by such of its subsidiary legislation as may be applicable at the relevant time.

Approval in-principle has been received from the Singapore Exchange Securities Trading Limited (the "**SGX-ST**") in connection with the Programme and application will be made for the listing and quotation of any Notes which are agreed at the time of issue thereof to be so listed on the SGX-ST. Such permission will be granted when such Notes have been admitted for listing and quotation on the SGX-ST. The SGX-ST assumes no responsibility for the correctness of any of the statements made, opinions expressed or reports contained herein. Approval in-principle from, admission to the Official List of, and the listing and quotation of any Notes on, the SGX-ST are not to be taken as an indication of the merits of the Issuer, its subsidiaries, its associated companies (if any), the Programme or such Notes.

Sole Arranger

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TABLE OF CONTENTS

	Page
NOTICE	2
FORWARD-LOOKING STATEMENTS	8
DEFINITIONS	9
CORPORATE INFORMATION	14
SUMMARY OF THE PROGRAMME	16
TERMS AND CONDITIONS OF THE NOTES	24
THE ISSUER	55
SELECTED CONSOLIDATED FINANCIAL INFORMATION	70
INVESTMENT CONSIDERATIONS	75
USE OF PROCEEDS	97
CLEARING AND SETTLEMENT	98
TAXATION	100
SUBSCRIPTION, PURCHASE AND DISTRIBUTION	105
ANNEX	111

APPENDICES

I:	GENERAL AND OTHER INFORMATION	I-1
II:	AUDITED FINANCIAL STATEMENTS OF MAXI-CASH FINANCIAL SERVICES CORPORATION LTD. AND ITS SUBSIDIARIES FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2019	II-1
III:	AUDITED FINANCIAL STATEMENTS OF MAXI-CASH FINANCIAL SERVICES CORPORATION LTD. AND ITS SUBSIDIARIES FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020	III-1
IV:	ANNOUNCEMENT OF THE UNAUDITED HALF YEARLY FINANCIAL STATEMENTS OF MAXI-CASH FINANCIAL SERVICES CORPORATION LTD. AND ITS SUBSIDIARIES FOR THE FINANCIAL HALF-YEAR ENDED 30 JUNE 2021	IV-1

NOTICE

DBS Bank Ltd. (the "**Arranger**") has been authorised by the Issuer to arrange the Programme described herein. Under the Programme, the Issuer may, subject to compliance with all relevant laws, regulations and directives, from time to time issue Notes denominated in Singapore dollars and/or any other currencies.

This Information Memorandum contains information with regard to the Issuer, its subsidiaries and associated companies (if any), the Programme and the Notes. The Issuer confirms that this Information Memorandum contains all information which is material in the context of the Programme and the issue and offering of the Notes, that the information contained in this Information Memorandum is true and accurate in all material respects, that the opinions, expectations and intentions expressed in this Information Memorandum have been carefully considered, are based on all relevant considerations and facts existing at the date of this Information Memorandum and are fairly, reasonably and honestly held by the Issuer, and that there are no other facts the omission of which in the context of the Programme and the issue and offering of the Notes would make any such information or expressions of opinion, expectation or intention misleading in any material respect. Where information not relating to the Issuer and/or the Group (as defined herein) is extracted from published or otherwise publicly available sources, the sole responsibility of the Issuer has been to ensure that such information has been accurately and correctly extracted from these sources.

Notes may be issued in series having one or more issue dates and the same maturity date, and on identical terms (including as to listing) except (in the case of Notes other than variable rate notes (as described under the section "Summary of the Programme")) for the issue dates, issue prices and/or the dates of the first payment of interest, or (in the case of variable rate notes) for the issue prices and rates of interest. Each series may be issued in one or more tranches on the same or different issue dates. The Notes will be issued in bearer form and may be listed on a stock exchange. The Notes will initially be represented by either a Temporary Global Note (as defined herein) or a Permanent Global Note (as defined herein) which will be deposited on the relevant issue date with either CDP (as defined herein) or a common depositary for Euroclear Bank SA/NV ("**Euroclear**") and Clearstream Banking S.A. ("**Clearstream, Luxembourg**") or otherwise delivered as agreed between the Issuer and the relevant Dealer(s) (as defined herein). Subject to compliance with all relevant laws, regulations and directives, the Notes may have maturities of such tenor as may be agreed between the Issuer and the relevant Dealer(s) and may be subject to redemption or purchase in whole or in part. The Notes may bear interest at a fixed, floating, variable or hybrid rate or may not bear interest or may be such other notes as may be agreed between the Issuer and the relevant Dealer(s). The Notes will be repayable at par, at a specified amount above or below par or at an amount determined by reference to a formula, in each case with terms as specified in the Pricing Supplement (as defined herein) issued in relation to each series or tranche of Notes. Details applicable to each series or tranche of Notes will be specified in the applicable Pricing Supplement which is to be read in conjunction with this Information Memorandum.

The maximum aggregate principal amount of the Notes to be issued, when added to the aggregate principal amount of all Notes outstanding (as defined in the Trust Deed referred to herein) shall be S$300,000,000 (or its equivalent in any other currencies) or such higher amount in accordance with the terms of the Programme Agreement (as defined herein).

No person has been authorised to give any information or to make any representation other than those contained in this Information Memorandum and, if given or made, such information or representation must not be relied upon as having been authorised by the Issuer, the Arranger or any of the Dealers. Save as expressly stated in this Information Memorandum, nothing contained herein is, or may be relied upon as, a promise or representation as to the future performance or policies of the Issuer or any of its subsidiaries or associated companies (if any). Neither this

Information Memorandum nor any other document or information (or any part thereof) delivered or supplied under or in relation to the Programme may be used for the purpose of, and does not constitute an offer of, or solicitation or invitation by or on behalf of the Issuer, the Arranger or any of the Dealers to subscribe for or purchase, the Notes in any jurisdiction or under any circumstances in which such offer, solicitation or invitation is unlawful, or not authorised or to any person to whom it is unlawful to make such offer, solicitation or invitation. The distribution and publication of this Information Memorandum or any such other document or information (or any part thereof) and the offer of the Notes in certain jurisdictions may be restricted by law. Persons who distribute or publish this Information Memorandum or any such other document or information (or any part thereof) or into whose possession this Information Memorandum or any such other document or information (or any part thereof) comes are required to inform themselves about and to observe any such restrictions and all applicable laws, orders, rules and regulations.

The Notes have not been, and will not be, registered under the Securities Act or with any securities regulatory authority of any state or other jurisdiction of the United States and the Notes are subject to U.S. tax law requirements and restrictions. Subject to certain exceptions, the Notes may not be offered, sold or delivered within the United States or to, or for the account or benefit of, U.S. persons (as defined in Regulation S under the Securities Act).

Neither this Information Memorandum nor any other document or information (or any part thereof) delivered or supplied under or in relation to the Programme shall be deemed to constitute an offer of, or an invitation by or on behalf of the Issuer, the Arranger or any of the Dealers to subscribe for or purchase, any of the Notes.

This Information Memorandum and any other documents or materials in relation to the issue, offering, purchase or sale of the Notes have been prepared solely for the purpose of the initial sale by the relevant Dealer(s) of the Notes from time to time to be issued pursuant to the Programme. This Information Memorandum and such other documents or materials are made available to the recipients thereof solely on the basis that they are persons falling within the ambit of Section 274 and/or Section 275 of the SFA and may not be relied upon by any person other than persons to whom the Notes are sold or with whom they are placed by the relevant Dealer(s) as aforesaid or for any other purpose. Recipients of this Information Memorandum shall not reissue, circulate or distribute this Information Memorandum or any part thereof in any manner whatsoever.

Neither the delivery of this Information Memorandum (or any part thereof) nor the issue, offering, purchase or sale of the Notes shall, under any circumstances, constitute a representation, or give rise to any implication, that there has been no change in the prospects, results of operations or general affairs of the Issuer or any of its subsidiaries or associated companies (if any) or in the information herein since the date hereof or the date on which this Information Memorandum has been most recently amended or supplemented.

The Arranger and the Dealers have not separately verified the information contained in this Information Memorandum. None of the Arranger, any of the Dealers or any of their respective officers, employees or agents is making any representation or warranty expressed or implied as to the merits of the Notes or the subscription, purchase or acquisition thereof, or the creditworthiness or financial condition or otherwise of the Issuer or its subsidiaries or associated companies (if any). Further, neither the Arranger nor any of the Dealers makes any representation or warranty as to the Issuer, its subsidiaries or associated companies (if any) or as to the accuracy, reliability or completeness of the information set out herein (including the legal and regulatory requirements pertaining to Sections 274, 275 and 276 or any other provisions of the SFA) and the documents which are incorporated by reference in, and form part of, this Information Memorandum.

Neither this Information Memorandum nor any other document or information (or any part thereof) delivered or supplied under or in relation to the Programme or the issue of the Notes is intended to provide the basis of any credit or other evaluation and should not be considered as a recommendation by the Issuer, the Arranger or any of the Dealers that any recipient of this Information Memorandum or such other document or information (or such part thereof) should subscribe for or purchase any of the Notes. A prospective purchaser shall make its own assessment of the foregoing and other relevant matters including the financial condition and affairs and the creditworthiness of the Issuer and its subsidiaries and associated companies (if any), and obtain its own independent legal or other advice thereon, and its investment shall be deemed to be based on its own independent investigation of the financial condition and affairs and its appraisal of the creditworthiness of the Issuer and its subsidiaries and associated companies (if any). Accordingly, notwithstanding anything herein, none of the Arranger, the Dealers or any of their respective officers, employees or agents shall be held responsible for any loss or damage suffered or incurred by the recipients of this Information Memorandum or such other document or information (or such part thereof) as a result of or arising from anything expressly or implicitly contained in or referred to in this Information Memorandum or such other document or information (or such part thereof) and the same shall not constitute a ground for rescission of any purchase or acquisition of any of the Notes by a recipient of this Information Memorandum or such other document or information (or such part thereof).

To the fullest extent permitted by law, none of the Arranger nor any of the Dealers accepts any responsibility for the contents of this Information Memorandum or for any other statement made or purported to be made by the Arranger or any of the Dealers or on its behalf in connection with the Issuer, the Group, the Programme or the issue and offering of the Notes. The Arranger and each Dealer accordingly disclaims all and any liability whether arising in tort or contract or otherwise (save as referred to above) which it might otherwise have in respect of this Information Memorandum or any such statement.

In connection with the issue of any tranche or series of Notes, one or more Dealers named as stabilising manager(s) (the "**Stabilising Manager(s)**") (or persons acting on behalf of any Stabilising Manager) in the relevant Pricing Supplement may over-allot Notes or effect transactions with a view to supporting the market price of the Notes at a level higher than that which might otherwise prevail. However, there is no assurance that the Stabilising Manager(s) (or persons acting on behalf of any Stabilising Manager) will undertake any stabilisation action. Any stabilisation action may begin at any time, on or after the date on which adequate public disclosure of the terms of the offer of the relevant series of Notes is made and, if begun, may be ended or discontinued at any time, but it must end no later than the earlier of 30 days after the issue date of the relevant series of Notes and 60 days after the date of the allotment of the relevant series of Notes. Any stabilisation action will be conducted in accordance with the law.

The following documents published or issued from time to time after the date hereof shall be deemed to be incorporated by reference in, and to form part of, this Information Memorandum: (1) any annual reports, audited consolidated financial statements and/or publicly announced unaudited consolidated financial statements of the Issuer and its subsidiaries and associated companies (if any) and (2) any supplement or amendment to this Information Memorandum issued by the Issuer (including each relevant Pricing Supplement). This Information Memorandum is to be read in conjunction with all such documents which are incorporated by reference herein and, with respect to any series or tranche of Notes, any Pricing Supplement in respect of such series or tranche. Any statement contained in this Information Memorandum or in a document deemed to be incorporated by reference herein shall be deemed to be modified or superseded for the purpose of this Information Memorandum to the extent that a statement contained in this Information Memorandum or in such subsequent document that is also deemed to be incorporated by reference herein modifies or supersedes such earlier statement (whether expressly, by implication or otherwise). Any statement so modified or superseded shall not be deemed, except as so modified or superseded, to constitute a part of this Information Memorandum. The Issuer's latest annual report and the latest audited financial statements of the Group are incorporated into this Information Memorandum by reference and are available on the website of the SGX-ST at www.sgx.com. Copies of all documents deemed incorporated by reference herein are available for inspection at the respective specified office of the Principal Paying Agent (as defined herein) or, as the case may be, the Non-CDP Paying Agent (as defined herein).

Website(s) referenced in this Information Memorandum are intended as guides as to where other public information relating to the Issuer and its subsidiaries and associated companies (if any) may be obtained free of charge. Unless otherwise incorporated by reference, information appearing on such website(s) does not form part of this Information Memorandum or any applicable Pricing Supplement and none of the Issuer, or its subsidiaries or associated companies (if any), the Arranger or any of the Dealers accept any responsibility whatsoever that such information, if available, is accurate and/or up-to-date. Such information, if available, should not form the basis of any investment decision by an investor to subscribe for or purchase any of the Notes.

Any purchase or acquisition of the Notes is in all respects conditional on the satisfaction of certain conditions set out in the Programme Agreement and the issue of the Notes by the Issuer pursuant to the Programme Agreement. Any offer, invitation to offer or agreement made in connection with the purchase or acquisition of the Notes or pursuant to this Information Memorandum shall (without any liability or responsibility on the part of the Issuer, the Arranger or any of the Dealers) lapse and cease to have any effect if (for any other reason whatsoever) the Notes are not issued by the Issuer pursuant to the Programme Agreement.

Any discrepancies in the tables included herein between the listed amounts and the totals thereof are due to rounding.

The attention of recipients of this Information Memorandum is drawn to the restrictions on resale of the Notes set out under the section "Subscription, Purchase and Distribution" on pages 105 to 110 of this Information Memorandum.

Any person(s) who is/are invited to subscribe for or purchase the Notes or to whom this Information Memorandum is sent shall not make any offer or sale, directly or indirectly, of any Notes or distribute or cause to be distributed any document or other material in connection therewith in any country or jurisdiction except in such manner and in such circumstances as will result in compliance with any applicable laws and regulations.

It is recommended that persons proposing to subscribe for or purchase any of the Notes consult their own legal, tax and other advisers before subscribing for or purchasing the Notes.

Prospective investors should pay attention to the risk factors set out under the section on "*Investment Considerations*" in this Information Memorandum.

Notification under Section 309B(1)(c) of the SFA

Unless otherwise stated in the Pricing Supplement in respect of any Notes, the Issuer has determined, and hereby notifies all relevant persons (as defined in Section 309A(1) of the SFA), that the Notes issued or to be issued under the Programme shall be prescribed capital markets products (as defined in the Securities and Futures (Capital Markets Products) Regulations 2018 of Singapore) and Excluded Investment Products (as defined in MAS Notice SFA 04-N12: Notice on the Sale of Investment Products and MAS Notice FAA-N16: Notice on Recommendations on Investment Products).

MiFID II PRODUCT GOVERNANCE/TARGET MARKET – The applicable Pricing Supplement in respect of any Notes may include a legend entitled "MiFID II Product Governance" which will outline the target market assessment in respect of the Notes and which channels for distribution of the Notes are appropriate. Any person subsequently offering, selling or recommending the Notes (a "**distributor**") should take into consideration the target market assessment; however, a distributor subject to Directive 2014/65/EU (as amended or superseded, "**MiFID II**") is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the target market assessment) and determining appropriate distribution channels.

A determination will be made in relation to each issue about whether, for the purpose of the MiFID Product Governance rules under EU Delegated Directive 2017/593 (the "**MiFID Product Governance Rules**"), any Dealer subscribing for any Notes is a manufacturer in respect of such Notes, but otherwise, none of the Arranger, the Dealer(s) or any of their respective affiliates will be a manufacturer for the purpose of the MiFID Product Governance Rules.

UK MiFIR PRODUCT GOVERNANCE/TARGET MARKET – The applicable Pricing Supplement in respect of any Notes may include a legend entitled "**UK MiFIR Product Governance**" which will outline the target market assessment in respect of the Notes and which channels for distribution of the Notes are appropriate. Any person subsequently offering, selling or recommending the Notes (a "**distributor**") should take into consideration the target market assessment; however, a distributor subject to the FCA Handbook Product Intervention and Product Governance Sourcebook (the "**UK MiFIR Product Governance Rules**") is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the target market assessment) and determining appropriate distribution channels.

A determination will be made in relation to each issue about whether, for the purpose of the UK MiFIR Product Governance Rules, any Dealer subscribing for any Notes is a manufacturer in respect of such Notes, but otherwise, none of the Arranger, the Dealer(s) or any of their respective affiliates will be a manufacturer for the purpose of the UK MIFIR Product Governance Rules.

PRIIPS REGULATION – PROHIBITION OF SALES TO EEA RETAIL INVESTORS – If the applicable Pricing Supplement in respect of any Notes includes a legend entitled "Prohibition of Sales to EEA Retail Investors", the Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the European Economic Area ("**EEA**"). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU (as amended, "**MiFID II**"); or (ii) a customer within the meaning of Directive (EU) 2016/97 (as amended or superseded, the "**Insurance Distribution Directive**"), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or (iii) not a qualified investor as defined in Regulation (EU) 2017/1129 (as amended or superseded, the "**Prospectus Regulation**"). Consequently no key information document required by Regulation (EU) No 1286/2014 (as amended or superseded, the "**PRIIPs Regulation**") for offering or selling the Notes or otherwise making them available to retail investors in the EEA has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the EEA may be unlawful under the PRIIPs Regulation.

UK PRIIPS REGULATION – PROHIBITION OF SALES TO UK RETAIL INVESTORS – If the applicable Pricing Supplement in respect of any Notes includes a legend entitled "Prohibition of Sales to UK Retail Investors", the Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the United Kingdom ("**UK**"). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client, as defined in point (8) of Article 2 of Regulation (EU) No 2017/565 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018 (the "**EUWA**"); or (ii) a customer within the meaning of the provisions of the Financial Services and Markets Act 2000 (the "**FSMA**") and any rules or regulations made under the FSMA to implement the Insurance

Distribution Directive, where that customer would not qualify as a professional client, as defined in point (8) of Article 2(1) of Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the EUWA; or (iii) not a qualified investor as defined in Article 2 of Regulation (EU) 2017/1129 as it forms part of domestic law by virtue of the EUWA. Consequently no key information document required by the PRIIPS Regulation as it forms part of domestic law by virtue of the EUWA (the "**UK PRIIPs Regulation**") for offering or selling the Notes or otherwise making them available to retail investors in the UK has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the UK may be unlawful under the UK PRIIPs Regulation.

FORWARD-LOOKING STATEMENTS

All statements contained in this Information Memorandum that are not statements of historical fact constitute "forward-looking statements". Some of these statements can be identified by forward-looking terms such as "expect", "believe", "plan", "intend", "estimate", "anticipate", "may", "will", "would" and "could" or similar words. However, these words are not the exclusive means of identifying forward-looking statements. All statements regarding the expected financial position, business strategy, plans and prospects of the Issuer and/or the Group (including statements as to the Issuer's and/or the Group's revenue, profitability, prospects, future plans and other matters discussed in this Information Memorandum regarding matters that are not historical facts and including the financial forecasts, profit projections, statements as to the expansion plans of the Issuer and/or the Group, expected growth in the Issuer and/or the Group and other related matters), if any, are forward-looking statements and accordingly, are only predictions. These forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause the actual results, performance or achievements of the Issuer and/or the Group to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. These factors include, among others:

- changes in general political, social and economic conditions;
- changes in currency exchange and interest rates;
- demographic changes;
- changes in competitive conditions; and
- other factors beyond the control of the Issuer and the Group.

Some of these factors are discussed in greater detail in this Information Memorandum, in particular, but not limited to, under the section "Investment Considerations".

Given the risks and uncertainties that may cause the actual future results, performance or achievements of the Issuer or the Group to be materially different from the results, performance or achievements expected, expressed or implied by the financial forecasts, profit projections and forward-looking statements (if any) in this Information Memorandum, undue reliance must not be placed on those forecasts, projections and statements. The Issuer, the Arranger and the Dealers do not represent or warrant that the actual future results, performance or achievements of the Issuer or the Group will be as discussed in those statements.

Neither the delivery of this Information Memorandum (or any part thereof) nor the issue, offering, purchase or sale of any Notes by the Issuer shall under any circumstances constitute a continuing representation, or create any suggestion or implication, that there has been no change in the prospects, results of operations or general affairs of the Issuer or any of its subsidiaries or associated companies (if any) or any statement of fact or information contained in this Information Memorandum since the date of this Information Memorandum or the date on which this Information Memorandum has been most recently amended or supplemented.

Further, the Issuer, the Arranger and the Dealers disclaim any responsibility, and undertake no obligation, to update or revise any forward-looking statements contained herein to reflect any changes in the expectations with respect thereto after the date of this Information Memorandum or to reflect any change in events, conditions or circumstances on which any such statements are based.

DEFINITIONS

The following definitions have, where appropriate, been used in this Information Memorandum:

"**Agency Agreement**"	:	The agency agreement dated 5 April 2017 between (1) the Issuer, as issuer, (2) the Principal Paying Agent, as principal paying agent, (3) the Non-CDP Paying Agent, as non-CDP paying agent, and (4) the Trustee, as trustee, as amended, restated or supplemented from time to time.
"**Agent Bank**"	:	In relation to any Series of Notes, the person appointed as agent bank for that Series and as specified in the applicable Pricing Supplement.
"**Agent Bank Agreement**"	:	An agent bank agreement between the Issuer, the Trustee and the relevant Agent Bank made pursuant to Clause 2.5 of the Programme Agreement, substantially in the form set out in Appendix 6 to the Programme Agreement.
"**Arranger**"	:	DBS Bank Ltd.
"**Aspial**"	:	Aspial Corporation Limited.
"**Aspial Group**"	:	Aspial Corporation Limited and its subsidiaries.
"**CDP**" or the "**Depository**"	:	The Central Depository (Pte) Limited.
"**Companies Act**"	:	Companies Act, Chapter 50 of Singapore, as amended or modified from time to time.
"**Conditions**"	:	In relation to the Notes of any Series, the terms and conditions applicable thereto, which shall be substantially in the form set out in Part II of Schedule 1 to the Trust Deed, as modified, with respect to any Notes represented by a Global Note, by the provisions of such Global Note, shall incorporate any additional provisions forming part of such terms and conditions set out in the Pricing Supplement(s) relating to the Notes of such Series and shall be endorsed on the Definitive Notes subject to amendment and completion as referred to in the first paragraph appearing after the heading "Terms and Conditions of the Notes" as set out in Part II of Schedule 1 to the Trust Deed, and any reference to a particularly numbered Condition shall be construed accordingly.
"**Couponholders**"	:	The holders of the Coupons.
"**Coupons**"	:	The interest coupons appertaining to an interest bearing Definitive Note.
"**Dealers**"	:	Persons appointed as dealers under the Programme.

"Deed of Covenant"	:	The deed of covenant dated 5 April 2017 executed by the Issuer by way of deed poll in relation to the Notes (which are represented by a Global Note and which are deposited with the Depository), as amended, restated or supplemented from time to time.
"Definitive Note"	:	A definitive Note, in bearer form, being substantially in the form set out in Part I of Schedule 1 to the Trust Deed and having, where appropriate, Coupons attached on issue.
"Depository Agreement"	:	The application form dated 5 April 2017 signed by the Issuer and accepted by the Depository together with the terms and conditions for the provision of depository services by the Depository referred to therein, as amended, restated or supplemented from time to time.
"EURIBOR"	:	The Euro Interbank Offered Rate.
"Euro"	:	The lawful currency of the member states of the European Union that adopt the single currency in accordance with the Treaty establishing the European Community, as amended from time to time.
"FY"	:	Financial year ended 31 December.
"Global Note"	:	A global Note representing Notes of one or more Tranches of the same Series, being a Temporary Global Note and/or, as the context may require, a Permanent Global Note, in each case without Coupons.
"Group"	:	The Issuer and its subsidiaries.
"Issue Documents"	:	The Trust Deed, the Agency Agreement, the Agent Bank Agreement, the Depository Agreement and the Deed of Covenant.
"Issuer"	:	Maxi-Cash Financial Services Corporation Ltd.
"IRAS"	:	Inland Revenue Authority of Singapore.
"ITA"	:	Income Tax Act, Chapter 134 of Singapore, as amended or modified from time to time.
"Jobs Support Scheme"	:	A scheme implemented by the Singapore Government, which provides wage support to employers to help them retain their local employees (Singapore Citizens and Permanent Residents) during certain periods of economic uncertainty caused by the COVID-19 pandemic.
"Latest Practicable Date"	:	20 December 2021.
"LIBOR"	:	The London Interbank Offered Rate.

“**MAS**”	:	Monetary Authority of Singapore.
“**MLHS**”	:	MLHS Holdings Pte. Ltd.
“**MRT**”	:	Mass Rapid Transit.
“**Non-CDP Paying Agent**”	:	Deutsche Bank AG, Hong Kong Branch.
“**Noteholders**”	:	The holders of the Notes.
“**Notes**”	:	The multicurrency medium term notes of the Issuer issued or to be issued pursuant to the Programme Agreement and constituted by the Trust Deed (and shall, where the context so admits, include the Global Notes and the Definitive Notes).
“**Pawnbrokers Act 2015**”	:	Pawnbrokers Act 2015, Act 2 of 2015 of Singapore, as amended or modified from time to time.
“**Paying Agents**”	:	The Principal Paying Agent and the Non-CDP Paying Agent, or such other or further institutions as may from time to time be appointed by the Issuer as paying agent for the Notes and Coupons.
“**Permanent Global Note**”	:	A Global Note representing Notes of one or more Tranches of the same Series, either on issue or upon exchange of interests in a Temporary Global Note, being substantially in the form set out in Schedule 3 to the Trust Deed.
“**Pricing Supplement**”	:	In relation to any Tranche or Series, a pricing supplement supplemental to this Information Memorandum, specifying the relevant issue details in relation to such Tranche or, as the case may be, Series, substantially in the form of Appendix 2 to the Programme Agreement.
“**Principal Paying Agent**”	:	Deutsche Bank AG, Singapore Branch.
“**Programme**”	:	The S$300,000,000 Multicurrency Medium Term Note Programme established by the Issuer pursuant to the Programme Agreement.
“**Programme Agreement**”	:	The programme agreement dated 5 April 2017 made between (1) the Issuer, as issuer, (2) the Arranger, as arranger, and (3) DBS Bank Ltd., as dealer, as amended, restated or supplemented from time to time.
“**S$**” or “**Singapore dollars**”	:	The lawful currency of Singapore.
“**Secondhand Goods Dealers Act**”	:	Secondhand Goods Dealers Act, Chapter 288A of Singapore, as amended or modified from time to time.

"**Securities Act**"	:	Securities Act of 1933 of the United States, as amended or modified from time to time.
"**Series**"	:	(1) (in relation to Notes other than variable rate notes) a Tranche, together with any further Tranche or Tranches, which are (a) expressed to be consolidated and forming a single series and (b) identical in all respects (including as to listing) except for their respective issue dates, issue prices and/or dates of the first payment of interest and (2) (in relation to variable rate notes) Notes which are identical in all respects (including as to listing) except for their respective issue prices and rates of interest.
"**SFA**"	:	Securities and Futures Act, Chapter 289 of Singapore, as amended or modified from time to time.
"**SFRS(I)**"	:	Singapore Financial Reporting Standards (International).
"**SGX-ST**"	:	Singapore Exchange Securities Trading Limited.
"**Shares**"	:	Ordinary shares in the capital of the Issuer.
"**SIBOR**"	:	The Singapore Interbank Offered Rate.
"**SOR**"	:	The Singapore Dollar Swap Offer Rate.
"**SORA**"	:	The Singapore Overnight Rate Average.
"**subsidiary**"	:	Any company which is for the time being a subsidiary (within the meaning of Section 5 of the Companies Act).
"**TARGET System**"	:	The Trans-European Automated Real-Time Gross Settlement Express Transfer (known as TARGET 2) System which was launched on 19 November 2007 or any successor thereto.
"**Temporary Global Note**"	:	A Global Note representing Notes of one or more Tranches of the same Series on issue, being substantially in the form set out in Schedule 2 to the Trust Deed.
"**Tranche**"	:	Notes which are identical in all respects (including as to listing).
"**Trust Deed**"	:	The trust deed dated 5 April 2017 made between (1) the Issuer, as issuer, and (2) the Trustee, as trustee, as amended, restated or supplemented from time to time.
"**Trustee**"	:	DB International Trust (Singapore) Limited.
"**United States**" or "**U.S.**"	:	United States of America.
"**US$**"	:	The lawful currency of the United States of America.

“**1H**”	:	First half financial period ended 30 June.
“**2Q**”	:	Second quarter financial period ended 30 June.
“**4Q**”	:	Fourth quarter financial period ended 31 December.
“**%**” or “**per cent.**”	:	Per centum.

Words importing the singular shall, where applicable, include the plural and *vice versa*, and words importing the masculine gender shall, where applicable, include the feminine and neuter genders. References to persons shall, where applicable, include corporations. Any reference to a time of day in this Information Memorandum shall be a reference to Singapore time unless otherwise stated. Any reference in this Information Memorandum to any enactment is a reference to that enactment as for the time being amended or re-enacted. Any word defined under the Companies Act or the SFA or any statutory modification thereof and used in this Information Memorandum shall, where applicable, have the meaning ascribed to it under the Companies Act or, as the case may be, the SFA.

CORPORATE INFORMATION

Issuer	:	Maxi-Cash Financial Services Corporation Ltd.
Board of Directors	:	Koh Wee Seng Ng Leok Cheng Koh Lee Hwee Ko Lee Meng Tan Keh Yan, Peter Lee Sai Sing Goh Bee Leong Tan Soo Kiang
Company Secretaries	:	Lim Swee Ann Tan Janet
Registered Office	:	80 Raffles Place #32-01 UOB Plaza 1 Singapore 048624
Auditors to the Issuer	:	Ernst & Young LLP One Raffles Quay North Tower Level 18 Singapore 048583
Arranger and Dealer of the Programme	:	DBS Bank Ltd. 12 Marina Boulevard Level 42 Marina Bay Financial Centre Tower 3 Singapore 018982
Legal Advisers to the Arranger	:	Allen & Gledhill LLP One Marina Boulevard #28-00 Singapore 018989
Legal Advisers to the Issuer	:	Shook Lin & Bok LLP 1 Robinson Road #18-00 AIA Tower Singapore 048542
Legal Advisers to the Trustee (as at the date of establishment of the Programme)	:	WongPartnership LLP 12 Marina Boulevard Level 28 Marina Bay Financial Centre Tower 3 Singapore 018982
Principal Paying Agent	:	Deutsche Bank AG, Singapore Branch One Raffles Quay #16-00 South Tower Singapore 048583

Non-CDP Paying Agent	:	Deutsche Bank AG, Hong Kong Branch Level 52, International Commerce Centre, 1 Austin Road West, Kowloon, Hong Kong
Trustee for the Noteholders	:	DB International Trust (Singapore) Limited One Raffles Quay #16-00 South Tower Singapore 048583

SUMMARY OF THE PROGRAMME

The following summary does not purport to be complete and is taken from, and is qualified in its entirety by, the remainder of this Information Memorandum and, in relation to the terms and conditions of any particular Tranche of Notes, the applicable Pricing Supplement. Words and expressions defined in the "Definitions" and "Terms and Conditions of the Notes" sections in this Information Memorandum shall (where applicable) have the same meanings in this summary.

Issuer	:	Maxi-Cash Financial Services Corporation Ltd.
Arranger	:	DBS Bank Ltd.
Dealers	:	DBS Bank Ltd. and/or such other Dealers as may be appointed by the Issuer in accordance with the Programme Agreement.
Trustee	:	DB International Trust (Singapore) Limited.
Principal Paying Agent	:	Deutsche Bank AG, Singapore Branch.
Non-CDP Paying Agent	:	Deutsche Bank AG, Hong Kong Branch.
Description	:	S$300,000,000 Multicurrency Medium Term Note Programme.
Programme Size	:	The maximum aggregate principal amount of the Notes outstanding at any time shall be S$300,000,000 (or its equivalent in other currencies) or such higher amount in accordance with the terms of the Programme Agreement.
Currency	:	Subject to compliance with all relevant laws, regulations and directives, Notes may be issued in Singapore dollars or any other currency agreed between the Issuer and the relevant Dealer(s).
Use of Proceeds	:	Net proceeds arising from the issue of the Notes under the Programme (after deducting issue expenses) will be used for general corporate purposes, including, but not limited to, refinancing or repayment of existing borrowings and financing of investments, acquisitions, expansions, working capital and/or capital expenditure requirements of the Group or such other purposes as may be specified in the relevant Pricing Supplement.
Method of Issue	:	Notes may be issued from time to time under the Programme on a syndicated or non-syndicated basis. Each Series may be issued in one or more Tranches, on the same or different issue dates. The issue size for each Series shall be agreed between the Issuer and the relevant Dealer(s). The specific terms of each Series or Tranche will be specified in the relevant Pricing Supplement.

Issue Price	:	Notes may be issued at par or at a discount, or premium, to par.
Tenor	:	Subject to compliance with all relevant laws, regulations and directives, Notes may have maturities of such tenor as may be agreed between the Issuer and the relevant Dealer(s).
Redemption on Maturity	:	Unless previously redeemed or purchased and cancelled, each Note will be redeemed at its redemption amount on the maturity date shown on its face.
Interest Basis	:	Notes may bear interest at fixed, floating, variable or hybrid rates or such other rates as may be agreed between the Issuer and the relevant Dealer(s) or may not bear interest.
Fixed Rate Notes	:	Fixed Rate Notes will bear a fixed rate of interest which will be payable in arrear on specified dates and at maturity.
Floating Rate Notes	:	Floating Rate Notes which are denominated in Singapore dollars will bear interest to be determined separately for each Series by reference to S$ SIBOR or S$ SWAP RATE (or in any other case such other benchmark as may be agreed between the Issuer and the relevant Dealer(s)), as adjusted for any applicable margin. Interest periods in relation to the Floating Rate Notes will be agreed between the Issuer and the relevant Dealer(s) prior to their issue. Floating Rate Notes which are denominated in other currencies will bear interest to be determined separately for each Series by reference to such other benchmark as may be agreed between the Issuer and the relevant Dealer(s).
Variable Rate Notes	:	Variable Rate Notes will bear interest at a variable rate determined in accordance with the Conditions of the Notes. Interest periods in relation to the Variable Rate Notes will be agreed between the Issuer and the relevant Dealer(s) prior to their issue.
Hybrid Notes	:	Hybrid Notes will bear interest, during the fixed rate period to be agreed between the Issuer and the relevant Dealer(s), at a fixed rate of interest which will be payable in arrear on specified dates and, during the floating rate period to be agreed between the Issuer and the relevant Dealer(s), at the rate of interest to be determined by reference to S$ SIBOR or S$ SWAP RATE (or such other benchmark as may be agreed between the Issuer and the relevant Dealer(s)), as adjusted for any applicable margin (provided that if the Hybrid Notes are denominated in a currency other than Singapore dollars, such Hybrid Notes will bear interest to be determined separately by reference to such benchmark as may be agreed between the Issuer and the relevant Dealer(s)), in each case payable at the end of each interest period to be agreed between the Issuer and the relevant Dealer(s).

Zero Coupon Notes	:	Zero Coupon Notes may be issued at their nominal amount or at a discount to it and will not bear interest other than in the case of late payment.
Form and Denomination of the Notes	:	The Notes will be issued in bearer form only and in such denominations as may be agreed between the Issuer and the relevant Dealer(s). Each Tranche or Series of Notes may initially be represented by a Temporary Global Note or a Permanent Global Note. Each Temporary Global Note may be deposited on the relevant issue date with CDP, a common depositary for Euroclear and Clearstream, Luxembourg and/or any other agreed clearing system and will be exchangeable, upon request as described therein, either for a Permanent Global Note or Definitive Notes (as indicated in the applicable Pricing Supplement). Each Permanent Global Note may be exchanged, unless otherwise specified in the applicable Pricing Supplement, upon request as described therein, in whole (but not in part) for Definitive Notes upon the terms therein.
Custody of the Notes	:	Notes may be cleared through CDP, Euroclear and/or Clearstream, Luxembourg or such other clearing system as may be agreed between the Issuer and the relevant Dealer(s). Notes which are to be cleared through CDP are required to be kept with CDP as authorised depository. Notes which are to be cleared through Euroclear and/or Clearstream, Luxembourg are required to be kept with a common depositary for Euroclear and Clearstream, Luxembourg.
Status of the Notes	:	The Notes and Coupons of all Series will constitute direct, unconditional, unsubordinated and unsecured obligations of the Issuer and shall at all times rank *pari passu*, without any preference or priority among themselves, and *pari passu* with all other present and future unsecured obligations (other than subordinated obligations and priorities created by law) of the Issuer.
Optional Redemption and Purchase	:	If so provided on the face of the Note and the relevant Pricing Supplement, Notes may be redeemed (either in whole or in part) prior to their stated maturity at the option of the Issuer and/or the Noteholders. Further, if so provided on the face of the Note and the relevant Pricing Supplement, Notes may be purchased by the Issuer (either in whole or in part) prior to their stated maturity at the option of the Issuer and/or the Noteholders.
Redemption upon Cessation or Suspension of Trading of the Issuer's Shares	:	In the event that (i) the shares of the Issuer cease to be traded on the SGX-ST or (ii) trading in the shares of the Issuer on the SGX-ST is suspended for a continuous period of more than seven market days, the Issuer shall, at the option of the holder of any Note, redeem such Note at its Redemption Amount together with interest accrued to the date fixed for redemption on any date on which interest is due to be paid on such Notes or, if earlier, the date falling 45 days after the Effective Date. "**Effective Date**" means (in the case of (i)) the date of cessation of trading or (in the case of (ii)) the business day immediately following the expiry of such continuous period of seven market days.

Redemption at the Option of the Noteholders Pursuant to Change of Shareholding Event	:	If, for any reason, a Change of Shareholding Event occurs, the Issuer will within seven days of such occurrence give notice to the Noteholders of the occurrence of such event (the "**Notice**") and shall, at the option of the holder of any Note, redeem such Note at its Redemption Amount, together with interest accrued to (but excluding) the date fixed for redemption, on the date falling 60 days from the date of the Notice (or if such date is not a business day, on the next day which is a business day). To exercise such option, the holder must deposit such Note (together with all unmatured Coupons) with the Principal Paying Agent at its specified office, together with a duly completed option exercise notice in the form obtainable from the Principal Paying Agent or the Issuer (as applicable), no later than 15 days from the date of the Notice. Any Note so deposited may not be withdrawn (except as provided in the Agency Agreement) without the prior consent of the Issuer. For the purposes of this paragraph, a "**Change of Shareholding Event**" occurs when Koh Wee Seng, Ko Lee Meng and Koh Lee Hwee cease to have in aggregate an interest (whether direct or deemed) of more than 50 per cent. of the issued share capital of the Issuer.
Negative Pledge	:	The Issuer has covenanted with the Trustee in the Trust Deed that so long as any of the Notes remains outstanding, it will not, and will ensure that none of its Principal Subsidiaries (as defined in Condition 9 of the Notes) will, create or have outstanding any security over the whole or any part of its business undertakings, assets, property or revenues (including uncalled capital), present or future, save for: (i) liens arising solely by operation of law (or by an agreement evidencing the same) and in the ordinary course of business, in respect of indebtedness which either (1) has been due for less than 30 days or (2) is being contested in good faith and by appropriate means; (ii) (1) any security existing as at the date of the Trust Deed over any of their respective assets and disclosed in writing to the Trustee on or prior to the date of the Trust Deed and (2) any security to be created over such assets for the purpose of the refinancing of or increase in the indebtedness secured by such security provided that, in the case of (2) only, the amount secured shall not at any time exceed 80 per cent. of the current market value of such asset at that time; (iii) any security on or over their respective assets acquired, renovated, refurbished or developed by it after the date of the Trust Deed for the sole purpose of financing the acquisition (including acquisition by way of acquisition of the shares in the company or entity owning (whether directly or indirectly) such assets), renovation, refurbishment or development or any refinancing or increase in amount of such financing and, in each case, securing a principal amount not exceeding the cost of such acquisition, renovation, refurbishment or development or the market value of such development;

(iv) any security interest created by way of a fixed charge and/or floating charge on or over their respective assets for the purpose of securing working capital facilities granted in the ordinary course of business;

(v) any security created to secure its liabilities in respect of letters of credit, performance bonds and/or bank guarantees issued in the ordinary course of its business;

(vi) (in the case of a company which becomes a Principal Subsidiary of the Issuer after the date of the Trust Deed) any existing security over the assets of such Principal Subsidiary subsisting as at the date on which it became a Principal Subsidiary; and

(vii) any other security which has been approved by the Trustee or the Noteholders by way of an Extraordinary Resolution.

Financial Covenants : The Issuer has further covenanted with the Trustee in the Trust Deed that so long as any of the Notes remains outstanding, it will ensure that:

(i) the Consolidated Tangible Net Worth shall not at any time be less than S$70,000,000; and

(ii) the ratio of Consolidated Total Borrowings to Consolidated Total Assets shall not at any time exceed 0.70:1.

For the purposes of these Conditions:

(1) "**Consolidated Tangible Net Worth**" means the amount (expressed in Singapore dollars) for the time being, calculated in accordance with generally accepted accounting principles in Singapore, equal to the aggregate of:

(A) the amount paid up or credited as paid up on the issued share capital of the Issuer; and

(B) the amounts standing to the credit of the capital and revenue reserves (including profit and loss account) of the Group on a consolidated basis, all as shown in the then latest audited consolidated balance sheet of the Group but after:

(aa) making such adjustments as may be appropriate in respect of any variation in the issued and paid up share capital and the capital and revenue reserves set out in paragraphs (A) and (B) above of the Group since the date of the latest audited consolidated balance sheet of the Group;

(bb) excluding any sums set aside for future taxation; and

(cc) deducting:

(I) an amount equal to any distribution by any member of the Group out of profits earned prior to the date of the latest audited consolidated balance sheet of the Group and which have been declared, recommended or made since that date except so far as provided for in such balance sheet and/or paid or due to be paid to members of the Group;

(II) all goodwill and other intangible assets; and

(III) any debit balances on consolidated profit and loss account;

(2) "**Consolidated Total Assets**" means, at any particular time, the consolidated amount of the book values of all the assets of the Group, determined as assets in accordance with generally accepted accounting principles in Singapore; and

(3) "**Consolidated Total Borrowings**" means in relation to the Group, an amount (expressed in Singapore dollars) for the time being, calculated on a consolidated basis, in accordance with generally accepted accounting principles in Singapore, equal to the aggregate of:

(A) bank overdrafts and all other indebtedness in respect of any borrowings maturing within 12 months;

(B) the principal amount of the Notes or any bonds or debentures of any member of the Group whether issued for cash or a consideration other than cash;

(C) the liabilities of the Issuer under the Trust Deed or the Notes;

(D) all other indebtedness whatsoever of the Group for borrowed moneys; and

(E) any redeemable preference shares issued by any member of the Group and which is regarded by generally accepted accounting principles in Singapore as debt or other liability of the Group.

General Covenants : The Issuer has further covenanted with the Trustee in the Trust Deed, amongst others, that so long as any of the Notes remains outstanding, it will:

(i) not, and will ensure that none of its Principal Subsidiaries will, (whether by a single transaction or a number of related or unrelated transactions and whether at one time or over a period of time) sell, transfer, lease out, lend or otherwise dispose of (whether outright, by a sale-and-repurchase or sale-and-leaseback arrangement, or otherwise) all or substantially all of its assets nor of any part of its assets which, either alone or when aggregated with all other disposals required to be taken into account under Condition 3(c)(i) of the Notes, is substantial in relation to the Group taken as a whole or the disposal of which (either alone or when so aggregated) could have a material adverse effect on either the Issuer or the Group. The following disposals shall not be taken into account under Condition 3(c)(i) of the Notes:

(1) disposals in the ordinary course of business on an arm's length basis and on normal commercial terms; and

(2) any disposal approved by the Trustee or by the Noteholders by way of an Extraordinary Resolution;

(ii) ensure that there is no material change in the nature of its business, or the business of the Group taken as a whole (whether by a single transaction or a number of related or unrelated transactions, whether at one time or over a period of time and whether by disposal, acquisition or otherwise) provided that, so long as pawnbroking remains the core business of the Group, nothing in Condition 3(c)(ii) of the Notes shall prevent the Issuer and/or the Group from entering into or undertaking new business segments or areas which are not reasonably likely to have a material adverse effect on the Issuer; and

		(iii) not, unless required by law, without the prior written consent of the Trustee or the prior approval of the Noteholders by way of an Extraordinary Resolution, undertake, permit or effect any re-organisation, amalgamation, reconstruction, take-over, merger or consolidation with any other company or person or any other schemes of compromise or arrangement affecting its present constitution, save where (1) following such event, the Issuer remains as the surviving entity, (2) such event does not involve insolvency, and (3) such event is not reasonably likely to have a material adverse effect on the Issuer.
Events of Default	:	See Condition 9 of the Notes.
Taxation	:	All payments in respect of the Notes and the Coupons by the Issuer shall be made free and clear of, and without deduction or withholding for or on account of, any present or future taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by or within Singapore or any authority thereof or therein having power to tax, unless such withholding or deduction is required by law. In such event, the Issuer shall pay such additional amounts as will result in the receipt by the Noteholders and the Couponholders of such amounts as would have been received by them had no such deduction or withholding been required, save for certain exceptions. For further details, please see Condition 7 of the Notes and the section "Taxation" herein.
Listing	:	Each Series of the Notes may, if so agreed between the Issuer and the relevant Dealer(s), be listed on the SGX-ST or any other stock exchange(s) as may be agreed between the Issuer and the relevant Dealer(s) (or the lead manager in the case of a syndicated issue), subject to all necessary approvals having been obtained. If the application to the SGX-ST to list a particular Series of Notes is approved, for so long as such Notes are listed on the SGX-ST and the rules of the SGX-ST so require, such Notes will be traded on the SGX-ST in a minimum board lot size of S$200,000 (or its equivalent in foreign currencies).
Selling Restrictions	:	For a description of certain restrictions on offers, sales and deliveries of Notes and the distribution of offering material relating to the Notes, see the section "Subscription, Purchase and Distribution" herein. Further restrictions may apply in connection with any particular Series or Tranche of Notes.
Governing Law	:	The Programme and any Notes issued under the Programme will be governed by, and construed in accordance with, the laws of Singapore.

TERMS AND CONDITIONS OF THE NOTES

The following is the text of the terms and conditions which, subject to completion and amendment and as supplemented or varied in accordance with the provisions of the relevant Pricing Supplement, will be endorsed on the Notes in definitive form issued in exchange for the Global Note(s) representing each Series. Either (i) the full text of these terms and conditions together with the relevant provisions of the Pricing Supplement or (ii) these terms and conditions as so completed, amended, supplemented or varied (and subject to simplification by the deletion of non-applicable provisions), shall be endorsed on such Notes. All capitalised terms that are not defined in these Conditions will have the meanings given to them in the relevant Pricing Supplement. Those definitions will be endorsed on the definitive Notes. References in the Conditions to "Notes" are to the Notes of one Series only, not to all Notes that may be issued under the Programme, details of the relevant Series being shown on the face of the relevant Notes and in the relevant Pricing Supplement.

The Notes are constituted by a Trust Deed (as amended, restated or supplemented from time to time, the "**Trust Deed**") dated 5 April 2017 made between (1) Maxi-Cash Financial Services Corporation Ltd. (the "**Issuer**") and (2) DB International Trust (Singapore) Limited (the "**Trustee**", which expression shall wherever the context so admits include such company and all other persons for the time being the trustee or trustees of the Trust Deed), as trustee for the Noteholders (as defined below), and (where applicable) the Notes are issued with the benefit of a deed of covenant (as amended, restated or supplemented from time to time, the "**Deed of Covenant**") dated 5 April 2017, relating to the Notes executed by the Issuer. These terms and conditions (the "**Conditions**") include summaries of, and are subject to, the detailed provisions of the Trust Deed, which include the form of the Notes and Coupons referred to below. The Issuer has entered into an Agency Agreement (as amended, restated or supplemented from time to time, the "**Agency Agreement**") dated 5 April 2017 made between (1) the Issuer, (2) Deutsche Bank AG, Singapore Branch, as principal paying agent (in such capacity, the "**Principal Paying Agent**"), (3) Deutsche Bank AG, Hong Kong Branch, as non-CDP paying Agent (in such capacity, the "**Non-CDP Paying Agent**" and, together with the Principal Paying Agent, the "**Paying Agents**") and (4) the Trustee, as trustee. The Noteholders and the holders of the coupons (the "**Coupons**") appertaining to the interest-bearing Notes (the "**Couponholders**") are bound by and are deemed to have notice of all of the provisions of the Trust Deed, the Agency Agreement and the Deed of Covenant. For the purposes of these Conditions, all references to the Principal Paying Agent shall, with respect to a Series of Notes to be cleared through a clearing system other than the CDP System (as defined in the Trust Deed), be deemed to be a reference to the Non-CDP Paying Agent and all such references shall be construed accordingly.

Copies of the Trust Deed, the Agency Agreement and the Deed of Covenant are available for inspection at the principal office of the Trustee for the time being and at the respective specified offices of the Paying Agents for the time being.

1. Form, Denomination and Title

(a) Form and Denomination

(i) The Notes of the Series of which this Note forms part (in these Conditions, the "**Notes**") are issued in bearer form in each case in the Denomination Amount shown hereon.

(ii) This Note is a Fixed Rate Note, a Floating Rate Note, a Variable Rate Note, a Hybrid Note or a Zero Coupon Note (depending upon the Interest Basis shown on its face).

(iii) Notes are serially numbered and issued with Coupons attached, save in the case of Notes that do not bear interest in which case references to interest (other than in relation to default interest referred to in Condition 6(f)) in these Conditions are not applicable.

(b) Title

(i) Title to the Notes and the Coupons appertaining thereto shall pass by delivery.

(ii) Except as ordered by a court of competent jurisdiction or as required by law, the holder of any Note or Coupon shall be deemed to be and may be treated as the absolute owner of such Note or of such Coupon, as the case may be, for the purpose of receiving payment thereof or on account thereof and for all other purposes, whether or not such Note or Coupon shall be overdue and notwithstanding any notice of ownership, theft, loss or forgery thereof or any writing thereon made by anyone, and no person shall be liable for so treating the holder.

(iii) For so long as any of the Notes is represented by a Global Note and such Global Note is held by a common depositary for Euroclear Bank SA/NV ("**Euroclear**") and Clearstream Banking, S.A. ("**Clearstream, Luxembourg**") and/or The Central Depository (Pte) Limited (the "**Depository**"), each person who is for the time being shown in the records of Euroclear, Clearstream, Luxembourg and/or the Depository as the holder of a particular principal amount of such Notes (in which regard any certificate or other document issued by Euroclear, Clearstream, Luxembourg and/or the Depository as to the principal amount of such Notes standing to the account of any person shall be conclusive and binding for all purposes save for manifest error) shall be treated by the Issuer, the Principal Paying Agent, the Non-CDP Paying Agent, the Agent Bank, all other agents of the Issuer and the Trustee as the holder of such principal amount of Notes other than with respect to the payment of principal, premium, interest, redemption, purchase and/or any other amounts in respect of the Notes, for which purpose the bearer of the Global Note shall be treated by the Issuer, the Principal Paying Agent, the Non-CDP Paying Agent, the Agent Bank, all other agents of the Issuer and the Trustee as the holder of such Notes in accordance with and subject to the terms of the Global Note (and the expressions "**Noteholder**" and "**holder of Notes**" and related expressions shall be construed accordingly). Notes which are represented by the Global Note will be transferable only in accordance with the rules and procedures for the time being of Euroclear, Clearstream, Luxembourg and/or the Depository.

(iv) In these Conditions, "**Global Note**" means the relevant Temporary Global Note representing each Series or the relevant Permanent Global Note representing each Series, "**Noteholder**" means the bearer of any Definitive Note (as defined in the Trust Deed) and "**holder**" (in relation to a Definitive Note or Coupon) means the bearer of any Definitive Note or Coupon, "**Series**" means (1) (in relation to Notes other than Variable Rate Notes) a Tranche, together with any further Tranche or Tranches, which are (A) expressed to be consolidated and forming a single series and (B) identical in all respects (including as to listing) except for their respective issue dates, issue prices and/or dates of the first payment of interest and (2) (in relation to Variable Rate Notes) Notes which are identical in all respects (including as to listing) except for their respective issue prices and rates of interest and "**Tranche**" means Notes which are identical in all respects (including as to listing).

(v) Words and expressions defined in the Trust Deed or used in the applicable Pricing Supplement (as defined in the Trust Deed) shall have the same meanings where used in these Conditions unless the context otherwise requires or unless otherwise stated and provided that, in the event of inconsistency between the Trust Deed and the applicable Pricing Supplement, the applicable Pricing Supplement will prevail.

2. Status

The Notes and Coupons of all Series constitute direct, unconditional, unsubordinated and unsecured obligations of the Issuer and shall at all times rank *pari passu*, without any preference or priority among themselves, and *pari passu* with all other present and future unsecured obligations (other than subordinated obligations and priorities created by law) of the Issuer.

3. Negative Pledge and Financial Covenants

(a) Negative Pledge

The Issuer has covenanted with the Trustee in the Trust Deed that so long as any of the Notes remains outstanding, it will not, and will ensure that none of its Principal Subsidiaries (as defined in Condition 9) will, create or have outstanding any security over the whole or any part of its business undertakings, assets, property or revenues (including uncalled capital), present or future, save for:

(i) liens arising solely by operation of law (or by an agreement evidencing the same) and in the ordinary course of business, in respect of indebtedness which either (1) has been due for less than 30 days or (2) is being contested in good faith and by appropriate means;

(ii) (1) any security existing as at the date of the Trust Deed over any of their respective assets and disclosed in writing to the Trustee on or prior to the date of the Trust Deed and (2) any security to be created over such assets for the purpose of the refinancing of or increase in the indebtedness secured by such security provided that, in the case of (2) only, the amount secured shall not at any time exceed 80 per cent. of the current market value of such asset at that time;

(iii) any security on or over their respective assets acquired, renovated, refurbished or developed by it after the date of the Trust Deed for the sole purpose of financing the acquisition (including acquisition by way of acquisition of the shares in the company or entity owning (whether directly or indirectly) such assets), renovation, refurbishment or development or any refinancing or increase in amount of such financing and, in each case, securing a principal amount not exceeding the cost of such acquisition, renovation, refurbishment or development or the market value of such development;

(iv) any security interest created by way of a fixed charge and/or floating charge on or over their respective assets for the purpose of securing working capital facilities granted in the ordinary course of business;

(v) any security created to secure its liabilities in respect of letters of credit, performance bonds and/or bank guarantees issued in the ordinary course of its business;

(vi) (in the case of a company which becomes a Principal Subsidiary of the Issuer after the date of the Trust Deed) any existing security over the assets of such Principal Subsidiary subsisting as at the date on which it became a Principal Subsidiary; and

(vii) any other security which has been approved by the Trustee or the Noteholders by way of an Extraordinary Resolution.

(b) Financial Covenants

The Issuer has further covenanted with the Trustee in the Trust Deed that so long as any of the Notes remains outstanding, it will ensure that:

(i) the Consolidated Tangible Net Worth shall not at any time be less than S$70,000,000; and

(ii) the ratio of Consolidated Total Borrowings to Consolidated Total Assets shall not at any time exceed 0.70:1.

For the purposes of these Conditions:

(1) "**Consolidated Tangible Net Worth**" means the amount (expressed in Singapore dollars) for the time being, calculated in accordance with generally accepted accounting principles in Singapore, equal to the aggregate of:

(A) the amount paid up or credited as paid up on the issued share capital of the Issuer; and

(B) the amounts standing to the credit of the capital and revenue reserves (including profit and loss account) of the Group on a consolidated basis,

all as shown in the then latest audited consolidated balance sheet of the Group but after:

(aa) making such adjustments as may be appropriate in respect of any variation in the issued and paid up share capital and the capital and revenue reserves set out in paragraphs (A) and (B) above of the Group since the date of the latest audited consolidated balance sheet of the Group;

(bb) excluding any sums set aside for future taxation; and

(cc) deducting:

(I) an amount equal to any distribution by any member of the Group out of profits earned prior to the date of the latest audited consolidated balance sheet of the Group and which have been declared, recommended or made since that date except so far as provided for in such balance sheet and/or paid or due to be paid to members of the Group;

(II) all goodwill and other intangible assets; and

(III) any debit balances on consolidated profit and loss account;

(2) "**Consolidated Total Assets**" means, at any particular time, the consolidated amount of the book values of all the assets of the Group, determined as assets in accordance with generally accepted accounting principles in Singapore; and

(3) "**Consolidated Total Borrowings**" means in relation to the Group, an amount (expressed in Singapore dollars) for the time being, calculated on a consolidated basis, in accordance with generally accepted accounting principles in Singapore, equal to the aggregate of:

(A) bank overdrafts and all other indebtedness in respect of any borrowings maturing within 12 months;

(B) the principal amount of the Notes or any bonds or debentures of any member of the Group whether issued for cash or a consideration other than cash;

(C) the liabilities of the Issuer under the Trust Deed or the Notes;

(D) all other indebtedness whatsoever of the Group for borrowed moneys; and

(E) any redeemable preference shares issued by any member of the Group and which is regarded by generally accepted accounting principles in Singapore as debt or other liability of the Group.

(c) General Covenants

So long as any of the Notes remains outstanding, the Issuer has further covenanted with the Trustee in the Trust Deed, amongst others, that it will:

(i) not, and will ensure that none of its Principal Subsidiaries will, (whether by a single transaction or a number of related or unrelated transactions and whether at one time or over a period of time) sell, transfer, lease out, lend or otherwise dispose of (whether outright, by a sale-and-repurchase or sale-and-leaseback arrangement, or otherwise) all or substantially all of its assets nor of any part of its assets which, either alone or when aggregated with all other disposals required to be taken into account under this Condition 3(c)(i), is substantial in relation to the Group taken as a whole or the disposal of which (either alone or when so aggregated) could have a material adverse effect on either the Issuer or the Group. The following disposals shall not be taken into account under this Condition 3(c)(i):

(1) disposals in the ordinary course of business on an arm's length basis and on normal commercial terms; and

(2) any disposal approved by the Trustee or by the Noteholders by way of an Extraordinary Resolution;

(ii) ensure that there is no material change in the nature of its business, or the business of the Group taken as a whole (whether by a single transaction or a number of related or unrelated transactions, whether at one time or over a period of time and whether by disposal, acquisition or otherwise) provided that, so long as pawnbroking remains the core business of the Group, nothing in this Condition 3(c)(ii) shall prevent the Issuer and/or the Group from entering into or undertaking new business segments or areas which are not reasonably likely to have a material adverse effect on the Issuer; and

(iii) not, unless required by law, without the prior written consent of the Trustee or the prior approval of the Noteholders by way of an Extraordinary Resolution, undertake, permit or effect any re-organisation, amalgamation, reconstruction, take-over, merger or consolidation with any other company or person or any other schemes of compromise or arrangement affecting its present constitution, save where (1) following such event, the Issuer remains as the surviving entity, (2) such event does not involve insolvency, and (3) such event is not reasonably likely to have a material adverse effect on the Issuer.

4. (I) **Interest on Fixed Rate Notes**

(a) **Interest Rate and Accrual**

Each Fixed Rate Note bears interest on its principal amount outstanding from the Interest Commencement Date (as defined in Condition 4(II)(d)) in respect thereof and as shown on the face of such Note at the rate per annum (expressed as a percentage) equal to the Interest Rate shown on the face of such Note payable in arrear on each Interest Payment Date or Interest Payment Dates shown on the face of such Note in each year and on the Maturity Date shown on the face of such Note if that date does not fall on an Interest Payment Date.

The first payment of interest will be made on the Interest Payment Date next following the Interest Commencement Date (and if the Interest Commencement Date is not an Interest Payment Date, will amount to the Initial Broken Amount shown on the face of such Note), unless the Maturity Date falls before the date on which the first payment of interest would otherwise be due. If the Maturity Date is not an Interest Payment Date, interest from the preceding Interest Payment Date (or from the Interest Commencement Date, as the case may be) to the Maturity Date will amount to the Final Broken Amount shown on the face of the Note.

Interest will cease to accrue on each Fixed Rate Note from the due date for redemption thereof unless, upon due presentation and subject to the provisions of the Trust Deed, payment of the Redemption Amount shown on the face of the Note is improperly withheld or refused, in which event interest at such rate will continue to accrue (as well after as before judgment) at the rate and in the manner provided in this Condition 4(I) and the Agency Agreement to the Relevant Date (as defined in Condition 7).

(b) **Calculations**

In the case of a Fixed Rate Note, interest in respect of a period of less than one year will be calculated on the Day Count Fraction shown on the face of the Note. The amount of interest payable per Calculation Amount for any Fixed Rate Interest Period in respect of any Fixed Rate Note shall be calculated by multiplying the product of the Interest Rate and the Calculation Amount, by the Day Count Fraction shown on the Note and rounding the resultant figure to the nearest sub-unit of the Relevant Currency.

In these Conditions, "**Fixed Rate Interest Period**" means the period beginning on (and including) the Interest Commencement Date and ending on (but excluding) the first Interest Payment Date and each successive period beginning on (and including) an Interest Payment Date and ending on (but excluding) the next succeeding Interest Payment Date.

(II) **Interest on Floating Rate Notes or Variable Rate Notes**

(a) **Interest Payment Dates**

Each Floating Rate Note or Variable Rate Note bears interest on its principal amount outstanding from the Interest Commencement Date in respect thereof and as shown on the face of such Note, and such interest will be payable in arrear on each interest payment date ("**Interest Payment Date**"). Such Interest Payment Date(s) is/are either shown hereon as Specified Interest Payment Date(s) or, if no Specified Interest Payment Date(s) is/are shown hereon, Interest Payment Date shall mean each date which (save as mentioned in these Conditions) falls the number of months specified as the Interest Period (as defined below) on the face of the Note (the "**Specified Number**

of Months") after the preceding Interest Payment Date or, in the case of the first Interest Payment Date, after the Interest Commencement Date (and which corresponds numerically with such preceding Interest Payment Date or the Interest Commencement Date, as the case may be), provided that the Agreed Yield (as defined in Condition 4(II)(c)) in respect of any Variable Rate Note for any Interest Period relating to that Variable Rate Note shall be payable on the first day of that Interest Period. If any Interest Payment Date referred to in these Conditions that is specified to be subject to adjustment in accordance with a Business Day Convention would otherwise fall on a day that is not a business day (as defined below), then if the Business Day Convention specified is (1) the Floating Rate Business Day Convention, such date shall be postponed to the next day which is a business day unless it would thereby fall into the next calendar month, in which event (i) such date shall be brought forward to the immediately preceding business day and (ii) each subsequent such date shall be the last business day of the month in which such date would have fallen had it not been subject to adjustment, (2) the Following Business Day Convention, such date shall be postponed to the next day that is a business day, (3) the Modified Following Business Day Convention, such date shall be postponed to the next day that is a business day unless it would thereby fall into the next calendar month, in which event such date shall be brought forward to the immediately preceding business day or (4) the Preceding Business Day Convention, such date shall be brought forward to the immediately preceding business day.

The period beginning on (and including) the Interest Commencement Date and ending on (but excluding) the first Interest Payment Date and each successive period beginning on (and including) an Interest Payment Date and ending on (but excluding) the next succeeding Interest Payment Date is herein called an "**Interest Period**".

Interest will cease to accrue on each Floating Rate Note or Variable Rate Note from the due date for redemption thereof unless, upon due presentation and subject to the provisions of the Trust Deed, payment of the Redemption Amount is improperly withheld or refused, in which event interest will continue to accrue (as well after as before judgment) at the rate and in the manner provided in this Condition 4(II) and the Agency Agreement to the Relevant Date.

(b) Rate of Interest – Floating Rate Notes

(i) Each Floating Rate Note bears interest at a floating rate determined by reference to a Benchmark as stated on the face of such Floating Rate Note, being (in the case of Notes which are denominated in Singapore dollars) SIBOR (in which case such Note will be a SIBOR Note) or Swap Rate (in which case such Note will be a Swap Rate Note) or in any other case (or in the case of Notes which are denominated in a currency other than Singapore dollars) such other Benchmark as is set out on the face of such Note.

Such floating rate may be adjusted by adding or subtracting the Spread (if any) stated on the face of such Note. The "**Spread**" is the percentage rate per annum specified on the face of such Note as being applicable to the rate of interest for such Note. The rate of interest so calculated shall be subject to Condition 4(V)(a) below.

The rate of interest payable in respect of a Floating Rate Note from time to time is referred to in these Conditions as the "**Rate of Interest**".

(ii) The Rate of Interest payable from time to time in respect of each Floating Rate Note will be determined by the Agent Bank on the basis of the following provisions:

(1) in the case of Floating Rate Notes which are SIBOR Notes:

(A) the Agent Bank will, at or about the Relevant Time on the relevant Interest Determination Date in respect of each Interest Period, determine the Rate of Interest for such Interest Period which shall be the offered rate for deposits in Singapore dollars for a period equal to the duration of such Interest Period which appears on the Reuters Screen ABSIRFIX01 Page under the caption "ABS SIBOR FIX – SIBOR AND SWAP OFFER RATES – RATES AT 11:00 HRS SINGAPORE TIME" and under the column headed "SGD SIBOR" (or such other replacement page thereof for the purpose of displaying SIBOR or such other Screen Page (as defined below) as may be provided hereon) and as adjusted by the Spread (if any);

(B) if on any Interest Determination Date, no such rate appears on the Reuters Screen ABSIRFIX01 Page under the column headed "SGD SIBOR" (or such other replacement page thereof or if no rate appears on such other Screen Page as may be provided hereon) or if the Reuters Screen ABSIRFIX01 Page (or such other replacement page thereof or such other Screen Page as may be provided hereon) is unavailable for any reason, the Agent Bank will request the principal Singapore offices of each of the Reference Banks to provide the Agent Bank with the rate at which deposits in Singapore dollars are offered by it at approximately the Relevant Time on the Interest Determination Date to prime banks in the Singapore interbank market for a period equivalent to the duration of such Interest Period commencing on such Interest Payment Date in an amount comparable to the aggregate principal amount of the relevant Floating Rate Notes. The Rate of Interest for such Interest Period shall be the arithmetic mean (rounded up, if necessary, to four decimal places) of such offered quotations and as adjusted by the Spread (if any), as determined by the Agent Bank;

(C) if on any Interest Determination Date, two but not all the Reference Banks provide the Agent Bank with such quotations, the Rate of Interest for the relevant Interest Period shall be determined in accordance with (B) above on the basis of the quotations of those Reference Banks providing such quotations; and

(D) if on any Interest Determination Date, one only or none of the Reference Banks provides the Agent Bank with such quotations, the Rate of Interest for the relevant Interest Period shall be the rate per annum which the Agent Bank determines to be the arithmetic mean (rounded up, if necessary, to four decimal places) of the rates quoted by the Reference Banks or those of them (being at least two in number) to the Agent Bank at or about the Relevant Time on such Interest Determination Date as being their cost (including the cost occasioned by or attributable to complying with reserves, liquidity, deposit or other requirements imposed on them by any relevant authority or authorities) of funding, for the relevant Interest Period, an amount equal to the aggregate principal amount of the relevant Floating Rate Notes for such Interest Period by whatever means they determine to be most appropriate and as adjusted by the Spread (if any) or if on such Interest

Determination Date one only or none of the Reference Banks provides the Agent Bank with such quotation, the rate per annum which the Agent Bank determines to be the arithmetic mean (rounded up, if necessary, to four decimal places) of the prime lending rates for Singapore dollars quoted by the Reference Banks at or about the Relevant Time on such Interest Determination Date and as adjusted by the Spread (if any);

(2) in the case of Floating Rate Notes which are Swap Rate Notes:

(A) the Agent Bank will, at or about the Relevant Time on the relevant Interest Determination Date in respect of each Interest Period, determine the Rate of Interest for such Interest Period as being the rate which appears on the Reuters Screen ABSFIX01 Page under the caption "SGD SOR rates as of 11:00 hrs London Time" and under the column headed "SGD SOR" (or such replacement page thereof for the purpose of displaying the swap rates of leading reference banks) at or about the Relevant Time on such Interest Determination Date and for a period equal to the duration of such Interest Period and as adjusted by the Spread (if any);

(B) if on any Interest Determination Date, no such rate is quoted on the Reuters Screen ABSFIX01 Page (or such other replacement page as aforesaid) or the Reuters Screen ABSFIX01 Page (or such other replacement page as aforesaid) is unavailable for any reason, the Agent Bank will determine the Rate of Interest for such Interest Period as being the rate (or, if there is more than one rate which is published, the arithmetic mean of those rates (rounded up, if necessary, to the nearest four decimal places)) for a period equal to the duration of such Interest Period published by a recognised industry body where such rate is widely used (after taking into account the industry practice at that time), or by such other relevant authority as the Agent Bank may select; and

(C) if on any Interest Determination Date, the Agent Bank is otherwise unable to determine the Rate of Interest under paragraph (b)(ii)(2)(B) above or if no agreement on the relevant authority is reached between the Agent Bank and the Issuer under paragraph (b)(ii)(2)(B) above, the Rate of Interest shall be determined by the Agent Bank to be the rate per annum equal to the arithmetic mean (rounded up, if necessary, to four decimal places) of the rates quoted by the Singapore offices of the Reference Banks or those of them (being at least two in number) to the Agent Bank at or about 11.00 a.m. (Singapore time) on the first business day following such Interest Determination Date as being their cost (including the cost occasioned by or attributable to complying with reserves, liquidity, deposit or other requirements imposed on them by any relevant authority or authorities) of funding, for the relevant Interest Period, an amount equal to the aggregate principal amount of the relevant Floating Rate Notes for such Interest Period by whatever means they determine to be most appropriate and as adjusted by the Spread (if any), or if on such day one only or none of the Singapore offices of the Reference Banks provides the Agent Bank with such quotation, the Rate of Interest for the relevant Interest Period shall be the rate per annum equal to the arithmetic mean (rounded up, if necessary, to four decimal places) of the prime lending rates for Singapore dollars quoted by the Singapore offices of the Reference Banks at or about 11.00 a.m. (Singapore time) on such Interest Determination Date and as adjusted by the Spread (if any); and

(3) in the case of Floating Rate Notes which are not SIBOR Notes or Swap Rate Notes or which are denominated in a currency other than Singapore dollars, the Agent Bank will determine the Rate of Interest in respect of any Interest Period at or about the Relevant Time on the Interest Determination Date, in respect of such Interest Period as follows:

(A) if the Primary Source (as defined below) for the Floating Rate is a Screen Page (as defined below), subject as provided below, the Rate of Interest in respect of such Interest Period shall be:

(aa) the Relevant Rate (as defined below) (where such Relevant Rate on such Screen Page is a composite quotation or is customarily supplied by one entity); or

(bb) the arithmetic mean of the Relevant Rates of the persons whose Relevant Rates appear on that Screen Page, in each case appearing on such Screen Page at the Relevant Time on the Interest Determination Date,

and as adjusted by the Spread (if any);

(B) if the Primary Source for the Floating Rate is Reference Banks or if paragraph (b)(ii)(3)(A)(aa) applies and no Relevant Rate appears on the Screen Page at the Relevant Time on the Interest Determination Date or if paragraph (b)(ii)(3)(A)(bb) applies and fewer than two Relevant Rates appear on the Screen Page at the Relevant Time on the Interest Determination Date, subject as provided below, the Rate of Interest shall be the rate per annum which the Agent Bank determines to be the arithmetic mean (rounded up, if necessary, to the nearest four decimal places) of the Relevant Rates that each of the Reference Banks is quoting to leading banks in the Relevant Financial Centre (as defined below) at the Relevant Time on the Interest Determination Date and as adjusted by the Spread (if any); and

(C) if paragraph (b)(ii)(3)(B) applies and the Agent Bank determines that fewer than two Reference Banks are so quoting Relevant Rates, the Rate of Interest shall be the Rate of Interest determined on the previous Interest Determination Date.

(iii) On the last day of each Interest Period, the Issuer will pay interest on each Floating Rate Note to which such Interest Period relates at the Rate of Interest for such Interest Period.

(iv) For the avoidance of doubt, in the event that the Rate of Interest in relation to any Interest Period is less than zero, the Rate of Interest in relation to such Interest Period shall be equal to zero.

(c) Rate of Interest – Variable Rate Notes

(i) Each Variable Rate Note bears interest at a variable rate determined in accordance with the provisions of this paragraph (c). The interest payable in respect of a Variable Rate Note on the first day of an Interest Period relating to that Variable Rate Note is referred to in these Conditions as the "**Agreed Yield**" and the rate of interest payable in respect of a Variable Rate Note on the last day of an Interest Period relating to that Variable Rate Note is referred to in these Conditions as the "**Rate of Interest**".

(ii) The Agreed Yield or, as the case may be, the Rate of Interest payable from time to time in respect of each Variable Rate Note for each Interest Period shall, subject as referred to in paragraph (c)(iv) below, be determined as follows:

(1) not earlier than 9.00 a.m. (Singapore time) on the tenth business day nor later than 3.00 p.m. (Singapore time) on the eighth business day prior to the commencement of each Interest Period, the Issuer and the Relevant Dealer (as defined below) shall endeavour to agree on the following:

(A) whether interest in respect of such Variable Rate Note is to be paid on the first day or the last day of such Interest Period;

(B) if interest in respect of such Variable Rate Note is agreed between the Issuer and the Relevant Dealer to be paid on the first day of such Interest Period, an Agreed Yield in respect of such Variable Rate Note for such Interest Period (and, in the event of the Issuer and the Relevant Dealer so agreeing on such Agreed Yield, the Interest Amount (as defined below) for such Variable Rate Note for such Interest Period shall be zero); and

(C) if interest in respect of such Variable Rate Note is agreed between the Issuer and the Relevant Dealer to be paid on the last day of such Interest Period, a Rate of Interest in respect of such Variable Rate Note for such Interest Period (an "**Agreed Rate**") and, in the event of the Issuer and the Relevant Dealer so agreeing on an Agreed Rate, such Agreed Rate shall be the Rate of Interest for such Variable Rate Note for such Interest Period; and

(2) if the Issuer and the Relevant Dealer shall not have agreed either an Agreed Yield or an Agreed Rate in respect of such Variable Rate Note for such Interest Period by 3.00 p.m. (Singapore time) on the eighth business day prior to the commencement of such Interest Period, or if there shall be no Relevant Dealer during the period for agreement referred to in (1) above, the Rate of Interest for such Variable Rate Note for such Interest Period shall automatically be the rate per annum equal to the Fall Back Rate (as defined below) for such Interest Period.

(iii) The Issuer has undertaken to the Principal Paying Agent and the Agent Bank that it will as soon as possible after the Agreed Yield or, as the case may be, the Agreed Rate in respect of any Variable Rate Note is determined but not later than 10.30 a.m. (Singapore time) on the next following business day:

(1) notify or cause the Relevant Dealer to notify the Principal Paying Agent and the Agent Bank of the Agreed Yield or, as the case may be, the Agreed Rate for such Variable Rate Note for such Interest Period; and

(2) cause such Agreed Yield or, as the case may be, Agreed Rate for such Variable Rate Note to be notified by the Principal Paying Agent to the relevant Noteholder at its request.

(iv) For the purposes of sub-paragraph (ii) above, the Rate of Interest for each Interest Period for which there is neither an Agreed Yield nor Agreed Rate in respect of any Variable Rate Note or no Relevant Dealer in respect of the Variable Rate Note(s) shall be the rate (the "**Fall Back Rate**") determined by reference to a Benchmark as stated on the face of such Variable Rate Note(s), being (in the case of Variable

Rate Notes which are denominated in Singapore dollars) SIBOR (in which case such Variable Rate Note(s) will be SIBOR Note(s)) or Swap Rate (in which case such Variable Rate Note(s) will be Swap Rate Note(s)) or (in any other case or in the case of Variable Rate Notes which are denominated in a currency other than Singapore dollars) such other Benchmark as is set out on the face of such Variable Rate Note(s).

Such rate may be adjusted by adding or subtracting the Spread (if any) stated on the face of such Variable Rate Note. The "**Spread**" is the percentage rate per annum specified on the face of such Variable Rate Note as being applicable to the rate of interest for such Variable Rate Note. The rate of interest so calculated shall be subject to Condition 4(V)(a) below.

The Fall Back Rate payable from time to time in respect of each Variable Rate Note will be determined by the Agent Bank in accordance with the provisions of Condition 4(II)(b)(ii) above (*mutatis mutandis*) and references therein to "**Rate of Interest**" shall mean "**Fall Back Rate**".

(v) If interest is payable in respect of a Variable Rate Note on the first day of an Interest Period relating to such Variable Rate Note, the Issuer will pay the Agreed Yield applicable to such Variable Rate Note for such Interest Period on the first day of such Interest Period. If interest is payable in respect of a Variable Rate Note on the last day of an Interest Period relating to such Variable Rate Note, the Issuer will pay the Interest Amount for such Variable Rate Note for such Interest Period on the last day of such Interest Period.

(vi) For the avoidance of doubt, in the event that the Rate of Interest in relation to any Interest Period is less than zero, the Rate of Interest in relation to such Interest Period shall be equal to zero.

(d) Definitions

As used in these Conditions:

"**Agent Bank**" means in relation to any Series of Notes, the person appointed as the agent bank pursuant to the terms of the Agency Agreement as specified in the applicable Pricing Supplement;

"**Benchmark**" means the rate specified as such in the applicable Pricing Supplement;

"**business day**" means, in respect of each Note, (i) a day (other than a Saturday, Sunday or gazetted public holiday) on which Euroclear, Clearstream, Luxembourg and the Depository, as applicable, are operating, (ii) a day (other than a Saturday, Sunday or gazetted public holiday) on which banks and foreign exchange markets are open for general business in the country of the relevant Paying Agent's specified office and (iii) (if a payment is to be made on that day) (1) (in the case of Notes denominated in Singapore dollars) a day (other than a Saturday, Sunday or gazetted public holiday) on which banks and foreign exchange markets are open for general business in Singapore, (2) (in the case of Notes denominated in Euros) a day (other than a Saturday, Sunday or gazetted public holiday) on which the TARGET System is open for settlement in Euros and (3) (in the case of Notes denominated in a currency other than Singapore dollars and Euros) a day (other than a Saturday, Sunday or gazetted public holiday) on which banks and foreign exchange markets are open for general business in Singapore and the principal financial centre for that currency;

"**Calculation Amount**" means the amount specified as such on the face of any Note, or if no such amount is so specified, the Denomination Amount of such Note as shown on the face thereof;

"**Day Count Fraction**" means, in respect of the calculation of an amount of interest in accordance with Condition 4:

(i) if "Actual/Actual" is specified in the applicable Pricing Supplement, the actual number of days in (in the case of Fixed Rate Notes or Hybrid Notes during the Fixed Rate Period) the Fixed Rate Interest Period or (in the case of Floating Rate Notes, Variable Rate Notes or Hybrid Notes during the Floating Rate Period) the Interest Period divided by 365 (or, if any portion of that Fixed Rate Interest Period or, as the case may be, Interest Period falls in a leap year, the sum of (1) the actual number of days in that portion of the Fixed Rate Interest Period or, as the case may be, Interest Period falling in a leap year divided by 366 and (2) the actual number of days in that portion of the Fixed Rate Interest Period or, as the case may be, Interest Period falling in a non-leap year divided by 365);

(ii) if "Actual/360" is specified in the applicable Pricing Supplement, the actual number of days in (in the case of Fixed Rate Notes or Hybrid Notes during the Fixed Rate Period) the Fixed Rate Interest Period or (in the case of Floating Rate Notes, Variable Rate Notes or Hybrid Notes during the Floating Rate Period) the Interest Period in respect of which payment is being made divided by 360; and

(iii) if "Actual/365 (Fixed)" is specified in the applicable Pricing Supplement, the actual number of days in (in the case of Fixed Rate Notes or Hybrid Notes during the Fixed Rate Period) the Fixed Rate Interest Period or (in the case of Floating Rate Notes, Variable Rate Notes or Hybrid Notes during the Floating Rate Period) the Interest Period in respect of which payment is being made divided by 365;

"**Euro**" means the currency of the member states of the European Union that adopt the single currency in accordance with the Treaty establishing the European Community, as amended from time to time;

"**Interest Commencement Date**" means the Issue Date or such other date as may be specified as the Interest Commencement Date on the face of such Note;

"**Interest Determination Date**" means, in respect of any Interest Period, that number of business days prior thereto as is set out in the applicable Pricing Supplement or on the face of the relevant Note;

"**Primary Source**" means (i) the Screen Page specified as such in the applicable Pricing Supplement and (in the case of any Screen Page provided by any information service other than the Reuters Monitor Money Rates Service ("**Reuters**")) agreed to by the Agent Bank or (ii) the Reference Banks, as the case may be;

"**Reference Banks**" means the institutions specified as such hereon or, if none, three major banks selected by the Agent Bank in the interbank market that is most closely connected with the Benchmark;

"**Relevant Currency**" means the currency in which the Notes are denominated;

"**Relevant Dealer**" means, in respect of any Variable Rate Note, the Dealer party to the Programme Agreement referred to in the Agency Agreement with whom the Issuer has concluded or is negotiating an agreement for the issue of such Variable Rate Note pursuant to the Programme Agreement;

"**Relevant Financial Centre**" means, in the case of interest to be determined on an Interest Determination Date with respect to any Floating Rate Note or Variable Rate Note, the financial centre with which the relevant Benchmark is most closely connected or, if none is so connected, Singapore;

"**Relevant Rate**" means the Benchmark for a Calculation Amount of the Relevant Currency for a period (if applicable or appropriate to the Benchmark) equal to the relevant Interest Period;

"**Relevant Time**" means, with respect to any Interest Determination Date, the local time in the Relevant Financial Centre at which it is customary to determine bid and offered rates in respect of deposits in the Relevant Currency in the interbank market in the Relevant Financial Centre;

"**Screen Page**" means such page, section, caption, column or other part of a particular information service (including, but not limited to, the Bloomberg agency and Reuters) as may be specified hereon for the purpose of providing the Benchmark, or such other page, section, caption, column or other part as may replace it on that information service or on such other information service, in each case as may be nominated by the person or organisation providing or sponsoring the information appearing there for the purpose of displaying rates or prices comparable to the Benchmark; and

"**TARGET System**" means the Trans-European Automated Real-Time Gross Settlement Express Transfer (known as TARGET 2) System which was launched on 19 November 2007 or any successor thereto.

(III) Interest on Hybrid Notes

(a) Interest Rate and Accrual

Each Hybrid Note bears interest on its outstanding principal amount from the Interest Commencement Date in respect thereof and as shown on the face of such Note.

(b) Fixed Rate Period

(i) In respect of the Fixed Rate Period shown on the face of such Note, each Hybrid Note bears interest on its outstanding principal amount from the first day of the Fixed Rate Period at the rate per annum (expressed as a percentage) equal to the Interest Rate shown on the face of such Note payable in arrear on each Interest Payment Date or Interest Payment Dates shown on the face of the Note in each year and on the last day of the Fixed Rate Period if that date does not fall on an Interest Payment Date.

(ii) The first payment of interest will be made on the Interest Payment Date next following the first day of the Fixed Rate Period (and if the first day of the Fixed Rate Period is not an Interest Payment Date, will amount to the Initial Broken Amount shown on the face of such Note), unless the last day of the Fixed Rate Period falls before the date on which the first payment of interest would otherwise be due. If the last day of the Fixed Rate Period is not an Interest Payment Date, interest from the preceding Interest Payment Date (or from the first day of the Fixed Rate Period, as the case may be) to the last day of the Fixed Rate Period will amount to the Final Broken Amount shown on the face of the Note.

(iii) Where the due date of redemption of any Hybrid Note falls within the Fixed Rate Period, interest will cease to accrue on the Note from the due date for redemption thereof unless, upon due presentation and subject to the provisions of the Trust Deed, payment of principal (or the Redemption Amount, as the case may be) is improperly withheld or refused, in which event interest at such rate will continue to accrue (as well after as before judgment) at the rate and in the manner provided in this Condition 4(III) and the Agency Agreement to the Relevant Date.

(iv) In the case of a Hybrid Note, interest in respect of a period of less than one year will be calculated on the Day Count Fraction shown on the face of the Note during the Fixed Rate Period.

(c) Floating Rate Period

(i) In respect of the Floating Rate Period shown on the face of such Note, each Hybrid Note bears interest on its outstanding principal amount from the first day of the Floating Rate Period, and such interest will be payable in arrear on each interest payment date ("**Interest Payment Date**"). Such Interest Payment Date(s) is/are either shown hereon as Specified Interest Payment Date(s) or, if no Specified Interest Payment Date(s) is/are shown hereon, Interest Payment Date shall mean each date which (save as mentioned in these Conditions) falls the number of months specified as the Interest Period on the face of the Note (the "**Specified Number of Months**") after the preceding Interest Payment Date or, in the case of the first Interest Payment Date, after the first day of the Floating Rate Period (and which corresponds numerically with such preceding Interest Payment Date or the first day of the Floating Rate Period, as the case may be). If any Interest Payment Date referred to in these Conditions that is specified to be subject to adjustment in accordance with a Business Day Convention would otherwise fall on a day that is not a business day, then if the Business Day Convention specified is (1) the Floating Rate Business Day Convention, such date shall be postponed to the next day which is a business day unless it would thereby fall into the next calendar month, in which event (i) such date shall be brought forward to the immediately preceding business day and (ii) each subsequent such date shall be the last business day of the month in which such date would have fallen had it not been subject to adjustment, (2) the Following Business Day Convention, such date shall be postponed to the next day that is a business day, (3) the Modified Following Business Day Convention, such date shall be postponed to the next day that is a business day unless it would thereby fall into the next calendar month, in which event such date shall be brought forward to the immediately preceding business day or (4) the Preceding Business Day Convention, such date shall be brought forward to the immediately preceding business day.

(ii) The period beginning on (and including) the first day of the Floating Rate Period and ending on (but excluding) the first Interest Payment Date and each successive period beginning on (and including) an Interest Payment Date and ending on (but excluding) the next succeeding Interest Payment Date is herein called an "**Interest Period**".

(iii) Where the due date of redemption of any Hybrid Note falls within the Floating Rate Period, interest will cease to accrue on the Note from the due date for redemption thereof unless, upon due presentation and subject to the provisions of the Trust Deed, payment of principal (or the Redemption Amount, as the case may be) is improperly withheld or refused, in which event interest will continue to accrue (as well after as before judgment) at the rate and in the manner provided in this Condition 4(III) and the Agency Agreement to the Relevant Date.

(iv) The provisions of Condition 4(II)(b) shall apply to each Hybrid Note during the Floating Rate Period as though references therein to Floating Rate Notes are references to Hybrid Notes.

(IV) Zero Coupon Notes

Where a Note the Interest Basis of which is specified to be Zero Coupon is repayable prior to the Maturity Date and is not paid when due, the amount due and payable prior to the Maturity Date shall be the Early Redemption Amount of such Note (determined in accordance with Condition 5(i)). As from the Maturity Date, the rate of interest for any overdue principal of such a Note shall be a rate per annum (expressed as a percentage) equal to the Amortisation Yield (as defined in Condition 5(i)).

(V) Calculations

(a) Determination of Rate of Interest and Calculation of Interest Amounts

The Agent Bank will, as soon as practicable after the Relevant Time on each Interest Determination Date determine the Rate of Interest and calculate the amount of interest payable (the "**Interest Amounts**") in respect of each Calculation Amount of the relevant Floating Rate Notes, Variable Rate Notes or (where applicable) Hybrid Notes for the relevant Interest Period. The amount of interest payable per Calculation Amount in respect of any Floating Rate Note, Variable Rate Note or (where applicable) Hybrid Note shall be calculated by multiplying the product of the Rate of Interest and the Calculation Amount, by the Day Count Fraction shown on the Note and rounding the resultant figure to the nearest sub-unit of the Relevant Currency. The determination of any rate or amount, the obtaining of each quotation and the making of each determination or calculation by the Agent Bank shall (in the absence of manifest error) be final and binding upon all parties.

(b) Notification

The Agent Bank will cause the Rate of Interest and the Interest Amounts for each Interest Period and the relevant Interest Payment Date to be notified to the Principal Paying Agent, the Trustee and the Issuer as soon as possible after their determination but in no event later than the fourth business day thereafter. In the case of Floating Rate Notes, the Agent Bank will also cause the Rate of Interest and the Interest Amounts for each Interest Period and the relevant Interest Payment Date to be notified to Noteholders in accordance with Condition 15 as soon as possible after their determination. The Interest Amounts and the Interest Payment Date so notified may subsequently be amended (or appropriate alternative arrangements made by way of adjustment) without notice in the event of an extension or shortening of the Interest Period by reason of any Interest Payment Date not being a business day. If the Floating Rate Notes, Variable Rate Notes or, as the case may be, Hybrid Notes become due and payable under Condition 9, the Rate of Interest and Interest Amounts payable in respect of the Floating Rate Notes, Variable Rate Notes or, as the case may be, Hybrid Notes shall nevertheless continue to be calculated as previously in accordance with this Condition but no publication of the Rate of Interest and Interest Amounts need to be made unless the Trustee requires otherwise.

(c) Determination or Calculation by the Trustee

If the Agent Bank does not at any material time determine or calculate the Rate of Interest for an Interest Period or any Interest Amount, the Trustee shall do so. In doing so, the Trustee shall apply the foregoing provisions of this Condition, with any necessary consequential amendments, to the extent that, in its opinion, it can do so, and, in all other respects, it shall do so in such manner as it shall deem fair and reasonable in all the circumstances.

(d) Agent Bank and Reference Banks

The Issuer will procure that, so long as any Floating Rate Note, Variable Rate Note or Hybrid Note remains outstanding, there shall at all times be three Reference Banks (or such other number as may be required) and, so long as any Floating Rate Note, Variable Rate Note, Hybrid Note or Zero Coupon Note remains outstanding, there shall at all times be an Agent Bank. If any Reference Bank (acting through its relevant office) is unable or unwilling to continue to act as a Reference Bank or the Agent Bank is unable or unwilling to act as such or if the Agent Bank fails duly to establish the Rate of Interest for any Interest Period or to calculate the Interest Amounts, the Issuer will appoint another bank with an office in the Relevant Financial Centre to act as such in its place. The Agent Bank may not resign from its duties without a successor having been appointed as aforesaid.

5. Redemption and Purchase

(a) Redemption Upon Maturity

Unless previously redeemed or purchased and cancelled as provided below, this Note will be redeemed at its Redemption Amount on the Maturity Date shown on its face (if this Note is shown on its face to be a Fixed Rate Note, Hybrid Note (during the Fixed Rate Period) or Zero Coupon Note) or on the Interest Payment Date falling in the Redemption Month shown on its face (if this Note is shown on its face to be a Floating Rate Note, Variable Rate Note or Hybrid Note (during the Floating Rate Period)).

(b) Purchase at the Option of the Issuer

If so provided hereon, the Issuer shall have the option to purchase all or any of the Fixed Rate Notes, Floating Rate Notes, Variable Rate Notes or Hybrid Notes at their Redemption Amount on any date on which interest is due to be paid on such Notes and the Noteholders shall be bound to sell such Notes to the Issuer accordingly. To exercise such option, the Issuer shall give irrevocable notice to the Noteholders within the Issuer's Purchase Option Period shown on the face hereof. Such Notes may be held, resold or surrendered to the Principal Paying Agent for cancellation. The Notes so purchased, while held by or on behalf of the Issuer, shall not entitle the holder to vote at any meetings of the Noteholders and shall not be deemed to be outstanding for the purposes of calculating quorums at meetings of the Noteholders or for the purposes of Conditions 9, 10 and 11.

In the case of a purchase of some only of the Notes, the notice to Noteholders shall also contain the certificate numbers of the Notes to be purchased, which shall have been drawn by or on behalf of the Issuer in such place and in such manner as may be agreed between the Issuer and the Trustee, subject to compliance with any applicable laws. So long as the Notes are listed on any Stock Exchange (as defined in the Trust Deed), the Issuer shall comply with the rules of such Stock Exchange in relation to the publication of any purchase of such Notes.

(c) Purchase at the Option of Noteholders

(i) Each Noteholder shall have the option to have all or any of his Variable Rate Notes purchased by the Issuer at their Redemption Amount on any Interest Payment Date and the Issuer will purchase such Variable Rate Notes accordingly. To exercise such option, a Noteholder shall deposit any Variable Rate Notes to be purchased with the Principal Paying Agent at its specified office together with all Coupons relating to such Variable Rate Notes which mature after the date fixed for purchase, together with a duly completed option exercise notice in the form obtainable from the Principal Paying Agent within the Noteholders' VRN Purchase Option Period shown on the face hereof. Any Variable Rate Notes so deposited may not be withdrawn (except as provided in the Agency Agreement) without the prior consent of the Issuer. Such Variable Rate Notes may be held, resold or surrendered to the Principal Paying Agent for cancellation. The Variable Rate Notes so purchased, while held by or on behalf of the Issuer, shall not entitle the holder to vote at any meetings of the Noteholders and shall not be deemed to be outstanding for the purposes of calculating quorums at meetings of the Noteholders or for the purposes of Conditions 9, 10 and 11.

(ii) If so provided hereon, each Noteholder shall have the option to have all or any of his Fixed Rate Notes, Floating Rate Notes or Hybrid Notes purchased by the Issuer at their Redemption Amount on any date on which interest is due to be paid on such Notes and the Issuer will purchase such Notes accordingly. To exercise such option, a Noteholder shall deposit any Notes to be purchased with the Principal Paying Agent at its specified office together with all Coupons relating to such Notes which mature after the date fixed for purchase, together with a duly completed option exercise notice in the form obtainable from the Principal Paying Agent within the Noteholders' Purchase Option Period shown on the face hereof. Any Notes so deposited may not be withdrawn (except as provided in the Agency Agreement) without the prior consent of the Issuer. Such Notes may be held, resold or surrendered to the Principal Paying Agent for cancellation. The Notes so purchased, while held by or on behalf of the Issuer, shall not entitle the holder to vote at any meetings of the Noteholders and shall not be deemed to be outstanding for the purposes of calculating quorums at meetings of the Noteholders or for the purposes of Conditions 9, 10 and 11.

(d) Redemption at the Option of the Issuer

If so provided hereon, the Issuer may, on giving irrevocable notice to the Noteholders falling within the Issuer's Redemption Option Period shown on the face hereof, redeem all or, if so provided, some of the Notes at their Redemption Amount or integral multiples thereof and on the date or dates so provided. Any such redemption of Notes shall be at their Redemption Amount, together with interest accrued to (but excluding) the date fixed for redemption.

All Notes in respect of which any such notice is given shall be redeemed on the date specified in such notice in accordance with this Condition.

In the case of a partial redemption of the Notes, the notice to Noteholders shall also contain the certificate numbers of the Notes to be redeemed, which shall have been drawn by or on behalf of the Issuer in such place and in such manner as may be agreed between the Issuer and the Trustee, subject to compliance with any applicable laws. So long as the Notes are listed on any Stock Exchange, the Issuer shall comply with the rules of such Stock Exchange in relation to the publication of any redemption of such Notes.

(e) Redemption at the Option of the Noteholders

(i) If so provided hereon, the Issuer shall, at the option of the holder of any Note, redeem such Note on the date or dates so provided at its Redemption Amount, together with interest accrued to (but excluding) the date fixed for redemption. To exercise such option, the holder must deposit such Note (together with all unmatured Coupons) with the Principal Paying Agent at its specified office, together with a duly completed option exercise notice ("**Exercise Notice**") in the form obtainable from the Principal Paying Agent or the Issuer (as applicable) within the Noteholders' Redemption Option Period shown on the face hereof. Any Note so deposited may not be withdrawn (except as provided in the Agency Agreement) without the prior consent of the Issuer.

(ii) If, for any reason, a Change of Shareholding Event (as defined below) occurs, the Issuer will within seven days of such occurrence give notice to the Noteholders of the occurrence of such event (the "**Notice**") and shall, at the option of the holder of any Note, redeem such Note at its Redemption Amount, together with interest accrued to (but excluding) the date fixed for redemption, on the date falling 60 days from the date of the Notice (or if such date is not a business day, on the next day which is a business day). To exercise such option, the holder must deposit such Note (together with all unmatured Coupons) with the Principal Paying Agent at its specified office, together with a duly completed option exercise notice in the form obtainable from the Principal Paying Agent or the Issuer (as applicable), no later than 15 days from the date of the Notice. Any Note so deposited may not be withdrawn (except as provided in the Agency Agreement) without the prior consent of the Issuer.

For the purposes of this Condition 5(e)(ii), a "**Change of Shareholding Event**" occurs when Koh Wee Seng, Ko Lee Meng and Koh Lee Hwee cease to have in aggregate an interest (whether direct or deemed) of more than 50 per cent. of the issued share capital of the Issuer.

(f) Redemption for Taxation Reasons

If so provided hereon, the Notes may be redeemed at the option of the Issuer in whole, but not in part, on any Interest Payment Date or, if so specified hereon, at any time on giving not less than 30 nor more than 60 days' notice to the Noteholders (which notice shall be irrevocable), at their Redemption Amount or (in the case of Zero Coupon Notes) Early Redemption Amount (as defined in Condition 5(i) below) (together with interest accrued to (but excluding) the date fixed for redemption), if (i) the Issuer has or will become obliged to pay additional amounts as provided or referred to in Condition 7, or increase the payment of such additional amounts, as a result of any change in, or amendment to, the laws (or any regulations, rulings or other administrative pronouncements promulgated thereunder) of Singapore or any political subdivision or any authority thereof or therein having power to tax, or any change in the application or official interpretation of such laws, regulations, rulings or other administrative pronouncements, which change or amendment is made public on or after the Issue Date or any other date specified in the Pricing Supplement, and (ii) such obligations cannot be avoided by the Issuer taking reasonable measures available to it, provided that no such notice of redemption shall be given earlier than 90 days prior to the earliest date on which the Issuer would be obliged to pay such additional amounts were a payment in respect of the Notes then due. Prior to the publication of any notice of redemption pursuant to this paragraph, the Issuer shall deliver to the Trustee a certificate signed by a duly authorised signatory of the Issuer stating that the Issuer is entitled to effect such redemption and setting forth a statement of facts showing that the conditions precedent to the right of the Issuer so to redeem have occurred, and an opinion of independent legal, tax or any other professional advisers of recognised standing to the effect that the Issuer has or is likely to become obliged to pay such additional amounts as a result of such change or amendment.

The Trustee shall be entitled to accept such certification as sufficient evidence that the satisfaction of the conditions precedent to the right of the Issuer so to redeem has occurred, in which event it shall be conclusive and binding on the Noteholders.

(g) Redemption upon Cessation or Suspension of Trading of Shares

In the event that (i) the shares of the Issuer cease to be traded on the SGX-ST or (ii) trading in the shares of the Issuer on the SGX-ST is suspended for a continuous period of more than seven market days, the Issuer shall, at the option of the holder of any Note, redeem such Note at its Redemption Amount together with interest accrued to the date fixed for redemption on any date on which interest is due to be paid on such Notes or, if earlier, the date falling 45 days after the Effective Date. The Issuer shall within seven days after the Effective Date, give notice to the Trustee, the Principal Paying Agent and the Noteholders of the occurrence of the event specified in this paragraph (g) (provided that any failure by the Issuer to give such notice shall not prejudice any Noteholder of such option). To exercise such option, the holder must deposit such Note (together with all unmatured Coupons) with the Principal Paying Agent at its specified office, together with an Exercise Notice in the form obtainable from the Principal Paying Agent or the Issuer (as applicable), not later than 21 days after the Effective Date. Any Note so deposited may not be withdrawn (except as provided in the Agency Agreement) without the prior consent of the Issuer.

(1) "**Effective Date**" means (where the shares of the Issuer cease to be traded on the SGX-ST) the date of cessation of trading or (where trading in the shares of the Issuer on the SGX-ST is suspended for a continuous period of more than seven market days) the business day immediately following the expiry of such continuous period of seven market days; and

(2) "**market day**" means a day on which the SGX-ST is open for securities trading.

(h) Purchases

The Issuer or any of its related corporations may at any time purchase Notes at any price (provided that they are purchased together with all unmatured Coupons relating to them) in the open market or otherwise, provided that in any such case such purchase or purchases is in compliance with all relevant laws, regulations and directives.

Notes purchased by the Issuer or any of its related corporations may be surrendered by the purchaser through the Issuer to the Principal Paying Agent for cancellation or may at the option of the Issuer or relevant related corporation be held or resold.

For the purposes of these Conditions, "**directive**" includes any present or future directive, regulation, request, requirement, rule or credit restraint programme of any relevant agency, authority, central bank department, government, legislative, minister, ministry, official public or statutory corporation, self-regulating organisation, or stock exchange.

(i) Early Redemption of Zero Coupon Notes

(i) The Early Redemption Amount payable in respect of any Zero Coupon Note, the Early Redemption Amount of which is not linked to an index and/or formula, upon redemption of such Note pursuant to Condition 5(f) or upon it becoming due and payable as provided in Condition 9, shall be the Amortised Face Amount (calculated as provided below) of such Note unless otherwise specified hereon.

(ii) Subject to the provisions of sub-paragraph (iii) below, the Amortised Face Amount of any such Note shall be the scheduled Redemption Amount of such Note on the Maturity Date discounted at a rate per annum (expressed as a percentage) equal to the Amortisation Yield (which, if none is shown hereon, shall be such rate as would produce an Amortised Face Amount equal to the issue price of the Notes if they were discounted back to their issue price on the Issue Date) compounded annually.

(iii) If the Early Redemption Amount payable in respect of any such Note upon its redemption pursuant to Condition 5(f) or upon it becoming due and payable as provided in Condition 9 is not paid when due, the Early Redemption Amount due and payable in respect of such Note shall be the Amortised Face Amount of such Note as defined in sub-paragraph (ii) above, except that such sub-paragraph shall have effect as though the date on which the Note becomes due and payable were the Relevant Date. The calculation of the Amortised Face Amount in accordance with this sub-paragraph will continue to be made (as well after as before judgment) until the Relevant Date, unless the Relevant Date falls on or after the Maturity Date, in which case the amount due and payable shall be the scheduled Redemption Amount of such Note on the Maturity Date together with any interest which may accrue in accordance with Condition 4(IV).

Where such calculation is to be made for a period of less than one year, it shall be made on the basis of the Day Count Fraction shown on the face of the Note.

(j) Cancellation

All Notes purchased by or on behalf of the Issuer or any of its related corporations may be surrendered for cancellation by surrendering each such Note together with all unmatured Coupons to the Principal Paying Agent at its specified office and, if so surrendered, shall, together with all Notes redeemed by the Issuer, be cancelled forthwith (together with all unmatured Coupons attached thereto or surrendered therewith). Any Notes so surrendered for cancellation may not be reissued or resold.

6. Payments

(a) Principal and Interest

Payments of principal and interest in respect of the Notes will, subject as mentioned below, be made against presentation and surrender of the relevant Notes or Coupons, as the case may be, at the specified office of the Principal Paying Agent by a cheque drawn in the currency in which payment is due on, or, at the option of the holders, by transfer to an account maintained by the payee in that currency with, a bank in the principal financial centre for that currency.

(b) Payments subject to law etc.

All payments are subject in all cases to (i) any applicable fiscal or other laws, regulations and directives, but without prejudice to the provisions of Condition 7 and (ii) any withholding or deduction required pursuant to an agreement described in Section 1471(b) of the U.S. Internal Revenue Code of 1986 (the "**Code**") or otherwise imposed pursuant to Sections 1471 through 1474 of the Code, any regulations or agreements thereunder, any official interpretations thereof, or (without prejudice to the provisions of Condition 7) any law implementing an intergovernmental approach thereto. No commission or expenses shall be charged to the Noteholders or Couponholders in respect of such payments.

(c) Appointment of Agents

The Principal Paying Agent and the Non-CDP Paying Agent and their respective specified offices are listed below. The Issuer reserves the right at any time to vary or terminate the appointment of the Principal Paying Agent or the Non-CDP Paying Agent and to appoint additional or other Paying Agents, provided that it will at all times maintain a principal paying agent having a specified office in Singapore and (in the case of Notes which are not cleared through the Depository) a non-CDP paying agent.

Notice of any such change or any change of the specified office of the Principal Paying Agent or the Non-CDP Paying Agent will promptly be given to the Noteholders in accordance with Condition 15.

The Agency Agreement may be amended by the Issuer, the Paying Agents and the Trustee, without the consent of any Noteholder, for the purpose of curing any ambiguity or of curing, correcting or supplementing any defective provision contained therein or in any manner which the Issuer, the Paying Agents and the Trustee may mutually deem necessary or desirable and which does not, in the opinion of the Issuer, the Paying Agents and the Trustee, adversely affect the interests of the Noteholders.

(d) Unmatured Coupons

(i) Fixed Rate Notes and Hybrid Notes should be surrendered for payment together with all unmatured Coupons (if any) relating to such Notes (and, in the case of Hybrid Notes, relating to interest payable during the Fixed Rate Period), failing which an amount equal to the face value of each missing unmatured Coupon (or, in the case of payment not being made in full, that proportion of the amount of such missing unmatured Coupon which the sum of principal so paid bears to the total principal due) will be deducted from the Redemption Amount due for payment. Any amount so deducted will be paid in the manner mentioned above against surrender of such missing Coupon within a period of five years from the Relevant Date for the payment of such principal (whether or not such Coupon has become void pursuant to Condition 8).

(ii) Subject to the provisions of the relevant Pricing Supplement upon the due date for redemption of any Floating Rate Note, Variable Rate Note or Hybrid Note, unmatured Coupons relating to such Note (and, in the case of Hybrid Notes, relating to interest payable during the Floating Rate Period) (whether or not attached) shall become void and no payment shall be made in respect of them.

(iii) Where any Floating Rate Note, Variable Rate Note or Hybrid Note is presented for redemption without all unmatured Coupons relating to it (and, in the case of Hybrid Notes, relating to interest payable during the Floating Rate Period), redemption shall be made only against the provision of such indemnity as the Issuer may require.

(iv) If the due date for redemption or repayment of any Note is not a due date for payment of interest, interest accrued from the preceding due date for payment of interest or the Interest Commencement Date, as the case may be, shall only be payable against presentation (and surrender if appropriate) of the relevant Note.

(e) Non-business days

Subject as provided in the relevant Pricing Supplement or subject as otherwise provided in these Conditions, if any date for the payment in respect of any Note or Coupon is not a business day, the holder shall not be entitled to payment until the next following business day and shall not be entitled to any further interest or other payment in respect of any such delay.

(f) Default Interest

If on or after the due date for payment of any sum in respect of the Notes, payment of all or any part of such sum is not made against due presentation of the Notes or, as the case may be, the Coupons, the Issuer shall pay interest on the amount so unpaid from such due date up to the day of actual receipt by the relevant Noteholders or, as the case may be, Couponholders (as well after as before judgment) at a rate per annum determined by the Principal Paying Agent to be equal to two per cent. per annum above (in the case of a Fixed Rate Note or a Hybrid Note during the Fixed Rate Period) the Interest Rate applicable to such Note, (in the case of a Floating Rate Note or a Hybrid Note during the Floating Rate Period) the Rate of Interest applicable to such Note or (in the case of a Variable Rate Note) the variable rate by which the Agreed Yield applicable to such Note is determined or, as the case may be, the Rate of Interest applicable to such Note, or in the case of a Zero Coupon Note, as provided for in the relevant Pricing Supplement. So long as the default continues then such rate shall be re-calculated on the same basis at intervals of such duration as the Principal Paying Agent may select, save that the amount of unpaid interest at the above rate accruing during the preceding such period shall be added to the amount in respect of which the Issuer is in default and itself bear interest accordingly. Interest at the rate(s) determined in accordance with this paragraph shall be calculated on the Day Count Fraction shown on the face of the Note and the actual number of days elapsed, shall accrue on a daily basis and shall be immediately due and payable by the Issuer.

7. Taxation

All payments in respect of the Notes and the Coupons by the Issuer shall be made free and clear of, and without deduction or withholding for or on account of, any present or future taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by or within Singapore or any authority thereof or therein having power to tax, unless such withholding or deduction is required by law. In such event, the Issuer shall pay such additional amounts as will result in the receipt by the Noteholders and the Couponholders of such amounts as would have been received by them had no such deduction or withholding been required, except that no such additional amounts shall be payable in respect of any Note or Coupon presented for payment:

(a) by or on behalf of a holder who is subject to such taxes, duties, assessments or governmental charges by reason of his being connected with Singapore otherwise than by reason only of the holding of such Note or Coupon or the receipt of any sums due in respect of such Note or Coupon (including, without limitation, the holder being a resident of, or a permanent establishment in, Singapore);

(b) more than 30 days after the Relevant Date except to the extent that the holder thereof would have been entitled to such additional amounts on presenting the same for payment on the last day of such period of 30 days; or

(c) by, or on behalf of, a holder who would be able to lawfully avoid (but has not so avoided) such deduction or withholding by making a declaration or any other statement including, but not limited to, a declaration of residence or non-residence, but fails to do so.

As used in these Conditions, "**Relevant Date**" in respect of any Note or Coupon means the date on which payment in respect thereof first becomes due or (if any amount of the money payable is improperly withheld or refused) the date on which payment in full of the amount outstanding is made or (if earlier) the date falling seven days after that on which notice is duly given to the Noteholders in accordance with Condition 15 that, upon further presentation of the Note or Coupon being made in accordance with the Conditions, such payment will be made, provided that payment is in fact made upon presentation, and references to "**principal**" shall be deemed to include any premium payable in respect of the Notes, all Redemption Amounts, Early Redemption Amounts and all other amounts in the nature of principal payable pursuant to Condition 5, "**interest**" shall be deemed to include all Interest Amounts and all other amounts payable pursuant to Condition 4 and any reference to "**principal**" and/or "**premium**" and/or "**Redemption Amounts**" and/or "**interest**" and/or "**Early Redemption Amounts**" shall be deemed to include any additional amounts which may be payable under these Conditions.

8. Prescription

The Notes and Coupons shall become void unless presented for payment within five years from the appropriate Relevant Date for payment.

9. Events of Default

If any of the following events ("**Events of Default**") occurs, the Trustee at its discretion may, and if so requested by holders of at least 25 per cent. in principal amount of the Notes then outstanding or if so directed by an Extraordinary Resolution shall, give notice in writing to the Issuer that the Notes are immediately repayable, whereupon the Redemption Amount of such Notes or (in the case of Zero Coupon Notes) the Early Redemption Amount of such Notes together with accrued interest to the date of payment shall become immediately due and payable:

(a) the Issuer does not pay any principal payable by it under any of the Notes when due or does not pay interest or any other sum (other than principal) payable by it under any of the Notes within three Business Days of its due date, in each case, at the place at and in the currency in which it is expressed to be payable;

(b) the Issuer does not perform or comply with any one or more of its obligations (other than the payment obligation of the Issuer referred to in paragraph (a)) under any of the Issue Documents (as defined in the Trust Deed) or any of the Notes and, if that default is capable of remedy, it is not remedied within 21 days of the Trustee giving written notice to the Issuer of the failure to perform or comply and requiring the same to be remedied;

(c) any representation, warranty or statement by the Issuer in any of the Issue Documents or any of the Notes or in any document delivered under any of the Issue Documents or any of the Notes is not complied with in any respect or is or proves to have been incorrect in any respect when made or deemed repeated and, if the event resulting in such non-compliance or incorrect representation, warranty or statement is capable of remedy, it is not remedied within 21 days of the giving by the Trustee to the Issuer of a written notice of such non-compliance or incorrect representation, warranty or statement and requiring the circumstances resulting in such non-compliance or incorrectness to be remedied;

(d) (i) any other indebtedness of the Issuer or any of its subsidiaries in respect of borrowed moneys is or is declared to be or is capable of being rendered due and payable prior to its stated maturity by reason of any actual or potential default, event of default or the like (however described) or is not paid when due or, as a result of any actual or potential default, event of default or the like (however described) any facility relating to any such indebtedness is or is declared to be or is capable of being cancelled or terminated before its normal expiry date; or

(ii) the Issuer or any of its subsidiaries fails to pay when properly called upon to do so any guarantee of indebtedness for borrowed moneys, provided that no Event of Default will occur under paragraph (d)(i) or (d)(ii) above if the aggregate amount of the indebtedness for borrowed moneys or guarantee of indebtedness for borrowed moneys falling within paragraphs (d)(i) and (d)(ii) above is less than S$5,000,000 (or its equivalent in any other currency or currencies);

(e) the Issuer or any of its Principal Subsidiaries is (or is, or could be, deemed by law or a court to be) insolvent or unable to pay its debts, stops, suspends or threatens to stop or suspend payment of all or a material part of (or of a particular type of) its indebtedness, begins negotiations or takes any other step with a view to the deferral, rescheduling or other readjustment of all or a material part of (or of a particular type of) its indebtedness (or of any part which it will or might otherwise be unable to pay when due), proposes or makes a general assignment or an arrangement or composition with or for the benefit of the relevant creditors or a moratorium is agreed or declared in respect of or affecting all or a material part of (or of a particular type of) the indebtedness of the Issuer or any of its Principal Subsidiaries;

(f) a distress, attachment, execution or other legal process is levied, enforced or sued out on or against all or any material part of the property, assets or revenues of the Issuer or any of its Principal Subsidiaries and is not discharged or stayed within 30 days;

(g) any security on or over the whole or any material part of the property or assets of the Issuer or any of its Principal Subsidiaries becomes enforceable or any step is taken to enforce it (including the taking of possession or the appointment of a receiver, manager or other similar person);

(h) any step is taken by any person with a view to the winding-up or dissolution of the Issuer or any of its Principal Subsidiaries (except (i) for the purposes of a reconstruction, amalgamation, merger, consolidation or reorganisation on terms approved by an Extraordinary Resolution of the Noteholders or (ii) in the case of a Principal Subsidiary only, where such winding-up or dissolution does not involve insolvency and results in such Principal Subsidiary being able to pay all of its creditors in full) or for the appointment of a liquidator (including a provisional liquidator), receiver, manager, judicial manager, trustee, administrator, agent or similar officer of the Issuer or any of its Principal Subsidiaries or over the whole or any material part of the property or assets of the Issuer or any of its Principal Subsidiaries;

(i) (i) the Issuer ceases or threatens to cease to carry on all or any material part of its business or (ii) any of the Principal Subsidiaries ceases or threatens to cease to carry on all or any part of its business and such event is likely to have a material adverse effect on the Issuer;

(j) any step is taken by any person with a view to the seizure, compulsory acquisition, expropriation or nationalisation of all or any material part of the assets of the Issuer or any of its Principal Subsidiaries;

(k) any action, condition or thing (including the obtaining of any necessary consent) at any time required to be taken, fulfilled or done for any of the purposes stated in Clause 14.3 of the Trust Deed is not taken, fulfilled or done, or any such consent ceases to be in full force and effect without modification or any condition in or relating to any such consent is not complied with (unless that consent or condition is no longer required or applicable);

(l) it is or will become unlawful for the Issuer to perform or comply with any one or more of its payment or other material obligations under any of the Issue Documents or any of the Notes;

(m) any of the Issue Documents or any of the Notes ceases for any reason (or is claimed by the Issuer not) to be the legal and valid obligations of the Issuer, binding upon it in accordance with its terms;

(n) any litigation, arbitration or administrative proceeding against the Issuer or any of its Principal Subsidiaries is current or pending (other than (i) those of a frivolous or vexatious nature or (ii) those being contested in good faith by appropriate proceedings) (i) to restrain the exercise of any of the rights and/or the performance or enforcement of or compliance with any of the obligations of the Issuer under any of the Issue Documents or any of the Notes or (ii) which has or could have a material adverse effect on the Issuer;

(o) any event occurs which, under the law of any relevant jurisdiction, has an analogous or equivalent effect to any of the events mentioned in paragraph (e), (f), (g), (h) or (j); and

(p) the Issuer or any of its Principal Subsidiaries is declared by the Minister of Finance to be a declared company under the provisions of Part IX of the Companies Act, Chapter 50 of Singapore.

In these Conditions:

(1) "**Principal Subsidiaries**" means any subsidiary of the Issuer:

(A) whose total assets, as shown by the accounts of such subsidiary (consolidated in the case of a subsidiary which itself has subsidiaries), based upon which the latest audited consolidated accounts of the Group have been prepared, is at least 10 per cent. of the total assets of the Group as shown by such audited consolidated accounts; or

(B) whose net profits before tax, as shown by the accounts of such subsidiary (consolidated in the case of a subsidiary which itself has subsidiaries), based upon which the latest audited consolidated accounts of the Group have been prepared, is at least 10 per cent. of the consolidated net profits before tax of the Group as shown by such audited consolidated accounts,

provided that if any such subsidiary (the "**transferor**") shall at any time transfer the whole or a substantial part of its business, undertaking or assets to another subsidiary or the Issuer (the "**transferee**") then:

(aa) if the whole of the business, undertaking and assets of the transferor shall be so transferred, the transferor shall thereupon cease to be a Principal Subsidiary and the transferee (unless it is the Issuer) shall thereupon become a Principal Subsidiary; and

(bb) if a substantial part only of the business, undertaking and assets of the transferor shall be so transferred, the transferor shall remain a Principal Subsidiary and the transferee (unless it is the Issuer) shall thereupon become a Principal Subsidiary.

Any subsidiary which becomes a Principal Subsidiary by virtue of paragraph (aa) above or which remains or becomes a Principal Subsidiary by virtue of paragraph (bb) above shall continue to be a Principal Subsidiary until the date of issue of the first audited consolidated accounts of the Group prepared as at a date later than the date of the relevant transfer which show the total assets or (as the case may be) net profits before tax of the relevant subsidiary as shown by the accounts of such subsidiary (consolidated in the case of a subsidiary which itself has subsidiaries), based upon which such audited consolidated accounts have been prepared, to be less than 10 per cent. of the total assets or (as the case may be) net profits before tax of the Group, as shown by such audited consolidated accounts. A report by the Auditors (as defined in the Trust Deed), who shall also be responsible for producing any pro-forma accounts required for the above purposes, that in their opinion a subsidiary is or is not a Principal Subsidiary shall, in the absence of manifest error, be conclusive; and

(2) "**subsidiary**" has the meaning ascribed to it in Section 5 of the Companies Act, Chapter 50 of Singapore.

10. Enforcement of Rights

At any time after an Event of Default has occurred or after the Notes shall have become due and payable, the Trustee may, at its discretion and without further notice, institute such proceedings against the Issuer as it may think fit to enforce repayment of the Notes, together with accrued interest, and/or to enforce the provisions of the Issue Documents but it shall not be bound to take any such proceedings unless (a) it shall have been so directed by an Extraordinary Resolution of the Noteholders or so requested in writing by Noteholders holding not less than 25 per cent. in principal amount of the Notes outstanding and (b) it shall have been indemnified and/or secured and/or pre-funded by the Noteholders to its satisfaction. No Noteholder or Couponholder shall be entitled to proceed directly against the Issuer unless the Trustee, having become bound to do so, fails or neglects to do so within a reasonable period and such failure or neglect shall be continuing.

11. Meeting of Noteholders and Modifications

The Trust Deed contains provisions for convening meetings of Noteholders of a Series to consider any matter affecting their interests, including modification by Extraordinary Resolution of the Notes of such Series (including these Conditions insofar as the same may apply to such Notes) or any of the provisions of the Trust Deed.

The Trustee and the Issuer may at any time, and the Trustee upon the written request by Noteholders holding at least one-tenth in principal amount of the Notes of any Series for the time being outstanding and after being indemnified and/or secured and/or pre-funded to its satisfaction against all costs and expenses shall, convene a meeting of the Noteholders of that Series. A meeting shall, subject to the Conditions and without prejudice to any powers conferred on other persons by the Trust Deed, have power by Reserved Matter Extraordinary Resolution (a) to sanction any proposal by the Issuer for the exchange or substitution for the Notes of, or the conversion of the Notes into, shares, bonds or other obligations or securities of the Issuer or any other entity, (b) to amend or modify any provision of the Trust Deed or any related provision affecting the ranking of the Notes in the Conditions or any other Issue Documents in a manner which adversely affects the Noteholders, (c) to approve the substitution of any entity for the Issuer (or any previous substitute) as principal debtor under the Issue Documents, the Notes or the Coupons, (d) to amend the dates of maturity or redemption of the Notes or any date for payment of principal, interest or Interest Amounts on the Notes, (e) to reduce or cancel the principal amount of, or any premium payable on redemption of, the Notes or the interest (including default interest under Condition 6(f), if applicable), (f) to reduce the rate or rates of interest (including default interest under

Condition 6(f), if applicable) in respect of the Notes or to vary the method or basis of calculating the rate or rates of interest or the basis for calculating any amount of interest in respect of the Notes, (g) to vary any method of, or basis for, calculating the Redemption Amount or the Early Redemption Amount including the calculation of the Amortised Face Amount, (h) to vary the currency or currencies of payment or denomination of the Notes, (i) to impair the right to institute proceedings to enforce repayment after the Notes have become due and payable, (j) to waive an Event of Default, (k) to reduce the percentage or aggregate principal amount of outstanding Notes the consent of whose holders is necessary for waiver of compliance with certain provisions of the Trust Deed or for waiver of certain defaults under the Conditions or any of the Issue Documents, (l) to take any steps that as specified hereon may only be taken following approval by a Reserved Matter Extraordinary Resolution, (m) to modify the provisions concerning the quorum required at any meeting of Noteholders or the majority required to pass any Extraordinary Resolution and/or to sign a resolution in writing, and (n) to amend the definition of a Reserved Matter and/or paragraphs 2 and 2A of Schedule 4 to the Trust Deed. The quorum for any meeting convened to consider any Extraordinary Resolution shall be two or more persons holding or representing not less than 66⅔ per cent. in principal amount of the Notes for the time being outstanding, or at any adjourned meeting two or more persons being or representing not less than 25 per cent. in principal amount of Notes for the time being outstanding. An Extraordinary Resolution duly passed at any such meeting shall be binding on all the Noteholders of the relevant Series, whether present or not and on all relevant Couponholders.

For the purposes of these Conditions:

(i) "**Extraordinary Resolution**" means, depending on the context, a Normal Extraordinary Resolution or a Reserved Matter Extraordinary Resolution;

(ii) "**Normal Extraordinary Resolution**" means a resolution passed at a meeting of Noteholders duly convened and held in accordance with the Trust Deed by a majority of at least 66⅔ per cent. of the votes cast; and

(iii) "**Reserved Matter Extraordinary Resolution**" means a resolution passed in respect of a Reserved Matter (as defined in the Trust Deed) at a meeting of Noteholders duly convened and held in accordance with the Trust Deed by a majority of at least 75 per cent. of the votes cast.

The Trustee may agree, without the consent of the Noteholders or Couponholders, to (i) any modification of any of the provisions of the Trust Deed or any of the other Issue Documents which in the opinion of the Trustee is of a formal, minor or technical nature or is made to correct a manifest error or to comply with mandatory provisions of Singapore law or is required by Euroclear, Clearstream, Luxembourg, the Depository and/or any other clearing system in which the Notes may be held and (ii) any other modification (except as mentioned in the Trust Deed) to the Trust Deed and any of the other Issue Documents, and any waiver or authorisation of any breach or proposed breach, of any of the provisions of the Trust Deed or any of the other Issue Documents, which is in the opinion of the Trustee not materially prejudicial to the interests of the Noteholders. Any such modification, authorisation or waiver shall be binding on the Noteholders and the Couponholders and, unless the Trustee otherwise agrees in writing, such modification shall be notified to the Noteholders as soon as practicable and if the Trustee shall so require, such waiver or authorisation shall be notified to the Noteholders as soon as practicable.

In connection with the exercise of its powers, trusts, authorities or discretions (including but not limited to those in relation to any proposed modification, authorisation or waiver of any breach or proposed breach of any of the Conditions or any of the provisions of the Trust Deed), the Trustee shall have regard to the interests of the Noteholders as a class and shall not have regard to any interest arising from circumstances particular to individual Noteholders (whatever their number) and, in particular but without limitation, shall not have regard to the consequences of such exercise for individual Noteholders (whatever their number) resulting from their being for any purpose domiciled or resident in, or otherwise connected with, or subject to the jurisdiction of, any particular territory or otherwise to the tax consequences thereof and the Trustee shall not be entitled to require, nor shall any Noteholder be entitled to claim, from the Issuer or the Trustee, any indemnification or payment in respect of any tax consequences of any such exercise upon individual Noteholders except to the extent provided for in Condition 7.

These Conditions may be amended, modified, or varied in relation to any Series of Notes by the terms of the relevant Pricing Supplement in relation to such Series.

12. Replacement of Notes and Coupons

If a Note or Coupon is lost, stolen, mutilated, defaced or destroyed it may be replaced, subject to applicable laws, regulations and stock exchange or other relevant authority regulations, at the specified office of the Principal Paying Agent, or at the specified office of such other Principal Paying Agent as may from time to time be designated by the Issuer for the purpose and notice of whose designation is given to Noteholders in accordance with Condition 15, on payment by the claimant of the fees and costs incurred in connection therewith and on such terms as to evidence, undertaking, security and indemnity (which may provide, *inter alia*, that if the allegedly lost, stolen or destroyed Note or Coupon is subsequently presented for payment, there will be paid to the Issuer on demand the amount payable by the Issuer in respect of such Note or Coupon) and otherwise as the Issuer may require. Mutilated or defaced Notes or Coupons must be surrendered before replacements will be issued.

13. Further Issues

The Issuer may from time to time without the consent of the Noteholders or Couponholders create and issue further notes having the same terms and conditions as the Notes of any Series and so that the same shall be consolidated and form a single Series with such Notes, and references in these Conditions to "**Notes**" shall be construed accordingly.

14. Indemnification of the Trustee

The Trust Deed contains provisions for the indemnification of the Trustee and for its relief from responsibility, including provisions relieving it from taking proceedings to enforce repayment unless indemnified and/or secured and/or pre-funded to its satisfaction. The Trust Deed also contains a provision entitling the Trustee or any corporation related to it to enter into business transactions with the Issuer or any of its subsidiaries without accounting to the Noteholders or Couponholders for any profit resulting from such transactions.

Each Noteholder shall be solely responsible for making and continuing to make its own independent appraisal and investigation into the financial condition, creditworthiness, condition, affairs, status and nature of the Issuer, and the Trustee shall not at any time have any responsibility for the same and each Noteholder shall not rely on the Trustee in respect thereof.

15. Notices

Notices to the holders will be valid if published in a daily newspaper of general circulation in Singapore (or, if the holders of any Series of Notes can be identified, notices to such holders will also be valid if they are given to each of such holders). It is expected that such publication will be made in *The Business Times*. Notices will, if published more than once or on different dates, be deemed to have been given on the date of the first publication in such newspaper as provided above.

In substitution of the said publication of notices mentioned in the foregoing paragraph, in the case where the Issuer is listed on the SGX-ST or where the Notes are listed on the SGX-ST, notices to the holders of such Notes shall also be valid if made by way of an announcement on the SGX-ST. Any such notice shall be deemed to have been given to the holders on the date on which the announcement was published on the SGX-ST.

Couponholders shall be deemed for all purposes to have notice of the contents of any notice to the holders in accordance with this Condition 15.

Until such time as any Definitive Notes are issued, there may, so long as the Global Note(s) is or are held in its or their entirety on behalf of Euroclear, Clearstream, Luxembourg and/or the Depository, be substituted for such publication in such newspapers the delivery of the relevant notice to Euroclear, Clearstream, Luxembourg and/or (subject to the agreement of the Depository) the Depository for communication by it to the Noteholders, except that if the Notes are listed on the SGX-ST and the rules of such exchange so require, notice will in any event be published in such newspapers in accordance with the first paragraph. Any such notice shall be deemed to have been given to the Noteholders on the seventh day after the day on which the said notice was given to Euroclear, Clearstream, Luxembourg and/or the Depository.

Notices to be given by any Noteholder pursuant hereto (including to the Issuer) shall be in writing and given by lodging the same, together with the relative Note or Notes, with the Principal Paying Agent or Non-CDP Paying Agent. Whilst the Notes are represented by a Global Note, such notice may be given by any Noteholder to the Principal Paying Agent or, as the case may be, the Non-CDP Paying Agent through Euroclear, Clearstream, Luxembourg and/or the Depository in such manner as the Principal Paying Agent or, as the case may be, the Non-CDP Paying Agent and Euroclear, Clearstream, Luxembourg and/or the Depository may approve for this purpose.

Notwithstanding the other provisions of this Condition, in any case where the identity and addresses of all the Noteholders are known to the Issuer, notices to such holders may be given individually by recorded delivery mail to such addresses and will be deemed to have been given when received at such addresses.

16. Contracts (Rights of Third Parties) Act

No person shall have any right to enforce any term or condition of the Notes under the Contracts (Rights of Third Parties) Act, Chapter 53B of Singapore.

17. Governing Law

The Trust Deed, the Notes and the Coupons are governed by, and shall be construed in accordance with, the laws of Singapore.

18. Jurisdiction

The courts of Singapore are to have jurisdiction to settle any disputes that may arise out of or in connection with the Trust Deed, the Notes or the Coupons and accordingly any legal action or proceedings arising out of or in connection with the Trust Deed, the Notes or the Coupons may be brought in such courts. The Issuer has in the Trust Deed irrevocably submitted to the jurisdiction of such courts.

Principal Paying Agent
Deutsche Bank AG, Singapore Branch
One Raffles Quay
#16-00 South Tower
Singapore 048583

Non-CDP Paying Agent
Deutsche Bank AG, Hong Kong Branch
Level 52, International Commerce Centre
1 Austin Road West
Kowloon, Hong Kong

THE ISSUER

1. OVERVIEW

The Issuer and its subsidiaries are in the financial services business. The Issuer is an investment holding company that operates through its subsidiaries, which are principally engaged in pawnbroking, the retail and trading of jewellery and branded merchandise, and the provision of secured lending.

The Issuer was incorporated in Singapore on 10 April 2008 under the Companies Act under the name of "World Class Financial Services Pte. Ltd.". The Issuer subsequently changed its name to "Maxi-Cash Financial Services Corporation Pte. Ltd." on 3 May 2011. On 13 April 2012, the Issuer was converted into a public company limited by shares and changed its name to "Maxi-Cash Financial Services Corporation Ltd.". On 22 June 2012, the Issuer was listed on the Catalist Board of the SGX-ST as the first and only publicly listed pawnbroker in Singapore at that time.

As at the Latest Practicable Date, the Group has a network of 48 stores in strategic locations in Singapore[1], five stores in Malaysia, one store in Australia and four stores in Hong Kong. These stores are engaged in pawnbroking and/or the retail and trading of jewellery and branded merchandise.

As at the Latest Practicable Date, the Issuer has a market capitalisation of approximately S$178,231,143.

The Group believes that as a leader and innovator in the pawnbroking industry, its modern, professional and customer-centric store concept has been well-received by consumers in Singapore. The Group's revenue increased from approximately S$218.5 million in FY2019 to approximately S$262.8 million in FY2020.

The Group's business is carried out by:

(a) Maxi-Cash Group Pte. Ltd. and its subsidiaries, which carry out the pawnbroking operations of the Group's stores in Singapore;

(b) Maxi-Cash Retail Pte. Ltd., which carries out the retail and trading of jewellery and branded merchandise in the Group's stores in Singapore;

(c) Maxi-Cash Jewellery Group Pte. Ltd., which manages the Group's inventory of jewellery and branded merchandise, and carries out the trading of jewellery and branded merchandise;

(d) Maxi-Cash International Pte. Ltd. and its subsidiaries, which operate the Group's stores overseas; and

(e) Maxi-Cash Capital Management Pte. Ltd., which carries out the Group's secured lending business overseas.

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[1] Please refer to the Annex at page 111 of this Information Memorandum for the locations of the Group's stores in Singapore as at the Latest Practicable Date.

1.1. Pawnbroking

Pawnbroking, carried out by Maxi-Cash Group Pte. Ltd. and its subsidiaries, is essentially a form of collateralised micro-loan and is an activity regulated by and licensed under the Pawnbrokers Act 2015 in Singapore. The Group's pawnbroking activities in Malaysia are regulated and licensed under the Pawnbrokers Act 1972, its pawnbroking activities in Australia are regulated by and subject to the Second-Hand Dealers and Pawnbrokers Act 1989 and its pawnbroking activities in Hong Kong are regulated by and subject to the Pawnbrokers Ordinance.

As licensed pawnbrokers, the Group's business is an alternative to, and complements, Singapore's banking system and provides its customers with convenient and quick access to short-term finance with a redemption period of six months (for each pledge transaction which may be renewed).

The Group's customers are walk-in individuals who pledge personal articles with its pawnshops. As collateral for the loans granted, the Group typically accepts jewellery such as yellow gold, white gold, diamonds and branded timepieces.

In Singapore, the rate of interest that can be charged on the loans is regulated by the Pawnbrokers Act 2015. The Pawnbrokers Act 2015 also regulates the redemption and forfeiture of pledges. Each personal article pledged is redeemable at any time during the redemption period, which is prescribed under the Pawnbrokers Act 2015 to be six months after the date on which the pledge was made or such longer period as may be agreed between the pawnbroker and the pawner. The redemption period may be extended by agreement between the pawnbroker and the pawner even after such period has expired. Unredeemed pledged articles may be forfeited by pawnbrokers, subject to the pawnbroker serving a notice of forfeiture stating, *inter alia*, that the pledge will be forfeited one month after the date on which the notice is served and that the pledge may be redeemed at any time before it is forfeited. Upon a pledge being forfeited, the pledge becomes the absolute property of the pawnbroker.

1.2. Retail and trading of jewellery and branded merchandise

The Group retails both pre-owned and new jewellery and branded merchandise in its outlets. The Group's customers are walk-in individuals as well as traders/dealers of jewellery, precious metals and watches.

The Group is currently exempted under the Secondhand Goods Dealers (Exemption) Order from having to obtain any licences under the Secondhand Goods Dealers Act in Singapore. Certain subsidiaries of Maxi-Cash International Pte. Ltd. are also registered under the Second-Hand Dealers and Pawnbrokers Act 1989 in Australia.

The Group is also registered under the Precious Stones and Precious Metals (Prevention of Money Laundering and Terrorism Financing) Act 2019 (the "**PSPM Act**") in Singapore. Under the PSPM Act, regulated dealers of precious stones, precious metals or precious products are required to register with the Registrar of Regulated Dealers in order to carry on a business of dealing in precious stones, precious metals or precious products, unless they are excluded or exempted.

1.3. Provision of secured lending

The Group provides secured lending overseas to foreign corporations through its wholly-owned subsidiary, Maxi-Cash Capital Management Pte. Ltd.

The Group currently has loans that are typically secured by land or property-related assets. The terms of the loan to be offered, such as the amount, tenor, interest rate and period of repayment, are determined by the Group on a case-by-case basis taking into account factors such as the value of the collateral, the level of pre-sales, the loan-to-value ratio and the borrower's credit-worthiness.

A breakdown of the Group's revenue and profit before tax by business segment for FY2018, FY2019 and FY2020 is set out below[2]:

	FY2018 (Audited) (S$'000)	**FY2019 (Audited) (S$'000)**	**FY2020 (Audited) (S$'000)**
Group			
Revenue	203,651	218,478	262,821
Profit before tax	12,066	17,939	29,252
Pawnbroking			
Revenue	41,110	43,223	41,995
Profit before tax	9,569	11,138	14,992
Retail and trading of jewellery and branded merchandise			
Revenue	153,597	167,315	217,943
Profit before tax	2,255	3,757	11,816
Secured lending			
Revenue	8,944	7,940	2,883
Profit/(loss) before tax	(1,097)[(1)]	2,891	1,285

Note:

(1) The loss is mainly attributable to fluctuations in the AUD/SGD exchange rate.

Recent Developments arising from the coronavirus disease 2019 ("COVID-19") Pandemic

COVID-19 has resulted in governments around the world, including those of Singapore and the other countries in which the Group operates or has investments, imposing various measures, including travel restrictions, suspension of business activities and major events, and implementation of quarantine and movement control orders, in an effort to curb the spread of COVID-19.

Such measures pose potential risks to the Group's business operations and financial condition. As the COVID-19 pandemic is ongoing, there remains significant uncertainty over the impact of COVID-19 on the Group. The estimate of the impact on the Group's business operations and financial condition cannot be reasonably determined at this juncture in view of, *inter alia*, the portfolio and geographical spread of the Group's business, and the actual extent of the impact will depend on, *inter alia*, the duration and intensity of the COVID-19 pandemic, the level of government support for the businesses in the countries where the Group operates, and the extent and speed of the post-pandemic economic recovery. Please

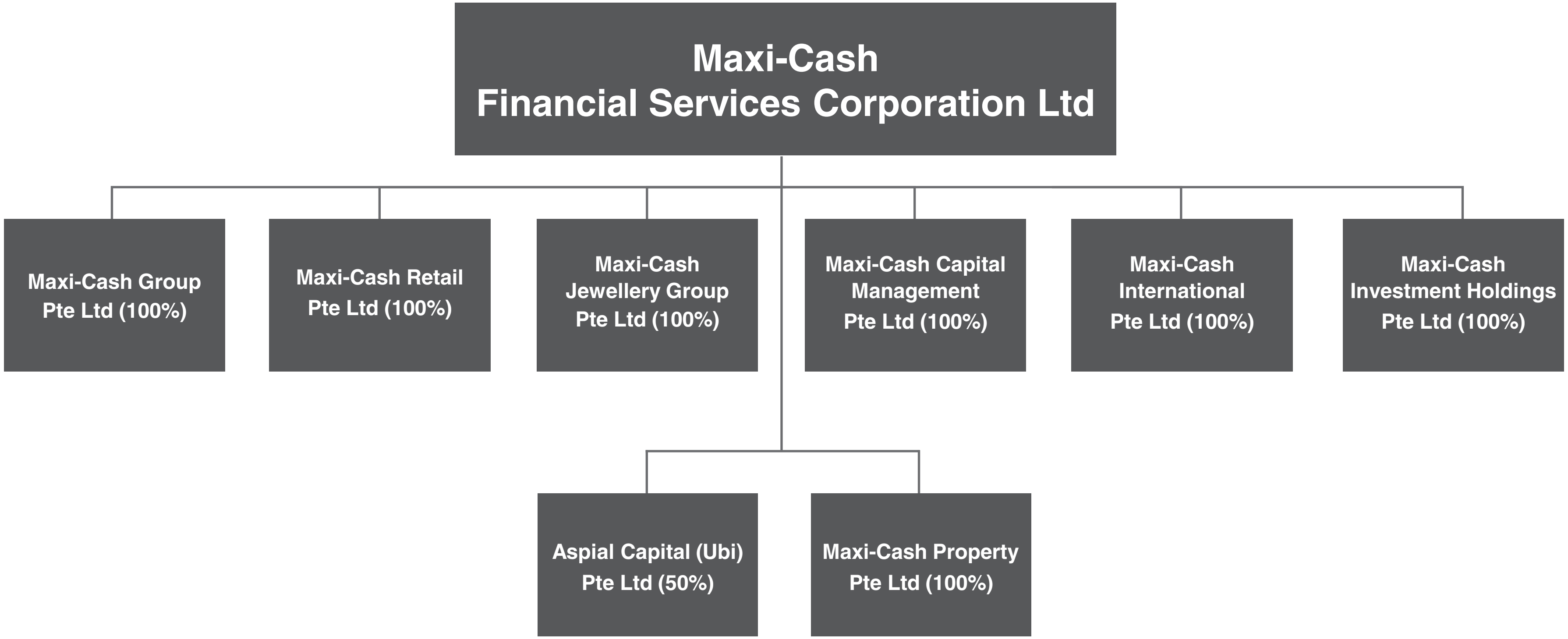
2 Please refer to the section "Selected Consolidated Financial Information" herein for further details.

see the risk factor titled "*The outbreak of communicable diseases, if uncontrolled, could materially and adversely affect the Group's business*" for more information.

Currently, the Group has put in place mitigating measures, such as delaying non-essential capital and operating expenditure, and implementing cost containment measures to manage staff costs and overheads, across its businesses. The Group has also received financial support such as rental rebates from landlords and grants from the Singapore Government for wages under the Jobs Support Scheme, which provides wage support to employers to help them retain their local employees (Singapore Citizens and Permanent Residents) during certain periods of economic uncertainty caused by the COVID-19 pandemic.

2. CORPORATE STRUCTURE

The corporate structure of the Issuer and its key subsidiaries is as follows:



3. BRANDING AND MARKETING

The objective of the Group's branding and marketing department is to develop strategies to enhance the public image of the Group's operations and improve customers' awareness of the Group's services.

Potential customers are served by the Group through its network of stores in Singapore, Malaysia, Australia and Hong Kong.

The Group advertises its services through a number of platforms in Singapore and Malaysia, including traditional media (such as print, television and radio) and the distribution of its brochures and flyers. The Group has also sought new ways of engaging its customers through the use of digital media platforms, such as Facebook (a popular social media and social networking service), Instagram (a popular photo- and video-sharing social networking platform) and YouTube (a popular video-sharing website).

In respect of its pawnbroking business, the Group seeks to position itself as an attractive alternative source of financing by providing its services to customers via a modern, professional and customer-centric store concept. The aim is to provide customers with a "bank-like" pawning experience where trust, transparency and reliability are the hallmarks of its services. The Group's store concept also has a private section that allows privacy to its pawnbroking customers.

The Group has also launched "new generation" stores, specially targeted at the modern customer segment, where customers are able to browse a wide selection of jewellery and branded merchandise. The Group's stores have also adopted a jewellery retail concept with window display facades and glass showcases to enhance the shopping experience of its customers.

In addition, the Group has undertaken various initiatives to better cement its relationship with its growing pool of customers. For example, in the lead-up to the festive year-end season in 2014, the Group launched an online jewellery reservation system for its pre-owned retail items, allowing customers to reserve jewellery and watches online. In 2015, the Group launched a jewellery membership programme to provide members with an array of privileges, including gifts and discounts on pre-owned jewellery and watches. In 2018, the Group organised Singapore's first pre-owned timepiece festival, FACES OF TIME, which provided new and seasoned watch collectors a platform to share their expertise and knowledge on the various make, brand and models of watches. The three-day event attracted around 5,000 visitors.

In 2021, the Group launched a multi-channel advertising campaign to promote new jewellery retailing. The Group engaged local celebrities as its campaign ambassadors with a series of advertisements through television, radio, bus-wrap, bus stop and digital platforms such as YouTube and Instagram. This has allowed the Group to reach out to a wider pool of customers and provide them with competitive retail options by showcasing the wide range of new jewellery selection.

4. BUSINESS STRATEGIES

4.1. Digitalising and innovating the business

The Group believes that digitalisation and innovation are critical towards keeping its customers engaged with the Group, and helping the business in terms of productivity and efficiency.

For the modern customer, the expectation of seamless connectivity and cashless transactions have been driven by recent macro factors. The Group has been able to develop suitable solutions that allow for greater convenience to customers when transacting with the Group, whether at the Group's stores or via the Group's mobile application. The Group will continue to utilise new technology and digital solutions to allow customers to transact with the Group with ease and convenience.

Besides the customer-facing solutions, the Group has progressively expanded, and continues to expand, on the possibilities of digitalising its business to streamline its processes as well as to ensure that its back office is able to keep up with changes. Adoption of solutions such as making use of radio-frequency identification ("**RFID**") technology and moving to paperless processes has allowed the Group to gain efficiencies and improve productivity, while upgrading its workforce.

4.2. Strengthening its retail offerings

The Group believes that in order to keep up with rapid changes in market trends and consumer preferences, it needs to offer a one-stop lifestyle retail destination that caters to the lifestyle needs of its customers, be it gold jewellery, luxury jewellery, watches or branded bags. This is achieved through the Group's introduction of a newer and wider range of products for the retail of jewellery and branded merchandise, offering unique store experiences and captivating its customers using effective visual merchandising.

The Group intends to build on its branding and marketing strategies, which include brand management and positioning, advertising and promotional activities to highlight its modern, professional and customer-centric store concept to attract the modern customer.

4.3. Expansion of business operations

The Group believes that a key factor in the future growth of its business is consumer recognition and loyalty towards its "Maxi-Cash" brand. The Group will leverage on its brand, modern concept and digitalisation to further expand its regional network.

The Group plans to develop and expand its business operations by increasing its number of stores, especially in locations with room for higher market penetration by the Group. In order to optimise its expansion, the Group may assess potential markets by analysing demographic, competitive and regulatory factors, site selection and growth potential. The Group's strategy for expansion includes providing greater accessibility to its customers as well as leveraging on its expertise and presence in the financial service industry. In line with this strategy, the Group has increased the number of its shop locations in Singapore from 11 in 2009 (when it first commenced business) to 48 (as at the Latest Practicable Date). In addition, since 2019, the Group has expanded its business into Malaysia, Australia and Hong Kong.

This regional expansion has allowed the Group to offer its services to regional customers and established its foothold in these countries in terms of the regional procurement network. This ensures that the Group is able to increase its procurement options while securing cost efficiencies in terms of inventory sourcing.

4.4. Evolving into a digital financial services company

In addition to growing organically, the Group may consider expanding its business through investments, acquisitions, joint ventures or strategic alliances with parties who create synergistic values with its existing business. Through such investments, acquisitions, joint ventures or strategic alliances, the Group will look to strengthen its market position, expand its network, strengthen its digital solutions, as well as expand into new businesses complementary to its current business, in Singapore and overseas.

As modern customers are increasingly savvy with utilising technology and expect to be able to transact anywhere and at any time, the Group intends to utilise and build on its mobile application, the "Maxi-Cash App", which has been successfully adopted by its customers since its introduction in 2018. The Group intends to continually evolve the "Maxi-Cash App" to enhance connectivity with customers — for example, by introducing new products and services through push notifications, and providing new loan and payment channels for customers to self-manage their financing requirements.

5. COMPETITIVE STRENGTHS

The Group's competitive strengths are as follows:

- Leader and innovator in the pawnbroking industry in Singapore;
- A developed digital ecosystem that is constantly evolving, and convenient and quick access to short-term financing;
- Well-established brand name in the industry with regional network;
- Skilled and qualified workforce, led by an experienced and committed board of directors and management team; and
- Well-developed system of risk management.

5.1. Leader and innovator in the pawnbroking industry in Singapore

The Group has, as at the Latest Practicable Date, a large network of stores in 48 strategic locations in Singapore engaged in pawnbroking and/or the retail and trading of jewellery and branded merchandise.

The Group's stores are predominantly strategically and conveniently located near amenities like bus interchanges and MRT stations.

The Group has been providing financial services in Singapore for more than 12 years since it first commenced its operations in February 2009. As a result of its dedication, understanding and experience in serving the needs of its customers, the Group's business has grown in scale, as evident from the growth of its revenue from approximately S$218.5 million in FY2019 to approximately S$262.8 million in FY2020.

In tandem with its efforts to innovate the pawnbroking industry, the Group has strived to provide its customers with a modern, professional and "bank-like" pawning experience. For example, the Group had in April 2013, launched its island-wide renewal service which allows its customers to renew their pawn tickets and pay interest at any of the Group's stores island-wide instead of returning to the original store where the pledge was pawned.

Besides innovating the pawnbroking business, the Group strives to provide an enhanced retail experience to the modern segment of customers through its "new generation" stores that adopt a jewellery retail concept.

5.2. A developed digital ecosystem that is constantly evolving, and convenient and quick access to short-term financing

The Group aims to provide short-term secured financing services to its customers in an expeditious manner and in circumstances such as where securing loans from commercial banks and other lending financial institutions may be difficult or require a longer time. The Group thus complements the role played by commercial banks and other lending financial institutions by providing speedy, convenient and efficient services to customers who need loans on short notice. The Group normally provides financing as long as the collateral provided by its customers meets its loan application requirements.

The Group has a wide network of stores in strategic and convenient locations in Singapore, including locations near amenities like bus interchanges and MRT stations. This large network facilitates customer outreach, thereby providing customers with convenient access to the Group's financing services. As its staff possesses the relevant knowledge to appraise pledged articles and disburse loans promptly, the Group is in a position to ensure that its services are provided expeditiously.

Beyond physical stores, the Group strongly advocates digitalisation as a critical and core aspect of business that will allow customers to be able to conveniently and effectively interact with the Group for their needs. In 2017, the Group launched three new online services that offer an omni-channel approach to both its business and its customers. The first of these services is iPAYMENT, a significant service innovation in the pawnbroking industry. The service provides customers with a safe, fast and convenient mode of payment with 24-hour access from any location in the world. In addition, the Group's eSHOP platform offers an extensive range of quality accessories curated by an experienced team of watch, jewellery and leather specialists. Lastly, the online valuation service provides a platform for customers to submit their items for appraisal without having to bring their valuables into Maxi-Cash's physical stores. The intuitive user interface allows customers to save time and effort, thus providing faster and better service quality.

Another significant initiative that the Group embarked on was the launch of iKiosk, the first automated interest payment machine in Singapore, in one of its stores in 2017. The new service is part of Maxi-Cash's efforts to innovate through new technologies and cater to different customer segments. In just three easy steps, customers can make monthly interest payments without having to queue at the counter, thus providing fast and efficient service. Since its launch, the iKiosk has been positively received by the Group's customers. The Group has since evolved this into a mobile iKiosk which is provided through a tablet instead of an iKiosk machine.

In line with the Group's aim to continuously innovate and digitalise, it launched the "Maxi-Cash App" in 2018 as a platform where customers are able to easily and conveniently access the services provided by Maxi-Cash. The first step was moving the iPAYMENT from web-based payments into the "Maxi-Cash App". Subsequently, in 2019, the online instalment payment function became available, allowing the Group's retail customers to pay down their loan without the need to physically go to the outlet for payment. In October 2020, the "Maxi-Cash App" went through a face-lift which combined all existing services, both pawnbroking and retail services, under a single application. As of August 2021, customers can pay interest, pay down their loan, pay instalments and even shop online through the "Maxi-Cash App". In addition, to enhance connectivity with customers, new functions will continue to be added to the Maxi-Cash App – for example, allowing push notifications to automatically remind customers of their expiring pledges and to share new promotions.

5.3. Well-established brand name in the industry with regional network

Since the incorporation of the Issuer, the Group has established a strong track record and reputation under its "Maxi-Cash" brand name. The Group places high priority in building good rapport and relationships with its customers. As a testament to its commitment to fair trading and transparency with its customers, the Group's business in the retail and trading of jewellery and branded merchandise attained the CaseTrust accreditation from the Consumer Association of Singapore in 2014.

The Group also believes that public awareness towards its brand name has been enhanced through its marketing campaigns, and customers have gained a deeper understanding of the Group and the benefits of its financial services business.

The Group has expanded regionally since 2019, introducing its offerings to Malaysia, Hong Kong and Australia, thereby strengthening its brand awareness in the region. This has additionally allowed the Group to tap deeper into the regional procurement network, providing more efficient and effective means to source its inventory.

5.4. Skilled and qualified workforce, led by an experienced and committed board of directors and management team

The Group believes that the presence of a skilled and qualified workforce is one of the key growth factors of the Group's business to date. The Group recruits candidates with potential for future development, and trains and motivates its employees to provide quality services that will enhance client satisfaction.

The Group's staff possess the relevant knowledge to appraise pledged articles and disburse loans expeditiously and the Group believes that its high quality customer service and short response time differentiate its services from its competitors. The majority of its employees are trained in appraisal skills in addition to the usual customer relations and communication skills.

The Group believes that its training has built up a talent pool that enables it to staff its store network with skilled and qualified personnel as well as to staff new stores as the Group grows its network.

The Group also has in-house expertise in providing repair and after-sales services for luxury time pieces.

The Issuer has a committed board of directors and management team who are experienced in their respective fields of expertise. Please refer to the section "Board of Directors and Key Management" below for details on the experience of the directors and the management team.

The Issuer believes that the extensive experience of its management team, together with its industry knowledge and in-depth understanding of the market, will enable it to continue to take advantage of future market opportunities.

5.5. Well-developed system of risk management

Risk management is integral to the success of the Group's business. The Group's focus on accuracy in the valuation and assessment of the authenticity of pledged articles, and acquisition of jewellery and branded merchandise enables the Group to maintain its risk at minimum levels.

In assessing personal articles presented for pawning or sale, the Group's focus on the accuracy of the valuations of the personal articles enables it to minimise price risks and determine the appropriate value of loans to be given. In addition to having skilled and qualified staff with appraisal and valuation expertise, the Group has in place different approval levels for different loan amounts. Depending on the loan quantum, approvals for loans may escalate to the level of the head of operations, who is based in the Group's head office. In accordance with its risk management guidelines, the Group has also set a single customer loan amount limit in its computer system. This well-developed risk management system allows the Group to effectively manage its risks as it expands its business.

In its secured lending business, the Group manages its risk by entering into markets which it is familiar with, being selective of the location and type of its collateral and placing a strong emphasis on the valuation of the collateral when determining the loan terms. An independent valuation report will be required by the Group and the Group's staff may also conduct an on-site visit to the property if and when necessary.

Additionally, to the extent that the secured loans extended by the Group are denominated in a foreign currency, the Group may enter into contracts or arrangements to hedge its foreign exchange exposure.

6. INSURANCE

As at the Latest Practicable Date, the following insurance policies are maintained in respect of the Group:

(a) loss and damage to pledged articles held in its pawnshop premises, as required under the Pawnbrokers Act 2015;

(b) stock and merchandise related insurance (including gold, jewellery, watches, handbags and cash);

(c) staff-related insurance (including workmen compensation insurance, group hospitalisation and surgical insurance and/or group personal accident insurance);

(d) asset-related insurance (including motor vehicle insurance, fire insurance and/or all risk insurance);

(e) public liability insurance; and

(f) officer liability insurance.

The Issuer is not insured against loss of key personnel and business interruption.

7. BOARD OF DIRECTORS AND KEY MANAGEMENT

7.1. Board of directors

The Issuer is led by the board of directors, together with a professional management team.

The board of directors oversees the management of the business and affairs of the Group.

Koh Wee Seng
Non-Executive Chairman

Koh Wee Seng is the Issuer's Non-Executive Chairman. He is also the president and Chief Executive Officer of Aspial and is responsible for the strategic planning, overall management and business development of the Aspial Group. Since late 1994 when the new management led by him took over the reins, the Aspial Group has overcome the challenges posed by changing consumer demand by implementing wide ranging and fundamental changes in its jewellery business. Mr Koh has also successfully led Aspial's diversification into the real estate and financial services businesses.

Mr Koh holds a Bachelor degree in Business Administration from the National University of Singapore.

Ng Leok Cheng
Chief Executive Officer

Ng Leok Cheng was appointed Chief Executive Officer of the Group on 5 January 2015 and he oversees the overall management and business development of the Group. Mr Ng has been an Independent Director of the Group since April 2012 and has held the positions of Chairman of the Remuneration and Nominating Committees as well as member of the Audit Committee.

He began his career with Kuwait Asia Bank as a Credit Officer in 1985. Between 1986 and 1989, he was with the credit and marketing division of United Overseas Bank as an Assistant Manager. He then joined ABN Bank as a Relationship Manager in 1989 before leaving to take up a similar position with Generale Bank in the same year. In 1990, he took up the position of Director (Corporate Banking) with American Express bank, a position he held for three years until 1993. From 1993 to 2014, he was a Director of Datapulse Technology Limited, a company listed on the mainboard of the SGX-ST. Mr Ng also sits as an Independent Director on the board of TT International Limited, a company listed on the mainboard of the SGX-ST.

Mr Ng holds a Bachelor degree in Business Administration (Honours) from the National University of Singapore.

Koh Lee Hwee
Non-Executive Director

Koh Lee Hwee was the Issuer's Chief Executive Officer since the Group's listing on the Catalist Board of the SGX-ST in 2012. Mdm Koh stepped down from the position on 5 January 2015. She was re-designated as a Non-Executive Director of the Issuer on 5 August 2015. Prior to her appointment as the Chief Executive Officer of the Group, Mdm Koh was the Vice President (Manufacturing) and Executive Director of Aspial, where she oversaw and spearheaded the growth of Aspial's jewellery manufacturing division and was responsible for the overall production plans, technology, management and development of Aspial's jewellery production. Mdm Koh had more than 20 years of experience in the jewellery industry before joining the Issuer.

Mdm Koh holds a Bachelor degree in Arts from the National University of Singapore.

Ko Lee Meng
Non-Executive Director

Ko Lee Meng was appointed as the Issuer's Non-Executive Director on 28 July 2008. Mdm Ko has accumulated more than 25 years of experience in the jewellery industry and helped to set up the merchandising team for the Issuer when it was incorporated in 2008. She is currently a Non-Executive Director of Aspial and also the Executive Director, Deputy Chairman and Chief Executive Officer of Global Premium Hotels Limited.

Mdm Ko holds a Bachelor degree in Arts from the National University of Singapore.

Tan Keh Yan, Peter
Lead Independent Director

Tan Keh Yan, Peter is the Issuer's Lead Independent Director. Between 1972 and 2003, he was employed by DBS Bank Ltd. and last held the position of Managing Director of Enterprise Banking at DBS Bank Ltd. In early 2004, he joined Redwood Capital Pte Ltd, a wealth management and advisory firm as its Managing Director until 2005 when he left the company. Mr Tan is also an Independent Director at Asia Enterprises Holding Limited.

Mr Tan graduated with a Bachelor of Science degree (Honours) from the University of Singapore in 1972 and from the University of California, Los Angeles, with a Master of Business Administration in 1985.

Lee Sai Sing
Independent Director

Lee Sai Sing is the Issuer's Independent Director. He is presently the Executive Director of Maxi-Harvest Group Pte. Ltd., which focuses on investments in South East Asia. Mr Lee has extensive experience in investing in unlisted and listed Asian equities. He is also involved in advising corporations in restructurings, pre-initial public offerings and initial public offerings. Mr Lee has worked in the fund management industry for many years in major financial institutions such as Government of Singapore Investment Corp, BNParibas Private Bank and Maybank-Kim Eng.

Mr Lee graduated with a Bachelor degree in Applied Science (Computer Engineering) from Nanyang Technological University in 1995.

Goh Bee Leong
Independent Director

Goh Bee Leong was appointed as the Issuer's Independent Director on 19 October 2015. She has 40 years of extensive experience in the healthcare industry. During this time, she has held several senior management positions across diversified functions. These include manufacturing, quality control, product development and marketing of generic pharmaceuticals. Ms Goh has been with Haw Par Healthcare Limited since 2003 and is currently serving as its General Manager (Manufacturing) and Director.

Ms Goh holds a Bachelor of Science (Pharmacy) from the National University of Singapore.

Tan Soo Kiang
Independent Director

Tan Soo Kiang was appointed as the Issuer's Independent Director on 12 July 2016. Mr Tan brings to the Board over 40 years of experience in legal practice and has held various appointments in the legal and judicial branch of the Legal Service before entering private practice in 1992. He joined Messrs Wee Swee Teow & Company as a Partner and his areas of practice encompassed both civil and criminal litigation. Mr Tan retired from law practice in 2015. He has also been an active volunteer in social and community services for many years for which he was awarded the Public Service Medal in 2007 and the Public Service Star in 2013. Mr Tan has held various appointments and directorships through the years. He currently serves as (a) Chairman, Institutional and Disciplinary Advisory Committee / Discipline Advisory Committee for Prison Service under Ministry of Home Affairs; (b) Independent Director of Pertama Holdings Pte. Ltd.; (c) Independent Director of iShine Cloud Limited; (d) Independent Director of Lew Foundation Limited; (e) Board member, St Andrew's Mission Hospital Board; (f) Chairman, St Andrew's Autism Centre and St Andrew's Autism School; (g) Chairman, St Andrew's Junior College Board of Governors; and (h) Deputy Chairman, St Andrew School Board of Governors.

Mr Tan graduated from the University of Singapore with a Bachelor of Laws (Honours) degree and was admitted as Advocate and Solicitor of the Supreme Court of Singapore in 1977.

7.2. Key management

Ng Kean Seen
Deputy Chief Executive Officer

Ng Kean Seen was appointed as the Issuer's Deputy Chief Executive Officer on 1 July 2021, and is responsible for driving the Group's business performance in Singapore. Previously, Mr Ng was the Senior Director for jewellery business at Aspial where he was overseeing Aspial's jewellery retail business and managing Aspial's investments in Niessing jewellery, bullion and safe keeping businesses. Mr. Ng has more than 20 years' experience in the jewellery retail trade. Prior to Aspial, he has also worked in engineering and construction, automobile and financial services sectors.

Mr Ng holds a Bachelor of Engineering with Management (Honours) from University of Leeds (UK) and obtained a Master of Science in Marketing from City University of New York (US). He has also attended Chicago Business School and ESSEC Business School.

Oh Kwok Fon
Assistant Finance Director

Oh Kwok Fon is the Issuer's Assistant Finance Director and is responsible for the overall accounting and finance functions of the Group. He joined the Group in 2020, supporting the Singapore operations and has been responsible for the implementation of the Group's financial policies, accounting and internal control systems, strategic financial planning and analysis and compliance with audit and statutory requirements.

Prior to joining the Group, Mr Oh was the Assistant Finance Director of Aspial since 2018 where he led and developed a company-wide finance transformation initiative targeted to improve content, quality and timeliness of Aspial's financial information while overseeing the Finance functions of the Jewellery business. Mr Oh started his career with Ernst and Young Singapore as Senior Auditor from 2006 to 2008. He subsequently joined United Parcel Service (UPS) as a Finance Supervisor from 2009 to 2010. In 2013, Mr Oh joined Sanofi as a Financial Analyst and thereafter from 2015 to 2018, he took on the role of Business Navigation and Operations Manager at IKEA.

Mr Oh holds a Bachelor degree in Accountancy from Nanyang Technological University of Singapore and a Master of Business Administration from Curtin University, Australia.

Lee Yew Teck
Group's Assistant Operations Director for Singapore Operations

Lee Yew Teck was appointed as the Group's Assistant Operations Director for Singapore Operations on 1 January 2022, and is responsible for the operations of the retail and pawnbroking business. Prior to the appointment, Mr Lee was the Assistant Operations Director for the jewellery business at Aspial where he was overseeing the operations of Aspial's jewellery brands – Lee Hwa & Goldheart. Mr Lee has more than 20 years' experience in key operations roles.

Toh Yen Hoon
Group's Retail & Marketing Director

Toh Yen Hoon is the Group's Retail & Marketing Director and oversees the marketing and visual merchandising departments for the Group's Singapore and regional businesses. Prior to joining the Group in July 2021, Ms Toh was the Business Director at Aspial. Ms Toh has held senior positions in education, automotive and medical aesthetics sectors, accumulating more than 20 years of experience in marketing.

Ms Toh holds a Bachelor degree in Arts, majoring in Communications and Public Relations, from Deakin University (Australia).

Lim Poh Meng
Group's Merchandising Director

Lim Poh Meng is the Group's Merchandising Director and is responsible for all aspects of merchandising across the Group. Prior to joining the Group, Mr Lim accumulated more than 25 years of experience in retail merchandising across various categories and products, regional and in Singapore with both luxury and mass merchandise. Mr Lim brings with him a wealth of management experience that serves to elevate the capabilities of the Group's merchandising organisation.

Mr Lim holds a Diploma in Fashion Merchandising from LaSalle International Fashion School.

SELECTED CONSOLIDATED FINANCIAL INFORMATION

The following tables set out the Group's consolidated statements of comprehensive income for the financial years ended 31 December 2018 ("**FY2018**"), 31 December 2019 ("**FY2019**") and 31 December 2020 ("**FY2020**") and the half years ended 30 June 2020 ("**1H2020**") and 30 June 2021 ("**1H2021**"), and the Group's consolidated statements of financial position as at 31 December 2018, 31 December 2019, 31 December 2020 and 30 June 2021. The selected consolidated financial data in the tables below are derived from, and should be read in conjunction with, the Group's audited consolidated financial statements for FY2018, FY2019 and FY2020 and the announcement on the unaudited financial statements of the Group for 1H2021, including the notes thereto (if any), which appear in Appendices II, III and IV of this Information Memorandum.

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

	Audited FY2018 (S$'000)	**Audited FY2019 (S$'000)**	**Audited FY2020 (S$'000)**	**Unaudited 1H2020 (S$'000)**	**Unaudited 1H2021 (S$'000)**
Revenue	**203,651**	**218,478**	**262,821**	**102,800**	**111,632**
Material costs	(130,201)	(139,200)	(179,220)	(64,546)	(71,326)
Employee benefits expenses	(19,644)	(19,979)	(22,191)	(10,807)	(11,999)
Depreciation and amortisation	(2,116)	(11,555)	(13,601)	(6,189)	(7,177)
Finance costs	(11,022)	(13,295)	(11,199)	(6,294)	(4,961)
Other operating expenses	(33,218)	(18,348)	(16,923)	(9,693)	(9,407)
Interest income	1,274	425	148	96	23
Dividend income from equity instruments	1,569	426	99	99	197
Rental income	261	323	649	304	616
Other income	1,653	890	8,675	6,089	2,206
Share of results of joint venture	(141)	(226)	(6)	250	(21)
Profit before tax	**12,066**	**17,939**	**29,252**	**12,109**	**9,783**
Income tax (expense)/credit	(1,581)	(3,003)	137	(1,971)	(1,725)
Profit for the year/period	10,485	14,936	29,389	10,138	8,058
Profit for the year/period attributable to:					
Owners of the Issuer	10,382	14,834	29,264	10,062	8,007
Non-controlling interests	103	102	125	76	51
	10,485	**14,936**	**29,389**	**10,138**	**8,058**

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

	Audited As at 31 December 2018 (S$'000)	Audited As at 31 December 2019 (S$'000)	Audited As at 31 December 2020 (S$'000)	Unaudited As at 30 June 2021 (S$'000)
Non-current assets				
Property, plant and equipment	23,150	52,535	65,474	87,685
Investments in properties	–	–	10,810	10,764
Right-of-use assets	–	33,987	34,046	36,168
Trade and other receivables	15,123	11,736	4,089	2,431
Investment in joint venture	141	6,415	1,409	1,388
Investment securities	24,249	3,228	2,424	2,457
Prepaid rent	1	–	5	3
Deferred tax assets	685	433	3,973	3,553
	63,349	**108,334**	**122,230**	**144,449**
Current assets				
Inventories	61,469	74,461	74,656	85,945
Trade and other receivables	303,543	315,283	293,319	316,702
Prepaid rent	4	1	3	3
Prepayments	1,726	2,743	1,517	1,306
Due from a related company (trade)	–	394	–	–
Due from a related company (non-trade)	1	67	–	–
Due from a joint venture (non-trade)	5,215	2,640	263	–
Investment securities	2,466	1,253	738	246
Derivative financial instruments	1,058	602	–	30
Cash and bank balances	21,845	16,041	23,816	14,086
	397,327	**413,485**	**394,312**	**418,318**
Total assets	**460,676**	**521,819**	**516,542**	**562,767**
Current liabilities				
Trade and other payables	9,089	10,758	12,753	11,643
Due to immediate holding company (non-trade)	–	2,696	–	49
Due to related companies (non-trade)	706	764	84	357
Derivative financial instruments	–	–	25	–
Lease liabilities	–	8,245	9,725	10,923
Dividends payable	3,105	5,176	–	–
Provision for taxation	1,986	3,387	5,025	4,047
Interest-bearing loans	222,668	218,130	200,117	230,214
Term notes	–	25,500	–	–
	237,554	**274,656**	**227,729**	**257,233**
Net current assets	**159,773**	**138,829**	**166,583**	**161,085**
Non-current liabilities				
Other payables	74	109	68	252
Interest-bearing loans	12,644	31,552	65,403	87,862
Term notes	69,000	50,000	45,250	45,250
Lease liabilities	–	26,238	25,216	26,332
Deferred tax liabilities	257	371	267	159
	81,975	**108,270**	**136,204**	**159,855**
Total liabilities	**319,529**	**382,926**	**363,933**	**417,088**
Net assets	**141,147**	**138,893**	**152,609**	**145,679**
Equity attributable to owners of the Issuer				
Share capital	137,286	137,286	137,286	137,286
Treasury shares	(15)	(9)	(9)	(59)
Other reserves	(3,257)	(5,870)	(6,066)	(5,994)
Revenue reserves	6,113	6,627	20,363	13,360
	140,127	**138,034**	**151,574**	**144,593**
Non-controlling interests	1,020	859	1,035	1,086
Total equity	**141,147**	**138,893**	**152,609**	**145,679**
Total equity and liabilities	**460,676**	**521,819**	**516,542**	**562,767**

REVIEW OF THE GROUP'S FINANCIAL PERFORMANCE

1H2021 compared with 1H2020

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

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

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

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

FY2020 compared with FY2019

The Group's revenue increased by 20% to S$262.8 million in FY2020 and was S$44.3 million higher than FY2019. The increase in revenue was primarily attributed to higher revenue from the retail and trading of jewellery and branded merchandise, partially offset by a decrease in revenue from the pawnbroking business and the secured lending business.

As compared to FY2019, operating expenses in FY2020 increased by S$2.8 million. This was mainly due to increase in employee benefits, increase in depreciation and amortisation costs in FY2020 due to the additional recognition of right-of-use assets for the new leases signed and additional properties acquired by the Group, partially offset by the reduction in other operating expenses in FY2020 such as marketing expenditures and professional fee.

The increase in rental income in FY2020 as compared to FY2019 was mainly due to income generated from newly acquired properties. Higher other income in FY2020 was mainly related to the rental rebates from landlords and cash grant under the Jobs Support Scheme attributable to the Singapore Government in relation to COVID-19.

The profit before tax of the Group increased from S$17.9 million in FY2019 to S$29.3 million in FY2020 due to higher gross profit and other income, partially offset by higher operating expenses.

FY2019 compared with FY2018

The Group's revenue increased by 7% to S$218.5 million in FY2019 and was S$14.8 million higher than FY2018. The increase in revenue was primarily attributed to higher revenue from the pawnbroking business and the retail and trading of jewellery and branded merchandise business but partially offset by the decrease in revenue from the secured lending business.

The increase in depreciation and amortisation costs in FY2019 as compared to FY2018 were mainly due to the recognition of right-of-use assets following the adoption of SFRS(I) 16 Leases. The increase in finance costs in FY2019 as compared to FY2018 was mainly due to higher interest rate charged on interest-bearing loans. The decrease in other operating expenses in FY2019 as compared to FY2018 was mainly due to lower foreign exchange loss.

As a result of higher gross profit and decrease in other operating expenses such as foreign exchange loss, the pre-tax profit of the Group increased to S$17.9 million in FY2019 as compared to S$12.1 million in FY2018.

REVIEW OF THE GROUP'S FINANCIAL POSITION

30 June 2021 compared with 31 December 2020

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

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

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

31 December 2020 compared with 31 December 2019

The equity attributable to owners of the Issuer was S$151.6 million as at 31 December 2020 as compared to S$138.0 million as at 31 December 2019. The increase was mainly attributable to the increase in profit for the year.

The Group's total assets of S$516.5 million as at 31 December 2020 was S$5.3 million lower than that as at 31 December 2019 mainly due to a decrease in trade and other receivables, investment in joint venture, amount due from a joint venture (non-trade), amount due from a related company, prepayments, investment securities and derivative financial instruments, partially offset by an increase in property, plant and equipment arising from the acquisition of properties from a director related company as announced on 5 November 2019 which said the acquisition was completed in January 2020, investment in properties due to reclassification of "Property, plant and equipment" to "Investment properties", right-of-use assets, inventories, cash and bank balances and deferred tax assets. The decrease in trade and other receivables was mainly due to the decrease in the pledge book for the Group's pawnbroking business and the secured loans.

The Group's total liabilities of S$363.9 million as at 31 December 2020 was S$19.0 million lower than that as at 31 December 2019. This was mainly due to a decrease in term notes, dividends payable, amount due to immediate holding company (non-trade), amount due to a related company (non-trade), interest-bearing loans, deferred tax liabilities, partially offset by an increase in interest-bearing loans, trade and other payables, provision for taxation, derivative financial instruments, and lease liabilities.

31 December 2019 compared with 31 December 2018

The equity attributable to owners of the Issuer was S$138.0 million as at 31 December 2019 as compared to S$140.1 million as at 31 December 2018. The decrease was mainly attributable to the decrease in other reserves as a result of the acquisition of a subsidiary.

The Group's total assets of S$521.8 million as at 31 December 2019 was S$61.1 million higher than that as at 31 December 2018 mainly due to the increase in property, plant and equipment arising from the acquisition of a subsidiary, the recognition of right-of-use assets arising from the adoption of SFRS(I) 16 Leases, increase in trade and other receivables, inventories, prepayments and investment in joint venture, partially offset by the decrease in cash and bank balances, amount due from a joint venture (non-trade), derivative financial instruments and investment securities. The increase in trade and other receivables was mainly due to the increase in the pledge book for the Group's pawnbroking business and the provision of secured loans.

The Group's total liabilities of S$382.9 million as at 31 December 2019 was S$63.4 million higher than that as at 31 December 2018. This was mainly due to the increase in interest-bearing loans, amount due to immediate holding company (non-trade), recognition of lease liabilities arising from the adoption of SFRS(I) 16 Leases, dividends payables and term notes.

INVESTMENT CONSIDERATIONS

Prior to making an investment or divestment decision, prospective investors in or existing holders of the Notes should carefully consider all the information set forth in this Information Memorandum and any documents incorporated by reference herein including the investment considerations and risk factors set out below.

The investment considerations and risk factors set out below do not purport to be complete or comprehensive of all the investment considerations and risk factors that may be involved in the business, assets, financial condition, performance or prospects of the Issuer and its subsidiaries or any of the properties owned by the Group or any decision to purchase, own or dispose of the Notes. Additional investment considerations and risk factors which the Issuer is currently unaware of or currently deems immaterial may also impair its and/or the Group's business, assets, financial condition, performance or prospects. The inclusion of each of the risk factors in this Information Memorandum is not intended to inform a prospective investor in or existing holder of the Notes of any of the Issuer's or the Group's measures taken in relation to any of the risk factors, and should not be considered as a statement or representation that the Issuer or the Group has taken any measure in relation to any of the risk factors or of the adequacy or sufficiency of any measures. If any of the following investment considerations or risk factors develops into actual events, the business, assets, financial condition, performance or prospects of the Issuer and/or the Group could be materially and adversely affected. In such cases, the ability of the Issuer to comply with its obligations under the Trust Deed and the Notes may be adversely affected. Further, the market price of the Notes could decline, and investors may lose all or part of their investments in the Notes. The investment considerations and risk factors discussed below also include forward-looking statements and the Issuer's and the Group's actual results may differ substantially from those discussed in these forward-looking statements. Sub-headings are for convenience only and investment considerations and risk factors that appear under a particular sub-heading may also apply to one or more other sub-headings.

LIMITATIONS OF THIS INFORMATION MEMORANDUM

This Information Memorandum does not purport to nor does it contain all information that a prospective investor in or an existing holder of the Notes may require in investigating the Issuer or the Group, prior to making an investment or divestment decision in relation to the Notes issued under the Programme

Neither this Information Memorandum nor any other document or information (or any part thereof) delivered or supplied under or in relation to the Programme or the Notes is intended to provide the basis of any credit or other evaluation and should not be considered as a recommendation by the Issuer, the Arranger or any of the Dealers that any recipient of this Information Memorandum or any such other document or information (or such part thereof) should subscribe for or purchase or sell any of the Notes.

This Information Memorandum is not, and does not purport to be, investment advice. A prospective investor should make an investment in the Notes only after it has determined that such investment is suitable for its investment objectives. Determining whether an investment in the Notes is suitable is a prospective investor's responsibility, even if the investor has received information to assist it in making such a determination. Each person receiving this Information Memorandum acknowledges that such person has not relied on the Issuer, its subsidiaries or its associated companies (if any), the Arranger, any of the Dealers or any person affiliated with each of them in connection with its investigation of the accuracy or completeness of the information contained herein or of any additional information considered by it to be necessary in connection with its investment or divestment decision. Any recipient of this Information Memorandum contemplating subscribing for or purchasing or selling any of the Notes should determine for itself the relevance of and the emphasis to be placed on the information contained in this Information

Memorandum and any such other document or information (or any part thereof) and its investment or divestment should be, and shall be deemed to be, based solely upon its own independent investigation of the financial condition and affairs, and its own appraisal of the creditworthiness, of the Issuer and the Group, the terms and conditions of the Notes and any other factors relevant to its decision, including the merits and risks involved. A prospective investor should consult with its legal, tax and financial advisers prior to deciding to make an investment in the Notes.

RISKS RELATING TO THE NOTES

The Notes issued under the Programme may have limited liquidity

There can be no assurance regarding the future development of the market for the Notes issued under the Programme, or the ability of the Noteholders, or the price at which the Noteholders may be able, to sell their Notes. Lack of liquidity may have an adverse effect on the market value of the Notes. Although the issue of additional Notes may increase the liquidity of the Notes, there can be no assurance that the price of such Notes will not be adversely affected by the issue in the market of such additional Notes.

An active trading market for the Notes issued under the Programme may not develop

There can be no assurance as to the liquidity of the Notes or that an active trading market will develop. If such a market were to develop, the Notes may trade at prices that may be higher or lower than the initial issue price depending on many factors, including prevailing interest rates, the Issuer's operations, the market for similar securities, general economic conditions and the financial condition of the Issuer. The Dealers are not obliged to make a market in the Notes and any such market making, if commenced, may be discontinued at any time at the sole discretion of the relevant Dealer(s). Therefore, investors may not be able to sell their Notes easily or at prices that will provide them with a yield comparable to similar investments that have a developed secondary market. This is particularly the case for Notes that are especially sensitive to interest rate, currency or market risks, are designed for specific investment objectives or strategies or have been structured to meet the investment requirements of limited categories of investors. These types of Notes generally would have a more limited secondary market and more price volatility than conventional debt securities. If the Notes are trading at a discount, investors may not be able to receive a favourable price for their Notes, and in some circumstances investors may not be able to sell their Notes at their fair market value or at all.

Although application will be made for the listing and quotation of any Notes that may be issued under the Programme and which are agreed at or prior to the time of issue thereof to be so listed on the SGX-ST, there is no assurance that the Issuer will be able to obtain or maintain such listing on the SGX-ST or that an active trading market will develop. In addition, the market for investment grade and crossover grade debt has been subject to disruptions that have caused volatility in prices of notes similar to the Notes to be issued under the Programme. Accordingly, there is no assurance as to the development or liquidity of any trading market, or that disruptions will not occur, for any particular Tranche of Notes.

Certain Noteholder(s) who are controlling shareholder(s), interested persons (as defined in the Listing Manual of the SGX-ST) and/or director(s) of the Issuer may subscribe to a substantial portion of the aggregate principal amount of any Series of Notes to be issued from time to time under the Programme and may therefore be able to control the outcome of votes which will be binding on all Noteholders. Additionally, this may reduce the liquidity of such Notes in the secondary trading market

Certain Noteholder(s) who are controlling shareholder(s), interested persons and/or director(s) of the Issuer may subscribe for, or be holders of, a substantial portion of the aggregate principal amount of any Series of Notes. The Trust Deed and terms and conditions of the Notes contain provisions for convening meetings of Noteholders to consider matters affecting their interests, including modification by Extraordinary Resolution of the terms and conditions of such Notes. As an Extraordinary Resolution needs to be passed by a majority of (in the case of a Normal Extraordinary Resolution) not less than 66⅔ per cent., and (in the case of a Reserved Matter Extraordinary Resolution) not less than 75 per cent., of the votes cast, any Noteholder holding more than 33⅓ per cent. of the aggregate principal amount of a Series of Notes outstanding (as defined in the Trust Deed) will be able to prevent the passing of an Extraordinary Resolution and accordingly control the outcome of votes on such matters which will be binding on all Noteholders. In addition, the existence of any such Noteholder holding a substantial portion of Notes may reduce the liquidity of such Notes in the secondary trading market. If such Noteholder sells a material amount of the aggregate principal amount of Notes at any one time, it may materially and adversely affect the trading price of such Notes. The Dealers are not obliged to make a market in the Notes and any such market making, if commenced, may be discontinued at any time at the sole discretion of the relevant Dealer(s).

The market value of the Notes issued under the Programme may fluctuate

Trading prices of the Notes are influenced by numerous factors, including the operating results, the financial condition and/or the future prospects of the Issuer, its subsidiaries and/or its associated companies (if any), the market for similar securities, political, economic, financial and any other factors that can affect the capital markets, the industry, the Issuer, its subsidiaries and/or associated companies (if any) generally. Adverse economic developments, in Singapore as well as countries in which the Issuer, its subsidiaries and/or its associated companies (if any) operate or have business dealings, could have a material adverse effect on the Singapore economy and the operating results, business, financial performance, financial condition and/or future prospects of the Issuer, its subsidiaries and/or its associated companies (if any).

Further, recent global financial turmoil has resulted in substantial and continuing volatility in international capital markets. Any further deterioration in global financial conditions could have a material adverse effect on worldwide financial markets, which may also adversely affect the market price of the Notes.

The Notes issued under the Programme are subject to interest rate risks

Noteholders may suffer unforeseen losses due to fluctuations in interest rates. Generally, a rise in interest rates may cause a fall in bond prices, resulting in a capital loss for the Noteholders. However, the Noteholders may reinvest the interest payments at higher prevailing interest rates. Conversely, when interest rates fall, bond prices may rise. Noteholders may enjoy a capital gain but interest payments received may be reinvested at lower prevailing interest rates.

The Notes issued under the Programme are subject to inflation risks

Noteholders may suffer erosion on the return of their investments due to inflation. Noteholders would have an anticipated rate of return based on expected inflation rates on the purchase of the Notes. An unexpected increase in inflation could reduce the actual returns.

The Issuer may not fully hedge the currency risks associated with Notes denominated in foreign currencies

As Notes issued under the Programme may be denominated in currencies other than Singapore dollars, the Issuer may be affected by fluctuations between the Singapore dollar and such foreign currencies in meeting the payment obligations under such Notes and there is no assurance that the Issuer will be able to fully hedge the currency risks associated with such Notes denominated in currencies other than Singapore dollars.

The regulation and reform of "benchmark" rates of interest and indices may adversely affect the value of Notes linked to or referencing such "benchmarks"

The Programme allows for the issuance of Notes that reference certain interest rates or other types of rates or indices which are deemed to be "benchmarks", including LIBOR, EURIBOR, SOR or SIBOR, in particular with respect to certain Floating Rate Notes where the reference rate may be LIBOR, EURIBOR, SOR, SIBOR or another such benchmark. The Pricing Supplement for the Notes will specify whether LIBOR, EURIBOR, SOR, SIBOR or another such benchmark is applicable.

Reference rates and indices which are deemed to be, or used as, "benchmarks" are the subject of recent national and international regulatory guidance and proposals for reform. Some of these reforms are already effective whilst others are still to be implemented. These reforms may cause such benchmarks to perform differently than in the past or to disappear entirely, or have other consequences which cannot be predicted. Any such consequence could have a material adverse effect on any Note linked to or referencing such a benchmark.

Regulation (EU) 2016/1011 (the "**EU Benchmarks Regulation**") applies, subject to certain transitional provisions, to the provision of benchmarks, the contribution of input data to a benchmark and the use of a benchmark within the EU. Among other things, it (i) requires benchmark administrators to be authorised or registered (or, if non-EU-based, to be subject to an equivalent regime or otherwise recognised or endorsed) and (ii) prevents certain uses by EU supervised entities of benchmarks of administrators that are not authorised or registered (or, if non-EU based, not deemed equivalent or recognised or endorsed). Regulation (EU) 2016/1011, as it forms part of domestic law by virtue of the EUWA (the "**UK Benchmarks Regulation**") among other things, applies to the provision of benchmarks and the use of a benchmark in the UK. Similarly, it prohibits the use in the UK by UK supervised entities of benchmarks of administrators that are not authorised by the UK Financial Conduct Authority (the "**FCA**") or registered on the FCA register (or, if non-UK based, not deemed equivalent or recognised or endorsed).

The EU Benchmarks Regulation and/or the UK Benchmarks Regulation, as applicable, could have a material impact on any Notes linked to or referencing a benchmark, in particular, if the methodology or other terms of the benchmark are changed in order to comply with the requirements of the EU Benchmarks Regulation and/or the UK Benchmarks Regulation, as applicable. Such changes could, among other things, have the effect of reducing, increasing or otherwise affecting the volatility of the published rate or level of the relevant benchmark.

More broadly, any of the national or international reforms or the general increased regulatory scrutiny of benchmarks, could increase the costs and risks of administering or otherwise participating in the setting of a benchmark and complying with any such regulations or requirements. Specifically, the sustainability of LIBOR has been questioned as a result of the absence of relevant active underlying markets and possible disincentives (including possibly as a result of benchmark reforms) for market participants to continue contributing to such benchmarks. The FCA has indicated through a series of announcements that the continuation of LIBOR on the current basis cannot and will not be guaranteed after 2021. On 5 March 2021, the FCA announced, *inter alia*, the dates on which the various LIBOR rates in respect of various currencies will either cease to be provided or cease to be representative of their underlying market, with such end-date falling either on 31 December 2021 or by 30 June 2023. Separately, the Euro risk free-rate working group for the Euro area has published a set of guiding principles and high level recommendations for fallback provisions in, amongst other things, new Euro denominated cash products (including bonds) referencing EURIBOR. The guiding principles indicate, among other things, that continuing to reference EURIBOR in relevant contracts (without robust fallback provisions) may increase the risk to the Euro area financial system. On 11 May 2021, the Euro risk-free rate working group published its recommendations on EURIBOR fallback trigger events and fallback rates.

In addition, as the SOR methodology relies on USD LIBOR in its computation, the likely discontinuation of LIBOR after June 2023 will impact the future sustainability of SOR. On 30 August 2019, the MAS announced that, it has established an industry-led steering committee, the Steering Committee for SOR Transition to SORA (the "**SC-STS**") to oversee an industry-wide interest rate benchmark transition from the SOR to the SORA. On 5 August 2020, MAS announced several initiatives to support the adoption of SORA, including prescribing SORA as a financial benchmark under the SFA. The initiatives aim to catalyse greater activity in SORA markets, safeguard the benchmark's integrity and enhance market confidence in SORA. Similarly, the Association of Banks in Singapore has also proposed to discontinue certain tenors for SIBOR and to amend the methodology for determining SIBOR. The Association of Banks in Singapore, the Singapore Foreign Exchange Market Committee and the SC-STS (together, the "**Committees**") laid out transition roadmaps for shifting away from the use of SOR and SIBOR to the use of SORA as the main interest rate benchmark for SGD financial markets. Following industry consultations by the Committees, SOR is expected to be discontinued by end-June 2023 and the issuance of SOR-linked loans and securities that mature after end-2021 has ceased since end-April 2021, with financial institutions and their customers to cease usage of SOR in new derivative contracts (except for specified purposes relating to the risk management and transition of legacy SOR positions to SORA) by end-September 2021. Similarly, the Committees have announced plans to discontinue SIBOR, with 6-month SIBOR expected to be discontinued on 31 March 2022 and 1-month and 3-month SIBOR expected to be discontinued by end-2024. In order to mitigate further build up in the stock of legacy SIBOR contracts, the SC-STS has recommended that financial institutions and their customers cease usage of SIBOR in new contracts by end-September 2021.

Such factors may have the following effects on certain benchmarks: (i) discourage market participants from continuing to administer or contribute to the benchmark; (ii) trigger changes in the rules or methodologies used in the benchmark or (iii) lead to the disappearance of the "benchmark".

Investors should be aware that, if SOR or SIBOR were discontinued or otherwise unavailable, the rate of interest on Floating Rate Notes which reference SOR or SIBOR will be determined for the relevant period by the fallback provisions applicable to such Notes. Depending on the manner in which SOR or SIBOR is to be determined under the Conditions, this may in certain circumstances (i) be reliant upon the provision by reference banks of offered quotations for SOR or SIBOR which, depending on market circumstances, may not be available at the relevant time or (ii) result in the effective application of a fixed rate for Floating Rate Notes based on the rate which was last observed on the relevant Screen Page. Any of the foregoing could have an adverse effect on the value or liquidity of, and return on, any Floating Rate Notes which reference SOR or SIBOR.

Following the implementation of any such potential reforms, the manner of administration of benchmarks may change, with the result that they may perform differently than in the past, or the benchmark could be eliminated entirely, or there could be other consequences that cannot be predicted. The elimination of the LIBOR benchmark or any other benchmark, or changes in the manner of administration of any benchmark, could require or result in an adjustment to the interest calculation provisions of the Conditions, or result in adverse consequences to holders of any Notes linked to such benchmark (including but not limited to Floating Rate Notes or Notes whose interest rates are linked to LIBOR or any other such benchmark that is subject to reform). Furthermore, even prior to the implementation of any changes, uncertainty as to the nature of alternative rates and as to potential changes to such benchmark may adversely affect such benchmark during the term of the relevant Notes, the return on the relevant Notes and the trading market for securities based on the same benchmark.

Due to the uncertainty concerning the availability of successor rates and alternative rates, the relevant fallback provisions may not operate as intended at the relevant time.

Any of the above changes or any other consequential changes as a result of national or international reforms or other initiatives or investigations, could have a material adverse effect on the value of and return on any Notes linked to or referencing or otherwise dependent (in whole or in part) upon, a benchmark.

Investors should consult their own independent advisers and make their own assessment about the potential risks imposed by the EU Benchmarks Regulation and/or the UK Benchmarks Regulation or any of the national or international reforms and the possible application of the benchmark replacement provisions of the Notes in making any investment decision with respect to any Notes linked to or referencing a benchmark.

Singapore tax risk

The Notes to be issued from time to time under the Programme during the period from the date of this Information Memorandum to 31 December 2023 are intended to be "qualifying debt securities" for the purposes of the ITA subject to the fulfilment of certain conditions more particularly described in the section titled "Taxation – Singapore Taxation".

However, there is no assurance that such Notes will enjoy or will continue to enjoy the tax concessions under the qualifying debt securities scheme, should the relevant tax laws be amended or revoked at any time.

Investors and holders of the Notes should consult their own accounting and tax advisers regarding the Singapore income tax consequences of their acquisition, holding and disposal of the Notes.

FATCA (as defined below) is particularly complex and its application is uncertain

While the Notes are in global form and held within the clearing systems, in all but the most remote circumstances, it is not expected that the reporting regime and potential withholding tax imposed by Sections 1471 through 1474 of the U.S. Internal Revenue Code of 1986 ("**FATCA**") will affect the amount of any payment received by the clearing systems. Please refer to the section on "Taxation – 5. Foreign Account Tax Compliance Act" herein. However, FATCA may affect payments made to custodians or intermediaries in the payment chain leading to the ultimate investor if any such custodian or intermediary generally is unable to receive payments free of FATCA withholding. FATCA also may affect payments to any ultimate investor that is a financial institution that is not entitled to receive payments free of withholding under FATCA, or an ultimate investor that fails to provide its broker (or other custodian or intermediary from which it receives payment) with any information, forms, other documentation or consents that may be necessary for the payments to be made free of FATCA withholding. Investors should choose the custodians or intermediaries with care (to ensure each is compliant with FATCA or other laws or agreements related to FATCA, including any legislation implementing intergovernmental agreements relating to FATCA, if applicable), and provide each custodian or intermediary with any information, forms, other documentation or consents that may be necessary for such custodian or intermediary to make a payment free of FATCA withholding. Investors should consult their own tax advisers to obtain a more detailed explanation of FATCA and how FATCA may affect them. The Issuer's obligations under the Notes are discharged once it has paid the clearing systems or the common depositary for the clearing systems (as bearer or registered holder of the Notes) and the Issuer therefore has no responsibility for any amount thereafter transmitted through the clearing systems and custodians or intermediaries.

FATCA IS PARTICULARLY COMPLEX AND ITS APPLICATION TO THE ISSUER, THE NOTES AND THE NOTEHOLDERS IS UNCERTAIN AT THIS TIME. EACH NOTEHOLDER SHOULD CONSULT ITS OWN TAX ADVISERS TO OBTAIN A MORE DETAILED EXPLANATION OF FATCA AND TO LEARN HOW FATCA MIGHT AFFECT EACH NOTEHOLDER IN ITS PARTICULAR CIRCUMSTANCE.

The Notes may not be a suitable investment for all investors

Each potential investor in the Notes must determine the suitability of that investment in light of its own circumstances. In particular, each potential investor should:

(i) have sufficient knowledge and experience to make a meaningful evaluation of the Notes, the merits and risks of investing in the Notes and the information contained or incorporated by reference in this Information Memorandum or any applicable supplement to this Information Memorandum;

(ii) have access to, and knowledge of, appropriate analytical tools to evaluate, in the context of its particular financial situation, an investment in the Notes and the impact such investment will have on its overall investment portfolio;

(iii) have sufficient financial resources and liquidity to bear all of the risks of an investment in the Notes, including Notes with principal or interest payable in one or more currencies, or where the currency for principal or interest payments is different from the potential investor's currency;

(iv) understand thoroughly the terms of the Notes and be familiar with the behaviour of any relevant indices and financial markets;

(v) understand thoroughly the nature of all those risks before making a decision to invest in the Notes; and

(vi) be able to evaluate (either alone or with the help of a financial adviser) possible scenarios for economic, interest rate and other factors that may affect its investment and its ability to bear the applicable risks.

Some Notes are complex financial instruments. Sophisticated institutional investors generally do not purchase complex financial instruments as stand-alone investments. They purchase complex financial instruments as a way to reduce risk or enhance yield with an understood, measured and appropriate addition of risk to their overall portfolios. A potential investor should not invest in Notes which are complex financial instruments unless it has the expertise (either alone or with the help of a financial adviser) to evaluate how the Notes will perform under changing conditions, the resulting effects on the value of the Notes and the impact such investment will have on the potential investor's overall investment portfolio.

Additionally, the investment activities of certain investors may be subject to legal investment laws and regulations, or review or regulation by certain authorities. Each potential investor should consult its legal advisers to, *inter alia*, determine whether and to what extent (1) the Notes are legal investments for it, (2) the Notes can be used as collateral for various types of borrowing and (3) other restrictions apply to its purchase of any Notes. Financial institutions should consult their legal advisers or the appropriate regulators to determine the appropriate treatment of the Notes under any applicable risk-based capital or similar rules.

The Issuer's ability to comply with its obligation to repay the Notes may be dependent upon the earnings of, and distributions by, the members of the Group and future performance of the Group

The Issuer's ability to comply with its obligation to repay the Notes may depend on the earnings of the Group and the distribution of funds amongst members of the Group, primarily in the form of dividends. Whether or not the members of the Group can make distributions to the Issuer will depend on distributable earnings, cash flow conditions, restrictions that may be contained in the debt instruments or loan agreements of its members, applicable law and other arrangements. These restrictions could reduce the amount of distributions that the Issuer receives from its members, which would restrict the Issuer's ability to fund its business operations and to comply with its payment obligations under the Notes.

Further, the ability of the Issuer to make scheduled principal or interest payments on its indebtedness, including the Notes, and to fund its growth aspirations, will depend on the Group's future performance and its ability to generate cash, which to a certain extent is subject to general economic, financial, competitive, legislative, legal, regulatory and other factors, as well as other factors discussed in this "Investment Considerations" section, many of which are beyond the control of the Issuer. If the Issuer's future cash flow from operations and other capital resources are insufficient to pay its debt obligations, including the Notes, or to fund its other liquidity needs, it may be forced to sell assets, attempt to restructure or refinance its existing indebtedness. No assurance can be given that the Issuer would be able to accomplish any of these measures on a timely basis or on satisfactory terms or at all.

Noteholders are exposed to financial risk and the Issuer may not be able to repay or redeem the Notes when required

Interest payment, where applicable, and principal repayment for debts occur at specified periods regardless of the performance of the Issuer and/or the Group. The Issuer may be unable to make interest payments or, where applicable, principal repayments, under a series of Notes should it suffer a serious decline in net operating cash flows.

The Issuer may, and at maturity will, be required to redeem the Notes. If such an event were to occur, the Issuer may not have sufficient cash in hand and may not be able to arrange financing to redeem the Notes in time, or on acceptable terms, or at all. The ability to redeem such Notes in such event may also be limited by the terms of other debt instruments. The Issuer's failure to repay, repurchase or redeem tendered Notes could constitute an event of default under such Notes, which may also constitute a default under the terms of the Issuer's other indebtedness (if any).

Performance of contractual obligations by the Issuer may be dependent on other parties

The ability of the Issuer to make payments in respect of any Notes may depend upon the due performance by the other parties to the Programme Agreement, the Trust Deed, the Agency Agreement and (where applicable) the Agent Bank Agreement of their obligations thereunder including the performance by the Trustee, the relevant Paying Agents and/or the Agent Bank of their respective obligations. Whilst the non-performance of any relevant party will not relieve the Issuer of its obligations to make payments in respect of the Notes, the Issuer may not, in such circumstances, be able to fulfil its obligations to the Noteholders and/or the Couponholders.

The Trustee may request Noteholders to provide an indemnity and/or security and/or pre-funding to its satisfaction

In certain circumstances (including, without limitation, pursuant to Condition 10 of the Notes), the Trustee may (at its sole discretion) request Noteholders to provide an indemnity and/or security and/or pre-funding to its satisfaction before it takes action on behalf of Noteholders. The Trustee shall not be obliged to take any such action if not indemnified and/or secured and/or pre-funded to its satisfaction. Negotiating and agreeing to an indemnity and/or security and/or pre-funding can be a lengthy process and may impact on when such actions can be taken.

The Trustee may not be able to take action, notwithstanding the provision of an indemnity and/or security and/or pre-funding to it, in breach of the terms of the Trust Deed and in circumstances where there is uncertainty or dispute as to the applicable laws or regulations and, to the extent permitted by the agreements and the applicable law, it will be for the Noteholders to take such action directly.

Notes which are subject to optional redemption may have a lower market value than Notes without such a feature

An optional redemption feature is likely to limit the market value of Notes containing such a feature. During any period when the Issuer may elect to redeem the Notes, the market value of such Notes generally will not rise substantially above the price at which they can be redeemed. This may also be true prior to any redemption period.

The Issuer may be expected to redeem Notes when its cost of borrowing is lower than the interest rate on the Notes. At that time, Noteholders generally would not be able to reinvest the redemption proceeds at an effective interest rate as high as the interest rate on the Notes being redeemed and may only be able to do so at a significantly lower rate. Noteholders should consider reinvestment risks in light of other investments available at that time.

The Notes may be issued at a substantial discount or premium

The market values of securities issued at a substantial discount or premium to their nominal amount tend to fluctuate more in relation to general changes in interest rates than do prices for conventional interest-bearing securities. Generally, the longer the remaining term of the securities, the greater the price volatility as compared to conventional interest-bearing securities with comparable maturities.

Exchange rate risks and exchange controls may result in Noteholders receiving less principal or interest than expected

The Issuer will pay principal and interest on the Notes in the currency specified in the relevant Pricing Supplement (the "**Specified Currency**"). This presents certain risks relating to currency conversions if a Noteholder's financial activities are denominated principally in a currency or currency unit (the "**Investor's Currency**") other than the currency in which the Notes are denominated. These include the risk that exchange rates may significantly change (including changes due to devaluation of the Specified Currency or revaluation of the Investor's Currency) and the risk that authorities with jurisdiction over the Investor's Currency may impose or modify exchange controls. An appreciation in the value of the Investor's Currency relative to the Specified Currency would decrease (a) the Investor's Currency equivalent yield on the Notes, (b) the Investor's Currency equivalent value of the principal payable on the Notes and (c) the Investor's Currency equivalent market value of the Notes.

Government and monetary authorities may impose (as some have done in the past) exchange controls that could adversely affect an applicable exchange rate. As a result, Noteholders may receive less interest and/or principal than expected, or no interest and/or principal at all.

Provisions in the Trust Deed and the Conditions may be modified

The Conditions contain provisions for calling meetings of Noteholders to consider matters affecting their interests generally. These provisions permit defined majorities to bind all Noteholders including Noteholders who did not attend and vote at the relevant meeting and Noteholders who voted in a manner contrary to the majority.

The Conditions also provide that the Trustee may agree, without the consent of the Noteholders or Couponholders, to (i) any modification of any of the provisions of the Trust Deed or any of the other Issue Documents (as defined in the Trust Deed) which in the opinion of the Trustee is of a formal, minor or technical nature or is made to correct a manifest error or to comply with mandatory provisions of Singapore law or is required by Euroclear, Clearstream, Luxembourg, the Depository and/or any other clearing system in which the Notes may be held and (ii) any other modification (except as mentioned in the Trust Deed) to the Trust Deed and any of the other Issue Documents, and any waiver or authorisation of any breach or proposed breach, of any of the provisions of the Trust Deed or any of the other Issue Documents which is in the opinion of the Trustee not materially prejudicial to the interests of the Noteholders.

The Notes are not secured

The Notes and Coupons of all Series constitute direct, unconditional, unsubordinated and unsecured obligations of the Issuer and rank *pari passu*, without any preference or priority among themselves, and *pari passu* with all other present and future unsecured obligations (other than subordinated obligations and priorities created by law or the Trust Deed (if any)) of the Issuer from time to time outstanding. Accordingly, on a winding-up or insolvency of the Issuer, the Noteholders will not have recourse to any specific asset of the Issuer or its subsidiaries or associated companies (if any) as security for outstanding payment or other obligations under the Notes and/or Coupons owed to the Noteholders or Couponholders and there can be no assurance that there would be sufficient value in the assets of the Issuer, after meeting all claims ranking ahead of the Notes, to discharge all outstanding payment and other obligations under the Notes and/or Coupons, as the case may be, owed to the Noteholders or Couponholders.

Application of Singapore insolvency and related laws to the Issuer may result in a material adverse effect on the Noteholders

There can be no assurance that the Issuer will not become bankrupt or insolvent, or be the subject of judicial management, schemes of arrangement, winding-up or liquidation orders or other insolvency-related proceedings or procedures. In the event of an insolvency or near insolvency of the Issuer, the application of certain provisions of Singapore insolvency and related laws may have a material adverse effect on the Noteholders. Without being exhaustive, below are some matters that could have a material adverse effect on the Noteholders.

Where the Issuer is insolvent or close to insolvent and the Issuer undergoes certain insolvency procedures, there may be a moratorium against actions and proceedings which may apply in the case of judicial management, schemes of arrangement and/or winding-up in relation to the Issuer. It may also be possible that if a company related to the Issuer proposes a creditor scheme of arrangement and obtains an order for a moratorium, the Issuer may also seek a moratorium even if the Issuer is not in itself proposing a scheme of arrangement. These moratoriums can be lifted with court permission and in the case of judicial management, additionally with the permission of the judicial manager. Accordingly, if for instance there is any need for the Trustee to bring an action against the Issuer, the need to obtain court permission and (in the case of judicial management) the judicial manager’s consent may result in delays in being able to bring or continue legal proceedings that may be necessary in the process of recovery.

Further, Noteholders may be made subject to a binding scheme of arrangement where the majority in number representing 75% in value of creditors and the court approve such scheme. In respect of company-initiated creditor schemes of arrangement, there are cram-down provisions that may apply to a dissenting class of creditors. The court may notwithstanding a single class of dissenting creditors approve a scheme provided an overall majority in number representing 75% in value of the creditors meant to be bound by the scheme have agreed to it and provided that the scheme does not unfairly discriminate and is fair and equitable to each dissenting class and the court is of the view that it is appropriate to approve the scheme. In such scenarios, Noteholders may be bound by a scheme of arrangement to which they may have dissented.

The Insolvency, Restructuring and Dissolution Act 2018 (Act 40 of 2018) (the "**IRD Act**") was passed in Parliament on 1 October 2018 and has come into force on 30 July 2020. The IRD Act includes a prohibition against terminating, amending or claiming an accelerated payment or forfeiture of the term under, any agreement (including a security agreement) with a company that commences certain insolvency or rescue proceedings (and before the conclusion of such proceedings), by reason only that the proceedings are commenced or that the company is insolvent. This prohibition is not expected to apply to any contract or agreement that is, or that is directly connected with, a debenture. However, it may apply to related contracts that are not found to be directly connected with the Notes.

Variable Rate Notes may have a multiplier or other leverage factor

Notes with variable interest rates can be volatile investments. If they are structured to include multipliers or other leverage factors, or caps or floors, or any combination of those features or other similar related features, their market values may be even more volatile than those for securities that do not include such features.

The Notes may be represented by Global Notes and holders of a beneficial interest in a Global Note must rely on the procedures of the relevant Clearing System(s) (as defined below)

Notes issued under the Programme may be represented by one or more Global Notes. Such Global Notes will be deposited with or registered in the name of, or in the name of a nominee of, the common depositary, or lodged with CDP (each of Euroclear, Clearstream, Luxembourg, CDP and/or such other clearing system, a "**Clearing System**"). Except in the circumstances described in the relevant Global Note, investors will not be entitled to receive Definitive Notes. While the Notes are represented by one or more Global Notes, investors will be able to trade their beneficial interests only through the relevant Clearing System. The relevant Clearing System(s) will maintain records of their direct account holders in relation to the Global Notes.

While the Notes are represented by one or more Global Notes, the Issuer will discharge its payment obligations under the Notes by making payments to the common depositary, CDP or such other clearing system, as the case may be, for distribution to their accountholders or, to the Paying Agent for distribution to the holders as appearing in the records of the relevant Clearing System, as the case may be. A holder of beneficial interest in the Global Notes must rely on the procedures of the relevant Clearing System(s) to receive payments under the relevant Notes. The Issuer has no responsibility or liability for the records relating to, or payments made in respect of, beneficial interests in the Global Notes.

Holders of beneficial interests in the Global Notes will not have a direct right to vote in respect of the relevant Notes. Instead, such holders will be permitted to act only to the extent that they are enabled by the relevant Clearing System(s) to appoint appropriate proxies. Similarly, holders of beneficial interests in the Global Notes will not have a direct right under the Global Notes to take enforcement action against the Issuer in the event of a default under the relevant Notes but will have to rely upon their rights under the Trust Deed.

A change in Singapore law which governs the Notes may adversely affect Noteholders

The Notes are governed by Singapore law in effect as at the date of issue of the Notes. No assurance can be given as to the impact of any possible judicial decision or change to Singapore law or administrative practice after the date of issue of the Notes and any such change could materially impact the value of any Notes affected by it.

RISKS RELATING TO THE GROUP'S BUSINESS, FINANCIAL CONDITION AND/OR RESULTS OF OPERATIONS

The Group is subject to regulatory risks associated with its businesses and may be adversely affected if the Group is unable to maintain its existing licences, registrations, permits, approvals or exemptions

The Group's businesses are subject to several laws and regulations in the countries in which it operates, including but not limited to the Pawnbrokers Act 2015 and the Secondhand Goods Dealers Act in Singapore, the Second-Hand Dealers and Pawnbrokers Act 1989 in Australia, the Pawnbrokers Act 1972 in Malaysia and the Pawnbrokers Ordinance in Hong Kong. In the event that the Group is unable to maintain the licences, registrations, permits, approvals or exemptions necessary for the conduct of its businesses, its operations and financial performance may be adversely affected.

Under the Pawnbrokers Act 2015, a licence is required for the operation of each pawnshop and the approval of the Registrar of Pawnbrokers is required for the sale of new jewellery in a pawnshop. Under the Secondhand Goods Dealers Act, a dealer in secondhand goods regulated thereunder is required to obtain a licence for each shop unless otherwise exempted. As at the Latest Practicable Date, the Group's stores have obtained the necessary licences, approvals and exemptions (where applicable) for the operation of its businesses. The Group's ability to continue its pawnbroking business, and the retail and trading of jewellery and branded merchandise is dependent on the relevant licences, approvals and exemptions.

There is no assurance that the Group's licences will be renewed when they expire in the future or that it will maintain the approvals necessary for it to sell new jewellery, or that its exempt status for the dealing in secondhand goods will be maintained. Any revocation or suspension of the licences of any of its pawnshops, revocation or suspension of the approvals necessary for it to sell new jewellery, revocation or suspension of its exempt status as a secondhand goods dealer, failure by the Group to obtain the relevant licences for the dealing in secondhand goods (in the event that its exempt status is revoked), or imposition of any penalties, whether as a result of the infringement of regulatory requirements or otherwise, may have an adverse and material impact on its business and financial performance.

If there are any changes in legislation, regulations or policies affecting the pawnbroking business and/or the retail and trading of jewellery and branded merchandise, such that more restrictions and/or additional compliance requirements are imposed on the Group, the Group may face higher costs of compliance and its financial performance may be adversely affected.

Additionally, the Group has expanded into the business of providing secured lending overseas. While the Group does not currently require any licences or approvals for the provision of its secured lending services overseas, any changes in applicable laws and regulations, or any future expansion in the scale, borrower base or geographical scope of the Group's secured lending business may require licences or approvals from relevant regulatory authorities. There is no assurance that the Group will be able to obtain such licences or approvals if and when necessary. Any failure to obtain such licences or approvals, or any infringement of any regulatory requirements may have an adverse impact on the Group's financial performance.

The Group's business requires substantial capital and any disruption in funding sources could have a material adverse effect on its liquidity and financial condition

The Group's business requires substantial capital and its liquidity and profitability are largely dependent on its timely access to, and the costs associated with raising, capital. The Group has been financing its operations mainly through a combination of shareholders' equity (including retained profits), net cash generated from operating activities, borrowings from financial institutions, proceeds from the issue of debt securities and (subject to any restrictions under the Mainboard Listing Manual of the SGX-ST) advances and loans from the Aspial Group.

To finance its existing operations and future expansion plans, the Group is likely to rely on funding from financial institutions, the shareholders of the Issuer and/or other sources of funds. In the event that it is unable to obtain loans, other credit facilities or funds from financial institutions on reasonable terms or from the shareholders of the Issuer and/or other sources, the Group may not be able to implement its business and operational strategies. This could adversely affect its business growth and financial performance.

The Group may require additional funding for its future growth plans

The Group may find future opportunities to grow through investments, acquisitions, joint ventures or strategic alliances which it has not identified at this juncture. Under such circumstances, the Group may need to obtain additional debt and/or equity financing to implement these growth opportunities.

Additional debt financing may, apart from increasing interest expense and gearing:

(a) limit the Group's ability to pay dividends;

(b) increase the Group's vulnerability to general adverse economic and industry conditions;

(c) require the Group to dedicate a substantial portion of cash flow from operations to payments on its debt, thereby reducing the availability of its cash flow to fund capital expenditure, working capital and other requirements; and/or

(d) limit its flexibility in planning for, or reacting to, changes in the industries in which it operates.

The Group is unable to assure investors that it will be able to obtain the additional debt and/or equity financing on terms that are acceptable to it or at all. Any inability to secure additional debt and/or equity financing may materially and adversely affect its business, implementation of its business strategies and future plans and financial position.

Gold price volatility may affect the Group's profitability

The profitability of the Group's operations is significantly affected by changes in gold prices as the Group is engaged in the sale of gold jewellery. Gold prices can fluctuate widely and are affected by numerous factors beyond the Group's control, including industrial and jewellery demand, inflation and expectations with respect to the rate of inflation, the strength of the United States dollar and other currencies, fluctuations in interest rates, gold sales by central banks and international institutions, forward sales by producers, global or regional political or economic events and production and cost levels in major gold-producing regions such as South Africa and China. In addition, gold prices are sometimes subject to rapid short-term changes because of speculative activities. The supply of gold consists of a combination of new production from mining and existing stocks of bullion and fabricated gold held by governments, public and private financial institutions, industrial organisations and private individuals. As the amounts produced in any single year constitute a small portion of the total potential supply of gold, typical variations in current production may not necessarily have a significant impact on the supply of gold or its price.

The Group extends loans secured by gold jewellery as collateral based on a certain loan-to-value ratio which factors in a buffer for potential fluctuations in gold prices and non-payment of interest. However, a significant and prolonged downward movement in the price of gold will result in a fall in collateral values. If the Group's customers do not repay their loans and the collateralised gold jewellery decreases significantly in value, the Group's financial position and results of operations may be adversely and materially affected.

The Group's business may be affected by non-renewal of leases, increase in rental of its stores, failure to secure new leases at strategic locations or termination of leases prior to expiry

The Group's stores are predominantly located at strategic locations which are accessible to customers. A majority of these shops are leased from independent third parties. There is no assurance that each of these leases can be renewed upon expiry or on favourable terms and conditions. Failure to renew the existing leases upon expiry or on favourable terms and conditions may adversely affect the Group's performance and future development.

Should the Group fail to renew any of its leases upon expiry, such stores may need to be relocated. If such stores have to be relocated to less favourable areas, the Group's revenue may be adversely affected and the Group will have to incur costs for renovation and removal. The Group's stores may face closure if the increase in rental is excessive or if the Group is unable to find alternative locations. In such instances, the Group will face a decline in revenue and incur additional costs for closure.

The accessibility of the Group's stores may be affected by regulatory changes

The Group's business is highly dependent upon the accessibility of its stores. Therefore, the Group endeavours to establish stores in prime locations with high traffic volume and which are easily accessible to the public. However, in the event of changes to rules and regulations, such as public health and safety rules, access routes to the stores may be affected. This may result in a decrease in revenue for such stores (which may have high operating costs, such as high rental rates) and in turn result in losses to, or a decline in profits of, the Group. In addition, changes to rules and regulations which restrict the concentration of pawnshops in a particular location could adversely affect the Group's ability to locate its stores in prime locations with high traffic volume and which are easily accessible to the public. If the Group's stores are located in less favourable areas, this may affect the Group's business and expansion plans.

The growth and success of the Group is dependent on its continued ability to attract and retain skilled and qualified personnel

The Group considers retaining skilled and qualified personnel to be one of the key factors for its growth and success. In particular, the Group requires a large number of capable staff to fill the appraisal, sales and management positions for its existing stores and any new stores to be opened by the Group in future. The Group may face difficulties in recruiting or retaining suitable personnel, in particular, those with extensive experience and knowledge in pawnbroking and the retail and trading of jewellery and branded merchandise. If the Group fails to maintain or expand its team of personnel or replace any loss of such skilled and qualified personnel, its operations and financial performance may be adversely affected and it may not be able to implement its future expansion plans effectively.

There is no assurance that the growth of the Group will be sustainable

Apart from the Group's development plans and business strategies, other factors such as intense market competition and consumer preferences, which are beyond its control, may also affect its growth. There is no assurance that the Group will be able to achieve or maintain similar levels of growth in revenue and profit in the future. The past results of the Group should therefore not be used as a measure of its future performance.

The Group may face uncertainties associated with the expansion of its business

The successful implementation of the Group's growth strategies depends on its ability to identify suitable sites for new stores as well as strengthen its brand recognition through its brand management and marketing strategies. There can be no assurance that the Group will be able to execute its growth strategies successfully. If the Group fails to manage its expansion plans and the related risks and costs, its business and financial performance may be adversely affected.

In addition, any restriction or delay in the issue of licences for new pawnshops, the approval for the sale of new jewellery in pawnshops, the issue of licences or the grant of an exempt status for the dealing in pre-owned goods may impede the Group's business expansion.

The Group is reliant on its "Maxi-Cash" brand name

The Group markets its business under its "Maxi-Cash" brand name. The Group believes that its business will depend in part on increasing brand recognition amongst customers. Failure to maintain the image of its brand name and the quality standards associated with its brand name may have an adverse impact on its business and financial performance.

Intellectual property rights may be costly and difficult to enforce and the Group may not be able to renew its intellectual property rights or may be subject to claims for infringement of third parties' intellectual property rights

The Group has registered trademarks in Singapore, Australia, Malaysia and Hong Kong. Effective enforcement of intellectual property rights is important for the protection of the Group's interests as it considers the recognition of its trademarks to be vital to its business. Unauthorised use of the Group's trademarks may damage the brand recognition and reputation of the Group. Although the Group has registered its trademarks, it may be possible for third parties to infringe the Group's intellectual property rights in the conduct of their business. In the event that third parties infringe upon the Group's intellectual property rights in respect of its trademarks (for example, by imitating the Group's trademarks or using the Group's trademarks without its authorisation), the Group may face considerable difficulties and costly litigation in order to protect these intellectual property rights and this may in turn affect its reputation, business and financial performance.

In addition, there is no assurance that the Group will be able to renew its intellectual property rights upon their expiry. In the event that the Group is unable to do so, its business and financial performance may be adversely affected.

Further, while taking care not to do so, the Group may, during the course of its business, inadvertently infringe upon other registered trademarks or intellectual property rights belonging to third parties. In such an event, the Group may be subject to legal proceedings and claims relating to such infringement. Any claims or litigation involving infringement of intellectual property rights of third parties, whether with or without merit, could result in a diversion of the Group's management time and resources, and its business operations may be materially and adversely affected. In addition, any successful claim against the Group arising out of such proceedings could result in substantial monetary liability and may materially affect the Group's reputation and consequently, the Group's financial performance.

Competition in the industries in which the Group operates is intense and any failure by the Group to compete could result in it losing market share and revenue

The industries in which the Group operates are highly competitive. The Group competes with major pawnshops and retail chains, as well as other smaller players who operate individual pawnshops or retail outlets dealing in jewellery and branded merchandise. If the Group does not successfully compete against its competitors, its results of operations may be materially and adversely affected.

The Group may face uncertainties and complications associated with digitalising and innovating their business

The Group may face uncertainties and complications associated with digitalising and innovating its business and continually adopting new technology and digital solutions. With digitalisation transforming the way services are delivered to customers, the Group has to react to new technologies, evolving digital trends and changing market demand in order to stay relevant and competitive. The Group may need to innovate new services, develop new software, develop enhanced versions of existing software, mobile applications, technology and user interface to incorporate additional features and improve functionality, all of which may require significant resources. There is no assurance that the Group's implementation of digital and innovative solutions will always be well received by its customers or that such digitalisation and innovation will be successful in providing the Group with a significant competitive advantage by differentiating its products and services from those of its competitors.

In addition, the Group's online systems, including its websites and other software applications, products and systems could contain undetected errors, or "bugs", that could adversely affect the performance of such systems. In addition, computer malware and hacking may cause delays or other service interruptions on the Group's systems. While the Group regularly updates and enhances its website and other online systems and introduces new versions of its software products and applications to mitigate the risks of undetected errors, has dedicated IT security teams, and maintains various anti-malware and computer protection software, there is no assurance that such protections will successfully prevent interruption in access or damage to the Group's website, "Maxi-Cash App", software systems and databases, disruptions to its business activities (including to its email and other communications systems), breaches of security, or inadvertent disclosure of confidential, personal or sensitive information. The occurrence of any of the above events may have an adverse effect on the Group's operations, cause its customers to lose confidence in the Group or subject the Group to regulatory sanctions or penalties.

The occurrence of any major disruptions could also decrease the quality of the Group's service and may cause the Group to lose market share, damage its reputation and brand name and adversely affect the Group's business.

The Group's insurance coverage may not adequately protect the Group against certain operational risks

The Group maintains general insurance policies, where practicable, covering both its assets and employees, in line with general business practices in the pawnbroking and retail and trading of jewellery and branded merchandise industries, with policy specifications and insured limits which the Group believes are reasonable.

The occurrence of certain incidents, including fraud or other misconduct committed by its employees or third parties, fire, severe weather conditions, war, flooding and power outage, and the consequences resulting therefrom may not be covered adequately, if at all, by its insurance policies. If the Group incurs substantial liabilities which are not covered by its insurance policies, or if its business operations are interrupted for more than a short period of time, the Group may incur expenses and losses that could materially and adversely affect its operating results.

The outbreak of communicable diseases, if uncontrolled, could materially and adversely affect the Group's business

Natural calamities and/or the outbreak of communicable diseases could result in volatility in international capital markets and adversely affect Singapore and other economies. Any material change in the financial markets or the Singapore economy or regional economies as a result of these events or developments may materially and adversely affect the Group's business, financial condition and results of operations.

In particular, the outbreak of COVID-19 has spread globally and triggered a global downturn and economic contraction. The COVID-19 pandemic is ongoing and the actual extent of the pandemic and its impact on the domestic, regional and global economy remains uncertain. The COVID-19 pandemic could result in protracted volatility in international markets and/or result in a prolonged global economic crisis or recession as a consequence of disruptions to travel and retail segments, tourism and manufacturing supply chains, imposition of quarantines and prolonged closures of workplaces, and this could materially and adversely affect the Group's business and financial condition. In particular, the COVID-19 pandemic has caused stock markets worldwide to lose significant value and impacted economic activity in Asia and worldwide. If the disruption to capital and securities markets due to uncertainty about the effects of COVID-19 continues, the Group's ability to raise new capital and refinance its existing debt may be affected.

While governments around the world (including the Singapore Government) have introduced and may continue to introduce support packages and relief measures in response to the COVID-19 pandemic, there is no assurance that such measures will continue to be implemented or that they will be effective in improving the state of the local and global economy.

Governments around the world, including in the countries in which the Group operates or has investments, have also introduced measures designed to slow the spread of the COVID-19 pandemic, including travel restrictions and movement control restrictions. In Singapore, the Government implemented "Circuit Breaker" measures from 7 April to 1 June 2020 to slow the spread of COVID-19, which included the suspension of non-essential services and closure of most workplace premises. These measures were lifted on 2 June 2020 and Singapore has since been through various phases of re-opening, with restrictions being enhanced or relaxed in each phase based on, *inter alia,* the number of locally transmitted COVID-19 cases. These measures have directly affected, and may continue to directly affect, the Group's business operations and results of operations. For example, there have been periods where the Group's physical stores were not allowed to operate, or where measures (such as foot traffic restrictions in retail malls, constraints on group sizes and restrictions on dining-in at food and beverage establishments) resulted in a significant drop in footfall for many retail businesses, including the Group's businesses. As the COVID-19 pandemic is still ongoing, there is no assurance that the Group will not in the future experience more severe disruptions in the event that more stringent measures are imposed or if the COVID-19 pandemic becomes more severe or protracted.

On 30 December 2020, Singapore commenced its national COVID-19 vaccination programme and on 6 August 2021, the Singapore Government outlined a road map to transition Singapore towards becoming a COVID-resilient nation in a "new normal" where COVID-19 is endemic. While the successful development of COVID-19 vaccines is a major milestone in bringing the pandemic under control and the production and distribution of such vaccines are being accelerated globally, COVID-19 infection rates currently remain high across the world and have resurfaced in various countries. These have prompted many governments to maintain border controls and social distancing measures. Both the duration of the border control, travel and social distancing restrictions and the longer-term effects of the COVID-19 pandemic on the Group's business are uncertain. The emergence of new COVID-19 variants (such as the Omicron variant) and potential new waves of outbreaks also continue to pose potential risks of a protracted economic recovery. Even when restrictions are lifted, there may be a period of significantly reduced economic activity, potential increased unemployment and reduced consumer spending.

While the actual extent of the COVID-19 impact on the Group's business, financial condition and results of operations remain uncertain, the Group's business has been, and will continue to be, affected by the COVID-19 pandemic.

Changes in the economic, political and social conditions of Singapore and the policies adopted by the Singapore Government may adversely affect the Group's business, growth strategies, financial condition and results of operations

The Group's revenue is mainly derived from its operations in Singapore. As a result, the Group's business is subject to the economic and social developments in Singapore. Changes in the economic, political and social conditions or the relevant policies adopted by the Singapore Government, such as changes in laws and regulations (or the interpretation thereof) or restrictive financial measures, could have adverse effects on the overall economic growth of Singapore and the industries in which the Group operates, which could in turn hinder its current or future business, growth strategies, financial position and results of operations.

The Group recognises that such risks and changes in economic, political and social conditions can never be eliminated totally and that the cost of mitigating these risks could be high.

The Group may be exposed to security and transport risks

A large proportion of the Group's business transactions relates to gold, jewellery and branded merchandise. The Group has established security and cash management measures at its head office and at each of its outlets, as well as for the transport of its inventory.

However, there can be no assurance that the Group will not be subject to theft, pilferage or misappropriation, whether by third parties or by its own personnel. In such event, the Group may be subject to loss and/or damage, may incur significant increases in insurance premiums, and its reputation, business and operations may be materially and adversely affected.

Acts of terrorism and other political and economic developments could adversely affect the business of the Group

Increased political instability and social unrest (such as the threat or occurrence of terrorist attacks) and enhanced national security measures and the resulting decline in consumer confidence, whether locally or overseas, may hinder the Group's ability to do business. Any escalation in or re-occurrence of these events may disrupt the operations of the Group or those of its customers. These events have had and may continue to have an adverse effect on the world economy in general, and consumer confidence and spending in particular, which could in turn adversely affect the Group's revenue and results of operations. Further, the effect of these events on global financial markets may limit the capital resources available to the Group.

The Group may not be successful in its expansion into businesses that are complementary to its current business

The Group may explore and/or pursue expansion opportunities into new businesses complementary to its current business. Expansion into new businesses may involve numerous risks, including but not limited to, the financial costs of setting up operations and working capital requirements. There is no assurance that these new businesses will achieve results that are commensurate with the Group's investment costs or that the Group will be successful in its expansion into such new businesses. There can also be no assurance that the Group's new businesses will generate sufficient revenue to cover its operational costs. If the Group is unable to implement its expansion plans or manage its operational costs effectively, or if there is a lack of demand for its services, the Group's business, results of operation and financial position may be adversely affected.

The Group's business is subject to general business risks

The Group's business is subject to general business risks including but not limited to:

(a) civil unrest, military conflict, terrorism, change in political climate and general security concerns and their adverse effects on business;

(b) global recession and its effects on the performance of the economies where the Group operates; and

(c) changes in laws and government regulations (or the interpretation thereof) or restrictive financial measures that increase operating costs or restrict business.

These general business risks could have adverse effects on the overall economic growth of the countries in which the Group operates which could consequently hinder the Group's current or future business, growth strategies, financial position and results of operations.

It is recognised that such risks can never be eliminated totally and that the cost of mitigating these risks could be high.

RISKS RELATING TO THE GROUP'S PAWNBROKING BUSINESS

Changes in interest rates may affect the Group's profitability

The Group's pawnbroking business involves extending short-term collateralised loans to customers. In Singapore, the interest that the Group is able to charge on these short-term loans is regulated by the Pawnbrokers Act 2015. As at the Latest Practicable Date, the maximum interest rate chargeable on such short-term collateralised loans is 1.5% per month. Accordingly, increases in general interest rates and the Group's costs of funds may materially and adversely affect its profitability, financial performance and results of operations.

The Group may not be able to recover the full loan amount extended to its customers and the value of the collateral may not be sufficient to cover the outstanding amounts due

Failure by the Group's employees to properly appraise the value of the collaterals or pledged articles may result in it incurring losses on these loans. Any failure to recover the full amount of the loan through the sale of unredeemed pledges could expose the Group to a potential loss if the loan that was extended based on the initial appraised value is higher than the realised value of the collateral or pledged article. Any such losses arising from significant differences in the value of its loan portfolio may adversely affect its financial position and results of operations.

RISKS RELATING TO THE GROUP'S BUSINESS IN THE RETAIL AND TRADING OF JEWELLERY AND BRANDED MERCHANDISE

Obsolete, slow-moving or damaged inventory may adversely affect the financial position and profitability of the Group

The retail and trading of jewellery and branded merchandise is highly dependent on consumer preferences. If the products of the Group fail to meet the changing trends of the market and consumers' tastes, the Group may face the risk of obsolete or slow-moving inventory and its financial position and profitability may be adversely affected. In addition, the Group's inventory of branded merchandise may become susceptible to mould growth, particularly in Singapore given the high humidity. While the Group has measures in place (for example, the careful packaging and storage of its branded merchandise) to prevent and control mould growth, there is no assurance that the Group will not be subject to product damage, late deliveries or lost sales due to mould growth.

Any shortage in the supply of goods may adversely affect the Group's business, financial condition and results of operations

The retail and trading of jewellery and branded merchandise is dependent on the number of customers seeking to trade-in their goods. Any sudden shortage of supply or reduction in the inventory available to the Group from its customers may adversely affect its operations and financial position and/or result in the Group having to pay a higher cost for these pre-owned goods.

The retail of new jewellery may be affected by third party production. The Group sources its new jewellery from third party manufacturers overseas. The inability of third party manufacturers to ship orders in a timely manner or to comply with their contractual obligations could have a negative impact on the Group's business of retailing new jewellery.

RISKS RELATING TO THE GROUP'S SECURED LENDING BUSINESS

The secured lending business is subject to credit risks

The profitability of the secured lending business is dependent on the Group's ability to recover the full loan amount extended to its borrowers, whether through timely repayments from its borrowers or through realising the value of the collateral on such loans. The Group faces the risk that its borrowers may default on credit which the Group may grant to them. The Group has established policies to evaluate, monitor and control credit risks on a continuous basis. The Group's loans are subject to the stringent process of credit evaluation and its loans are secured by collaterals. The Group conducts credit reviews periodically to monitor the health of these accounts and to detect early signs of weaknesses and deviations. However, notwithstanding the ongoing measures set out above, there can be no assurance that the Group will be able to effectively control or evaluate its credit risks, or ensure that its loans are sufficiently secured or backed by collaterals. The inability of the Group to recover all or part of the value of such credit may adversely affect the performance of the Group's secured lending business and consequently, may affect the Group's working capital, results and financial condition.

The secured lending business is subject to foreign exchange risks

The Group currently conducts its secured lending business overseas. While the Group's functional and reporting currency is in Singapore dollars, its secured loans to borrowers are made available in foreign currency. To the extent that the Group's secured loans to borrowers are not made in Singapore dollars, and to the extent that there are fluctuations in the relevant foreign exchange rates between the date of provision of the secured loans and the date of repayment on the loans, any significant adverse fluctuations of the Singapore dollar against the foreign currency in which the Group's secured loans are denominated may have a material adverse impact on the Group's working capital, revenue and financial results.

The Group intends to closely monitor its foreign exchange exposure by periodically reviewing the exchange rates between the Singapore dollar and any foreign currency under which the Group's secured loans are denominated. As and when necessary, the Group may enter into contracts or arrangements to hedge its foreign exchange exposure. However, there is no assurance that the Group will be able to effectively guard its operations against such foreign exchange risks, and any adverse fluctuations of the Singapore dollar against the foreign currency of the secured loans will adversely affect the financial performance of the secured lending business and the Group.

ADDITIONAL RISKS RELATING TO THE GROUP'S BUSINESS OVERSEAS

The Group is subject to general risks associated with doing business overseas

There are general risks inherent in doing business overseas. These include but are not limited to unexpected changes in regulatory requirements, potential economic instability, difficulties in staffing and managing foreign operations, potential imposition of restrictions on foreign participation, fluctuations in currency exchange rates, potentially adverse tax consequences, potentially inadequate local infrastructure and utilities supply, legal uncertainties regarding liability and enforcement, potential increase in protectionist measures, and changes in local laws and controls on the repatriation of capital or profits. The occurrence of any of these events may have a material adverse effect on the business, financial condition and results of operations of the Group.

The Group is also affected by the political risks in the countries where it operates. Wars, unsettled political conditions, social unrest, riots, piracy, terrorist attacks and government actions may adversely affect the Group's operations, the demand for its services and/or its ability to carry on its business. If such risks develop into actual events, the operations and profitability of the Group may be adversely affected.

Changes in the economic, political, social and regulatory conditions of the countries (outside of Singapore) in which the Group operates may adversely affect the Group's business, growth strategies, financial position and results of operations

The Group's overseas business, growth strategies, financial position and results of operations may be materially and adversely affected by changes in the economic, political, social and regulatory conditions of the countries in which it operates, including but not limited to:

(a) political unrest and economic instability;

(b) changes in laws and regulations;

(c) imposition of restrictions on currency conversion and overseas remittance;

(d) imposition of restrictions on foreign participation;

(e) uncertainty related to developing legal and regulatory systems;

(f) increase in protectionistic measures; and

(g) changes in the rate and method of taxation.

The Group has limited experience in Australia, Malaysia and Hong Kong

The Group has expanded its pawnbroking and retail and trading of jewellery and branded merchandise businesses into Australia and Malaysia in 2Q2019, and into Hong Kong in 4Q2019. Due to the Group's limited experience in these industries in Australia, Malaysia and Hong Kong, it may not be able to anticipate market changes or identify opportunities on a timely basis. Accordingly, its limited experience may not provide sufficient basis for investors to evaluate its business, financial performance and prospects in Australia, Malaysia and Hong Kong. If it is unable to anticipate market changes or identify opportunities on a timely basis in these countries, this may have a material adverse effect on its business, financial performance and prospects.

The Group may be exposed to risks associated with fluctuations in foreign exchange rates and changes in foreign exchange regulations

Because of the geographic diversity of its business, the Group receives or will receive income and incur expenses in a variety of currencies, including Singapore dollars, Australian dollars, Malaysian ringgit and Hong Kong dollars. The Group's financial statements are presented in Singapore dollars. Consequently, its costs, profit margins and asset values are affected by fluctuations in the exchange rates among the above-mentioned currencies. The Group cannot predict the effect of future exchange rate fluctuations on its assets, liabilities, income, cost of sales, expenses and margins. The weakening of non-Singapore dollar currencies in the countries in which the Group operates may adversely affect its financial condition and results of operations. The Group may also be subject to the imposition or tightening of exchange control or repatriation restrictions and may encounter difficulties or delays in relation to the receipt of profits due to such exchange controls existing in the jurisdictions in which it operates.

USE OF PROCEEDS

The net proceeds arising from the issue of the Notes under the Programme (after deducting issue expenses) will be used for general corporate purposes, including, but not limited to, refinancing or repayment of existing borrowings and financing of investments, acquisitions, expansions, working capital and/or capital expenditure requirements of the Group or such other purposes as may be specified in the relevant Pricing Supplement.

CLEARING AND SETTLEMENT

Clearing and Settlement under the Depository System

In respect of Notes which are accepted for clearance by CDP in Singapore, clearance will be effected through an electronic book-entry clearance and settlement system for the trading of debt securities ("**Depository System**") maintained by CDP. Notes that are to be listed on the SGX-ST may be cleared through CDP.

CDP, a wholly-owned subsidiary of Singapore Exchange Limited, is incorporated under the laws of Singapore and acts as a depository and clearing organisation. CDP holds securities for its accountholders and facilitates the clearance and settlement of securities transactions between accountholders through electronic book-entry changes in the securities accounts maintained by such accountholders with CDP. In respect of Notes which are accepted for clearance by CDP, the entire issue of the Notes is to be held by CDP in the form of a Global Note for persons holding the Notes in securities accounts with CDP ("**Depositors**"). Delivery and transfer of Notes between Depositors is by electronic book-entries in the records of CDP only, as reflected in the securities accounts of Depositors.

Settlement of over-the-counter trades in the Notes through the Depository System may be effected through securities sub-accounts held with corporate depositors ("**Depository Agents**"). Depositors holding the Notes in direct securities accounts with CDP, and who wish to trade Notes through the Depository System, must transfer the Notes to a securities sub-account with a Depository Agent for trade settlement.

CDP is not involved in money settlement between the Depository Agents (or any other persons) as CDP is not a counterparty in the settlement of trades of debt securities. However, CDP will make payment of interest and repayment of principal on behalf of issuers of debt securities.

Although CDP has established procedures to facilitate transfer of interests in the Notes in global form among Depositors, it is under no obligation to perform or continue to perform such procedures, and such procedures may be discontinued at any time. None of the Issuer, the Trustee, the Principal Paying Agent or any other agent will have the responsibility for the performance by CDP of its obligations under the rules and procedures governing its operations.

Clearing and Settlement under Euroclear and/or Clearstream, Luxembourg

Euroclear and Clearstream, Luxembourg each holds securities for participating organisations and facilitates the clearance and settlement of securities transactions between their respective participants through electronic book-entry changes in the accounts of such participants, thereby eliminating the need for physical movements of certificates and any risks from lack of simultaneous transfer. Euroclear and Clearstream, Luxembourg provide to their respective participants, among other things, services for safekeeping, administration, clearance and settlement of internationally-traded securities and securities lending and borrowing. Euroclear and Clearstream, Luxembourg each also deals with domestic securities markets in several countries through established depository and custodial relationships. The respective systems of Euroclear and Clearstream, Luxembourg have established an electronic bridge between their two systems which enables their respective participants to settle trades with one another. Euroclear and Clearstream, Luxembourg participants are financial institutions throughout the world, including underwriters, securities brokers and dealers, banks, trust companies, clearing corporations and certain other organisations. Indirect access to Euroclear or Clearstream, Luxembourg is also available to other financial institutions, such as banks, brokers, dealers and trust companies which clear through or maintain a custodial relationship with a Euroclear or Clearstream, Luxembourg participant, either directly or indirectly.

A participant's overall contractual relations with either Euroclear or Clearstream, Luxembourg are governed by the respective rules and operating procedures of Euroclear or Clearstream, Luxembourg and any applicable laws. Both Euroclear and Clearstream, Luxembourg act under those rules and operating procedures only on behalf of their respective participants, and have no record of, or relationship with, persons holding any interests through their respective participants. Distributions of principal with respect to book-entry interests in the Notes held through Euroclear or Clearstream, Luxembourg will be credited, to the extent received by the Principal Paying Agent or, as the case may be, the Non-CDP Paying Agent, to the cash accounts of the relevant Euroclear or Clearstream, Luxembourg participants in accordance with the relevant system's rules and procedures.

Clearing and Settlement under Other Clearing System(s)

For Notes to be cleared through a clearing system other than Euroclear, Clearstream, Luxembourg and/or CDP, the clearance and settlement of such Notes will be effected in accordance with the relevant clearing system's documentary requirements and procedures.

TAXATION

Singapore taxation

The statements below are general in nature and are based on certain aspects of current tax laws in Singapore and administrative guidelines and e-tax guides issued by the MAS and IRAS in force as at the date of this Information Memorandum and are subject to any changes in such laws, administrative guidelines or e-tax guides, or the interpretation of those laws, guidelines or e-tax guides, occurring after such date, which changes could be made on a retroactive basis. These laws, guidelines and e-tax guides are also subject to various interpretations or conclusions set out below and no assurance can be given that the relevant tax authorities or the courts could later disagree with the explanations or conclusions set out below. The following is a summary of the material tax consequences to a holder of the Notes. Neither these statements nor any other statements in this Information Memorandum are intended or are to be regarded as advice on the tax position of any holder of the Notes or of any person acquiring, selling or otherwise dealing with the Notes or on any tax implications arising from the acquisition, sale or other dealings in respect of the Notes. The statements made herein do not purport to be a comprehensive or exhaustive description of all the tax considerations that may be relevant to a decision to subscribe for, purchase, own or dispose of the Notes and do not purport to deal with the tax consequences applicable to all categories of investors, some of which (such as dealers in securities or financial institutions in Singapore which have been granted the relevant Financial Sector Incentive(s)) may be subject to special rules or tax rates. The statements made herein should not be regarded as advice on the tax position of any person and should be treated with appropriate caution. Holders and prospective holders of the Notes are advised to consult their own professional tax advisers as to the Singapore or other tax consequences of the acquisition, ownership of or disposal of the Notes, including, in particular, the effect of any foreign, state or local tax laws to which they are subject. It is emphasised that none of the Issuer, the Arranger or any other persons involved in the Programme accepts responsibility for any tax effects or liabilities resulting from the subscription for, purchase, holding or disposal of the Notes.

1. Taxation Relating to Interest and Other Payments on the Notes

Subject to the following paragraphs, under Section 12(6) of the ITA, the following payments are deemed to be derived from Singapore:

(a) any interest, commission, fee or any other payment in connection with any loan or indebtedness or with any arrangement, management, guarantee, or service relating to any loan or indebtedness which is (i) borne, directly or indirectly, by a person resident in Singapore or a permanent establishment in Singapore (except in respect of any business carried on outside Singapore through a permanent establishment outside Singapore or any immovable property situated outside Singapore) or (ii) deductible against any income accruing in or derived from Singapore; or

(b) any income derived from loans where the funds provided by such loans are brought into or used in Singapore.

Such payments, where made to a person not known to the paying party to be a resident in Singapore for tax purposes, are generally subject to withholding tax in Singapore, unless specifically exempted. The rate at which tax is to be withheld for such payments (other than those subject to the 15.0 per cent. final withholding tax described below) to non-resident persons (other than non-resident individuals) is the prevailing corporate tax rate, currently 17.0 per cent. The applicable rate for non-resident individuals is currently 22.0 per cent. However, if the payment is derived by a person not resident in Singapore from sources other than from its trade, business, profession or vocation carried on or exercised by such person in Singapore and is not effectively connected with any permanent establishment in Singapore of that person, the payment is subject to a final withholding tax of 15.0 per cent. The rate of 15.0 per cent. may be reduced by applicable tax treaties.

However, certain Singapore-sourced investment income derived by individuals from financial instruments is exempt from tax, including:

(a) interest from debt securities derived on or after 1 January 2004;

(b) discount income (not including discount income arising from secondary trading) from debt securities derived on or after 17 February 2006; and

(c) prepayment fee, redemption premium or break cost from debt securities derived on or after 15 February 2007,

except where such income is derived through a partnership in Singapore or is derived from the carrying on of a trade, business or profession.

The terms "**break cost**", "**prepayment fee**" and "**redemption premium**" are defined in the ITA as follows:

"**break cost**", in relation to debt securities and qualifying debt securities, means any fee payable by the issuer of the securities on the early redemption of the securities, the amount of which is determined by any loss or liability incurred by the holder of the securities in connection with such redemption;

"**prepayment fee**", in relation to debt securities and qualifying debt securities, means any fee payable by the issuer of the securities on the early redemption of the securities, the amount of which is determined by the terms of the issuance of the securities; and

"**redemption premium**", in relation to debt securities and qualifying debt securities, means any premium payable by the issuer of the securities on the redemption of the securities upon their maturity.

References to "break cost", "prepayment fee" and "redemption premium" in this Singapore tax disclosure have the same meaning as defined in the ITA.

In addition, as the Programme as a whole was arranged by DBS Bank Ltd., which was a Financial Sector Incentive (Capital Market) Company or Financial Sector Incentive (Standard Tier) Company (as defined in the ITA) at such time, any tranche of the Notes (the "**Relevant Notes**") issued as debt securities under the Programme during the period from the date of this Information Memorandum to 31 December 2023 would be qualifying debt securities ("**QDS**") for the purposes of the ITA, to which the following treatment shall apply:

(i) subject to certain prescribed conditions having been fulfilled (including the furnishing by the Issuer, or such other person as the MAS may direct, to the MAS of a return on debt securities for the Relevant Notes in the prescribed format within such period as the MAS may specify and such other particulars in connection with the Relevant Notes as the MAS may require, and the inclusion by the Issuer in all offering documents relating to the Relevant Notes of a statement to the effect that where interest, discount income, prepayment fee, redemption premium or break cost from the Relevant Notes is derived by a person who is not resident in Singapore and who carries on any operation in Singapore through a permanent establishment in Singapore, the tax exemption for qualifying debt securities shall not apply if the non-resident person acquires the Relevant Notes using the funds and profits of such person's operations through the Singapore permanent establishment), interest, discount income (not including discount income arising from secondary trading), prepayment fee, redemption premium and break cost (collectively, the "**Qualifying Income**") from the Relevant Notes, paid by the Issuer and derived by a holder who is not resident in Singapore and who (aa) does not have any permanent establishment in Singapore or (bb) carries on any operation in Singapore through a permanent establishment in Singapore but the funds used by that person to acquire the Relevant Notes are not obtained from such person's operations through a permanent establishment in Singapore, are exempt from Singapore tax;

(ii) subject to certain conditions having been fulfilled (including the furnishing by the Issuer, or such other person as the MAS may direct, to the MAS of a return on debt securities for the Relevant Notes in the prescribed format within such period as the MAS may specify and such other particulars in connection with the Relevant Notes as the MAS may require), Qualifying Income from the Relevant Notes paid by the Issuer and derived by any company or body of persons (as defined in the ITA) in Singapore is subject to tax at a concessionary rate of 10.0 per cent. (except for holders of the relevant Financial Sector Incentive(s) who may be taxed at different rates); and

(iii) subject to:

(aa) the Issuer including in all offering documents relating to the Relevant Notes a statement to the effect that any person whose interest, discount income, prepayment fee, redemption premium or break cost derived from the Relevant Notes is not exempt from tax shall include such income in a return of income made under the ITA; and

(bb) the furnishing by the Issuer, or such other person as the MAS may direct, to the MAS of a return on debt securities for the Relevant Notes in the prescribed format within such period as the MAS may specify and such other particulars in connection with the Relevant Notes as the MAS may require,

payments of Qualifying Income derived from the Relevant Notes are not subject to withholding of tax by the Issuer.

Notwithstanding the foregoing:

(A) if during the primary launch of any tranche of Relevant Notes, the Relevant Notes of such tranche are issued to fewer than four persons and 50.0 per cent. or more of the issue of such Relevant Notes is beneficially held or funded, directly or indirectly, by related parties of the Issuer, such Relevant Notes would not qualify as QDS; and

(B) even though a particular tranche of Relevant Notes are QDS, if, at any time during the tenure of such tranche of Relevant Notes, 50.0 per cent. or more of such Relevant Notes which are outstanding at any time during the life of their issue is beneficially held or funded, directly or indirectly, by any related party(ies) of the Issuer, Qualifying Income derived from such Relevant Notes held by: –

(i) any related party of the Issuer; or

(ii) any other person where the funds used by such person to acquire such Relevant Notes are obtained, directly or indirectly, from any related party of the Issuer,

shall not be eligible for the tax exemption or concessionary rate of tax as described above.

The term "**related party**", in relation to a person, means any other person who, directly or indirectly, controls that person, or is controlled, directly or indirectly, by that person, or where he and that other person, directly or indirectly, are under the control of a common person.

Where interest, discount income, prepayment fee, redemption premium or break cost (i.e. the Qualifying Income) is derived from the Relevant Notes by any person who is not resident in Singapore and who carries on any operations in Singapore through a permanent establishment in Singapore, the tax exemption available for QDS under the ITA (as mentioned above) shall not apply if such person acquires the Relevant Notes using the funds and profits of such person's operations through a permanent establishment in Singapore. Notwithstanding that the Issuer is permitted to make payments of interest, discount income, prepayment fee, redemption premium or break cost (i.e. Qualifying Income) in respect of the Relevant Notes without deduction or withholding for tax under Section 45 or Section 45A of the ITA, any person whose interest, discount income, prepayment fee, redemption premium or break cost derived from the Relevant Notes is not exempt from tax is required to include such income in a return of income made under the ITA.

2. Capital Gains

Any gains considered to be in the nature of capital made from the sale of the Notes will not be taxable in Singapore. However, any gains from the sale of the Notes which are gains from any trade, business, profession or vocation carried on by that person, if accruing in or derived from Singapore, may be taxable as such gains are considered revenue in nature.

Holders of the Notes who are adopting Singapore Financial Reporting Standard ("**FRS**") 39, FRS 109 or SFRS(I) 9 (as the case may be) for Singapore income tax purposes may be required to recognise gains or losses (not being gains or losses in the nature of capital) on the Notes, irrespective of disposal, in accordance with FRS 39, FRS 109 or SFRS(I) 9 (as the case may be). Please see the section below on "Adoption of FRS 39, FRS 109 or SFRS(I) 9 treatment for Singapore income tax purposes".

3. Adoption of FRS 39, FRS 109 or SFRS(I) 9 Treatment for Singapore Income Tax Purposes

Subject to certain "opt-out" provisions, Section 34A of the ITA requires taxpayers who adopt or are required to adopt FRS 39 for financial reporting purposes to calculate their profit, loss or expense for Singapore income tax purposes in respect of financial instruments in accordance with FRS 39, subject to certain exceptions provided in that section. IRAS has issued an e-tax guide entitled "Income Tax Implications Arising from the Adoption of FRS 39 – Financial Instruments: Recognition & Measurement" to provide guidance on the Singapore income tax treatment of financial instruments.

FRS 109 or SFRS(I) 9 (as the case may be) is mandatorily effective for annual periods beginning on or after 1 January 2018, replacing FRS 39. Section 34AA of the ITA requires taxpayers who adopt or who are required to adopt FRS 109 or SFRS(I) 9 for financial reporting purposes to calculate their profit, loss or expense for Singapore income tax purposes in respect of financial instruments in accordance with FRS 109 or SFRS(I) 9 (as the case may be), subject to certain exceptions. IRAS has also issued an e-tax guide entitled "Income Tax: Income Tax Treatment Arising from Adoption of FRS 109 – Financial Instruments".

Holders of the Notes who may be subject to the tax treatment under Sections 34A or 34AA of the ITA should consult their own accounting and tax advisers regarding the Singapore income tax consequences of their acquisition, holding or disposal of the Notes.

4. Estate Duty

Singapore estate duty has been abolished with respect to all deaths occurring on or after 15 February 2008.

Foreign Account Tax Compliance Act

Pursuant to certain provisions of the U.S. Internal Revenue Code of 1986, commonly known as FATCA, a foreign financial institution (as defined by FATCA) may be required to withhold on certain payments it makes (foreign passthru payments) to persons that fail to meet certain certification, reporting or related requirements. The Issuer may be a foreign financial institution for these purposes. A number of jurisdictions (including Singapore) have entered into, or have agreed in substance to, intergovernmental agreements with the United States to implement FATCA (IGAs), which modify the way in which FATCA applies in their jurisdictions. Under the provisions of IGAs as currently in effect, a foreign financial institution in an IGA jurisdiction would generally not be required to withhold under FATCA or an IGA from payments that it makes. Certain aspects of the application of the FATCA provisions and IGAs to instruments such as the Notes, including whether withholding would ever be required pursuant to FATCA or an IGA with respect to payments on instruments such as the Notes, are uncertain and may be subject to change. Even if withholding would be required pursuant to FATCA or an IGA with respect to payments on instruments such as the Notes, such withholding would not apply prior to 1 January 2019 and the Notes characterised as debt (or which are not otherwise characterised as equity and have a fixed term) for U.S. federal tax purposes that are issued on or prior to the date that is six months after the date on which final regulations defining foreign passthru payments are filed with the U.S. Federal Register generally would be grandfathered for purposes of FATCA withholding unless materially modified after such date (including by reason of a substitution of the Issuer). However, if additional Notes that are not distinguishable from previously issued Notes are issued after the expiration of the grandfathering period and are subject to withholding under FATCA, then withholding agents may treat all Notes, including the Notes offered prior to the expiration of the grandfathering period, as subject to withholding under FATCA. Holders should consult their own tax advisers regarding how these rules may apply to their investment in the Notes.

SUBSCRIPTION, PURCHASE AND DISTRIBUTION

The Programme Agreement provides for Notes to be offered from time to time through one or more Dealers. The price at which a Series or Tranche will be issued will be determined prior to its issue between the Issuer and the relevant Dealer(s). The obligations of the Dealers under the Programme Agreement will be subject to certain conditions set out in the Programme Agreement. Each Dealer (acting as principal) will subscribe for or procure subscribers for Notes from the Issuer pursuant to the Programme Agreement.

The Arranger, the Dealers or any of their respective affiliates may have performed certain banking and advisory services for the Issuer and/or its affiliates from time to time for which they have received customary fees and expenses and may, from time to time, engage in transactions with and perform services for the Issuer and/or its affiliates in the ordinary course of the Issuer's or their business. The Issuer may also from time to time agree with the relevant Dealer(s) that the Issuer may pay certain third party commissions (including, without limitation, rebates to private banks as may be specified in the applicable Pricing Supplement).

If a jurisdiction requires that the offering be made by a licensed broker or dealer and the Dealers or any affiliate of the Dealers is a licensed broker or dealer in that jurisdiction, the offering shall be deemed to be made by that Dealer or its affiliate on behalf of the Issuer in such jurisdiction.

In connection with the issue of any Series or Tranche of Notes, such Notes, when issued, may not have a market. The Dealer or Dealers (if any) may advise the Issuer that they intend to make a market in such Notes as permitted by applicable law. They are not obligated, however, to make a market in the Notes and any market-making may be discontinued at any time at their sole discretion. Accordingly, no assurance can be given as to the development or liquidity of any market for such Notes.

The Arranger, the Dealers or any of their respective affiliates may purchase Notes for its own account or enter into secondary market transactions or derivative transactions relating to the Notes, including, without limitation, purchase, sale (or facilitation thereof), stock borrowing or credit or equity-linked derivatives such as asset swaps, repackaging and credit default swaps, at the same time as the offering of the Notes. Such transactions may be carried out as bilateral trades with selected counterparties and separately from any existing sale or resale of the Notes to which this Information Memorandum relates (notwithstanding that such selected counterparties may also be a purchaser of the Notes). As a result of such transactions, the Arranger, the Dealers or any of their respective affiliates may hold long or short positions relating to the Notes.

The Arranger, the Dealers and their affiliates are full service financial institutions engaged in various activities which may include securities trading, commercial and investment banking, financial advice, investment management, principal investment, hedging, financing and brokerage activities. Each of the Dealers may have engaged in, and may in the future engage in, investment banking and other commercial dealings in the ordinary course of business with the Issuer or its subsidiaries, jointly controlled entities or associated companies from time to time. The Arranger, the Dealers or any of their respective affiliates have received, or may in the future receive, customary fees and/or commissions for these transactions. In the ordinary course of their various business activities, the Dealers and their affiliates may make or hold (on their own account, on behalf of clients or in their capacity of investment advisers) a broad array of investments and actively trade debt and equity securities (or related derivative securities) and financial instruments (including bank loans) for their own account and for the accounts of their customers and may at any time hold long and short positions in such securities and instruments and enter into other transactions, including credit derivatives (such as asset swaps, repackaging and credit default swaps) in relation thereto. Such transactions, investments and securities activities may involve securities and instruments of the Issuer or its subsidiaries, jointly controlled entities or associated companies, including Notes issued under the Programme, may be entered into at the same time or proximate to offers and sales of Notes or at other times in the secondary market and be carried out with counterparties that are also purchasers, holders or sellers of Notes. Notes issued under the Programme may be purchased by or be allocated to any Dealer or an affiliate for asset management and/or proprietary purposes but not with a view to distribution.

Accordingly, references herein to the Notes being "offered" should be read as including any offering of the Notes to the Arranger, the Dealers and/or their respective affiliates for their own account. Such entities are not expected to disclose such transactions or the extent of any such investment, otherwise than in accordance with any legal or regulatory obligation to do so.

While the Arranger, the Dealers and/or any of their respective affiliates have policies and procedures to deal with conflicts of interests, any such transactions may cause the Arranger, the Dealers or any of their respective affiliates or its clients or counterparties to have economic interests and incentives which may conflict with those of an investor in the Notes. The Arranger, the Dealers or any of their respective affiliates may receive returns on such transactions and have no obligations to take, refrain from taking or cease taking any action with respect to any such transactions based on the potential effect on a prospective investor in the Notes.

United States

The Notes have not been and will not be registered under the Securities Act, and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons except in certain transactions exempt from the registration requirements of the Securities Act. Terms used in this section have the meanings given to them by Regulation S under the Securities Act ("**Regulation S**").

The Notes are subject to U.S. tax law requirements and may not be offered, sold or delivered within the United States or its possessions or to a United States person, except in certain transactions permitted by U.S. tax regulations. Terms used in this paragraph have the meanings given to them by the U.S. Internal Revenue Code of 1986, as amended, and regulations thereunder.

Each Dealer has agreed that, and each further Dealer appointed under the Programme will be required to agree that, except as permitted by the Programme Agreement, it will not offer, sell or deliver the Notes, (i) as part of their distribution at any time or (ii) otherwise until 40 days after the completion of the distribution of an identifiable tranche of which such Notes are a part, as determined and certified to the Principal Paying Agent or, as the case may be, the Non-CDP Paying Agent by such Dealer (or, in the case of an identifiable tranche of Notes sold to or through more than one Dealer, by each of such Dealers with respect to Notes of an identifiable tranche purchased by or through it, in which case the Principal Paying Agent or, as the case may be, the Non-CDP Paying Agent shall notify such Dealer when all such Dealers have so certified), within the United States or to, or for the account or benefit of, U.S. persons, and it will have sent to each Dealer to which it sells Notes during the distribution compliance period a confirmation or other notice setting forth the restrictions on offers and sales of the Notes within the United States or to, or for the account or benefit of, U.S. persons. Terms used in the preceding sentence have the meanings given to them by Regulation S.

In addition, until 40 days after the commencement of the offering of any identifiable tranche of Notes, an offer or sale of Notes within the United States by any dealer (that is not participating in the offering of such tranche of Notes) may violate the registration requirements of the Securities Act.

This Information Memorandum has been prepared by the Issuer for use in connection with the offer and sale of the Notes outside the United States. The Issuer and the Dealers reserve the right to reject any offer to purchase the Notes, in whole or in part, for any reason. This Information Memorandum does not constitute an offer to any person in the United States. Distribution of this Information Memorandum by any non-U.S. person outside the United States to any U.S. person or to any other person within the United States, is unauthorised and any disclosure without the prior written consent of the Issuer of any of its contents to any such U.S. person or other person within the United States, is prohibited.

Prohibition of sales to EEA Retail Investors

Unless the Pricing Supplement in respect of any Notes specifies "Prohibition of Sales to EEA Retail Investors" as "Not Applicable", each Dealer will be required to represent, warrant and agree that it has not offered, sold or otherwise made available and will not offer, sell or otherwise make available the Notes which are the subject of the offering contemplated by this Information Memorandum as completed by the Pricing Supplement in relation thereto to any retail investor in the European Economic Area. For the purposes of this provision:

(i) the expression "**retail investor**" means a person who is one (or more) of the following:

  (a) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU (as amended or superseded, "**MiFID II**"); or

  (b) a customer within the meaning of Directive (EU) 2016/97 (as amended or superseded, the "**Insurance Distribution Directive**"), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or

  (c) not a qualified investor as defined in the Prospectus Regulation (as defined below); and

(ii) the expression "**offer**" includes the communication in any form and by any means of sufficient information on the terms of the offer and the Notes to be offered so as to enable an investor to decide to purchase or subscribe for the Notes.

If the Pricing Supplement in respect of any Notes specifies "Prohibition of Sales to EEA Retail Investors" as "Not Applicable", in relation to each Member State of the European Economic Area (each, a "**Relevant State**"), each Dealer will be required to represent and agree that it has not made and will not make an offer of Notes which are the subject of the offering contemplated by this Information Memorandum as completed by the Pricing Supplement in relation thereto to the public in that Relevant State, except that it may make an offer of such Notes to the public in that Relevant State:

(i) if the Pricing Supplement in relation to the Notes specifies that an offer of those Notes may be made other than pursuant to Article 1(4) of the Prospectus Regulation in that Relevant State (a "**Non-exempt Offer**"), following the date of publication of a prospectus in relation to such Notes which has been approved by the competent authority in that Relevant State or, where appropriate, approved in another Relevant State and notified to the competent authority in that Relevant State, provided that any such prospectus has subsequently been completed by the Pricing Supplement contemplating such Non-exempt Offer, in accordance with the Prospectus Regulation, in the period beginning and ending on the dates specified in such prospectus or Pricing Supplement, as applicable and the Issuer has consented in writing to its use for the purpose of that Non-exempt Offer;

(ii) at any time to any legal entity which is a qualified investor as defined in the Prospectus Regulation;

(iii) at any time to fewer than 150 natural or legal persons (other than qualified investors as defined in the Prospectus Regulation), subject to obtaining the prior consent of the relevant Dealer or Dealers nominated by the Issuer for any such offer; or

(iv) at any time in any other circumstances falling within Article 1(4) of the Prospectus Regulation,

provided that no such offer of Notes referred to in (ii) to (iv) above shall require the Issuer or any Dealer to publish a prospectus pursuant to Article 3 of the Prospectus Regulation or supplement a prospectus pursuant to Article 23 of the Prospectus Regulation.

For the purposes of this provision, the expression an "**offer of Notes to the public**" in relation to any Notes in any Relevant State means the communication in any form and by any means of sufficient information on the terms of the offer and the Notes to be offered so as to enable an investor to decide to purchase or subscribe for the Notes, and the expression "**Prospectus Regulation**" means Regulation (EU) 2017/1129 (as amended or superseded).

United Kingdom

Prohibition of Sales to UK Retail Investors

Unless the Pricing Supplement in respect of any Notes specifies the "Prohibition of Sales to UK Retail Investors" as "Not Applicable", each Dealer will be required to represent and agree that it has not offered, sold or otherwise made available and will not offer, sell or otherwise make available any Notes which are the subject of the offering contemplated by this Information Memorandum as completed by the Pricing Supplement in relation thereto to any retail investor in the United Kingdom. For the purposes of this provision:

(i) the expression "**retail investor**" means a person who is one (or more) of the following:

    (a) a retail client, as defined in point (8) of Article 2 of Regulation (EU) No 2017/565 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018 ("**EUWA**");

    (b) a customer within the meaning of the provisions of the FSMA and any rules or regulations made under the FSMA to implement Directive (EU) 2016/97, where that customer would not qualify as a professional client, as defined in point (8) of Article 2(1) of Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the EUWA; or

    (c) not a qualified investor as defined in Article 2 of the UK Prospectus Regulation; and

(ii) the expression an "**offer**" includes the communication in any form and by any means of sufficient information on the terms of the offer and the Notes to be offered so as to enable an investor to decide to purchase or subscribe for the Notes.

If the applicable Pricing Supplement in respect of any Notes specifies the "Prohibition of Sales to UK Retail Investors" as "Not Applicable", each Dealer will be required to represent and agree that it has not made and will not make an offer of Notes which are the subject of the offering contemplated by this Information Memorandum as completed by the Pricing Supplement in relation thereto to the public in the United Kingdom, except that it may make an offer of such Notes to the public in the United Kingdom:

(i) if the Pricing Supplement in relation to the Notes specify that an offer of those Notes may be made other than pursuant to section 86 of the FSMA (a "**Public Offer**"), following the date of publication of a prospectus in relation to such Notes which either (i) has been approved by the Financial Conduct Authority, or (ii) is to be treated as if it had been approved by the Financial Conduct Authority in accordance with the transitional provision in Regulation 74 of the Prospectus (Amendment etc.) (EU Exit) Regulations 2019, provided that any such prospectus has subsequently been completed by final terms contemplating such Public Offer, in the period beginning and ending on the dates specified in such prospectus or final terms, as applicable, and the Issuer has consented in writing to its use for the purpose of that Public Offer;

(ii) at any time to any legal entity which is a qualified investor as defined in Article 2 of the UK Prospectus Regulation;

(iii) at any time to fewer than 150, natural or legal persons (other than qualified investors as defined in Article 2 of the UK Prospectus Regulation) in the United Kingdom, subject to obtaining the prior consent of the relevant Dealer or Dealers nominated by the Issuer for any such offer; or

(iv) at any time in any other circumstances falling within section 86 of the FSMA,

provided that no such offer of Notes referred to in (ii) to (iv) above shall require the Issuer or any Dealer to publish a prospectus pursuant to section 85 of the FSMA, or supplement a prospectus pursuant to Article 23 of the UK Prospectus Regulation.

For the purposes of this provision, the expression "**an offer of Notes to the public**" in relation to any Note means the communication in any form and by any means of sufficient information on the terms of the offer and the Notes to be offered so as to enable an investor to decide to purchase or subscribe for the Notes and the expression "**UK Prospectus Regulation**" means Regulation (EU) 2017/1129 as it forms part of domestic law by virtue of the EUWA.

Other regulatory restrictions

Each Dealer will be required to represent and agree that:

(i) in relation to any Notes which have a maturity of less than one year, (a) it is a person whose ordinary activities involve it in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of its business and (b) it has not offered or sold and will not offer or sell any Notes other than to persons whose ordinary activities involve them in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of their businesses or who it is reasonable to expect will acquire, hold, manage or dispose of investments (as principal or agent) for the purposes of their businesses where the issue of the Notes would otherwise constitute a contravention of Section 19 of the FSMA by the Issuer;

(ii) it has only communicated or caused to be communicated and will only communicate or cause to be communicated any invitation or inducement to engage in investment activity (within the meaning of Section 21 of the FSMA) received by it in connection with the issue or sale of any Notes in circumstances in which Section 21(1) of the FSMA does not apply to the Issuer; and

(iii) it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to any Notes in, from or otherwise involving the United Kingdom.

Hong Kong

Each Dealer will be required to represent and agree that:

(i) it has not offered or sold and will not offer or sell in Hong Kong, by means of any document, any Notes (except for Notes which are a "structured product" as defined in the Securities and Futures Ordinance (Cap. 571) of Hong Kong (the "**SFO**")), other than (a) to "professional investors" as defined in the SFO and any rules made under the SFO; or (b) in other circumstances which do not result in the document being a "prospectus" as defined in the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32) of Hong Kong (the "**C(WUMP)O**") or which do not constitute an offer to the public within the meaning of the C(WUMP)O; and

(ii) it has not issued or had in its possession for the purposes of issue, and will not issue or have in its possession for the purposes of issue, whether in Hong Kong or elsewhere, any advertisement, invitation or document relating to the Notes, which is directed at, or the contents of which are likely to be accessed or read by, the public of Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than with respect to Notes which are or are intended to be disposed of only to persons outside Hong Kong or only to "professional investors" as defined in the SFO and any rules made under the SFO.

Singapore

Each Dealer has acknowledged that this Information Memorandum has not been registered as a prospectus with the MAS. Accordingly, each Dealer has represented, warranted and agreed, and each further Dealer appointed under the Programme will be required to represent, warrant, and agree, that it has not offered or sold any Notes or caused the Notes to be made the subject of an invitation for subscription or purchase and will not offer or sell any Notes or cause the Notes to be made the subject of an invitation for subscription or purchase, and has not circulated or distributed, nor will it circulate or distribute, this Information Memorandum or any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of the Notes, whether directly or indirectly, to any person in Singapore other than (i) to an institutional investor (as defined in Section 4A of the SFA) pursuant to Section 274 of the SFA, (ii) to a relevant person (as defined in Section 275(2) of the SFA) pursuant to Section 275(1) of the SFA, or any person pursuant to Section 275(1A) of the SFA, and in accordance with the conditions specified in Section 275 of the SFA and (where applicable) Regulation 3 of the Securities and Futures (Classes of Investors) Regulations 2018 of Singapore, or (iii) otherwise pursuant to, and in accordance with the conditions of, any other applicable provision of the SFA.

Any reference to the "SFA" is a reference to the Securities and Futures Act, Chapter 289 of Singapore and a reference to any term as defined in the SFA or any provision in the SFA is a reference to that term or provision as modified or amended from time to time including by such of its subsidiary legislation as may be applicable at the relevant time.

General

Each Dealer has agreed, and each further Dealer appointed under the Programme will be required to agree, that it will comply with all applicable securities laws, regulations and directives in each jurisdiction in which it subscribes for, purchases, offers, sells or delivers Notes or any interest therein or rights in respect thereof or has in its possession or distributes, this Information Memorandum or any other document (or any part thereof) or any Pricing Supplement. No Dealer will directly or indirectly offer, sell or deliver Notes or any interest therein or rights in respect thereof or distribute or publish any prospectus, circular, advertisement or other offering material (including, without limitation, this Information Memorandum) in any country or jurisdiction except under circumstances that will result in compliance with any applicable laws and regulations, and all offers, sales and deliveries of the Notes or any interest therein or rights in respect thereof by it will be made on the foregoing terms.

Any person who may be in doubt as to the restrictions set out in the SFA or the laws, regulations and directives in each jurisdiction in which it subscribes for, purchases, offers, sells or delivers the Notes or any interest therein or rights in respect thereof and the consequences arising from a contravention thereof should consult his own professional adviser(s) and should make his own inquiries as to the laws, regulations and directives in force or applicable in any particular jurisdiction at any relevant time.

ANNEX

CENTRAL	NORTH	WEST	EAST
Bugis	Ang Mo Kio (2 locations)	Boon Lay	Marine Parade
Lucky Plaza (3 locations)	Toa Payoh	Lot One Mall	Bedok
People’s Park	Northpoint	Jurong West	Joo Chiat
Bukit Merah	Causeway Point	Clementi	Paya Lebar
Tiong Bahru	Hougang	Bukit Panjang	Aljunied
Harbourfront	Nex Mall	Bukit Batok	Tampines
Serangoon Road (2 locations)	Chong Pang	Jurong Point	Sengkang (2 locations)
Boon Keng	Admiralty	Jurong Gateway	Eunos
Holland	Waterway Point	Chua Chu Kang	Pasir Ris
Buffalo Road	Punggol		Compass One
	Seletar Mall		
	Sembawang		
	Wisteria Mall		
	Marsiling		

GENERAL AND OTHER INFORMATION

INFORMATION ON DIRECTORS

1. No director is or was involved in any of the following events:

   (a) a petition under any bankruptcy laws filed in any jurisdiction against such person or any partnership in which he was a partner or any corporation of which he was a director or an executive officer;

   (b) a conviction of any offence, other than a traffic offence, or judgment, including findings in relation to fraud, misrepresentation or dishonesty, given against him in any civil proceedings in Singapore or elsewhere, or being named subject to any pending proceedings which may lead to such a conviction or judgment, or so far as such person is aware, any criminal investigation pending against him; or

   (c) the subject of any order, judgment or ruling of any court of competent jurisdiction, tribunal or government body, permanently or temporarily enjoining him from acting as an investment adviser, dealer in securities, director or employee of a financial institution and engaging in any type of business practice or activity.

2. Save as disclosed below, the directors are not related by blood or marriage to one another nor are they related to any substantial shareholder of the Issuer:

   Koh Wee Seng, Koh Lee Hwee and Ko Lee Meng are siblings.

3. The interests of the directors and the substantial shareholders of the Issuer in the Shares as at the Latest Practicable Date are as follows:

   (a) Directors

	Direct Interest		Deemed Interest	
	Number of Shares	**%**	**Number of Shares**	**%**
Koh Wee Seng(1)(2)(3)(4)	111,434,121	10.44	667,724,757	62.58
Koh Lee Hwee(1)(2)(3)(4)	28,196,664	2.64	674,828,251	63.25
Ko Lee Meng(1)(2)(3)(4)	17,581,376	1.65	668,906,251	62.69
Lee Sai Sing	1,200,550	0.11	–	–
Ng Leok Cheng	2,714,685	0.25	–	–

Notes:

(1) Koh Wee Seng, Koh Lee Hwee and Ko Lee Meng are siblings.

(2) Koh Wee Seng, Koh Lee Hwee and Ko Lee Meng are directors and substantial shareholders of Aspial through their shareholdings in MLHS. In addition, Koh Wee Seng also has 18.77% direct interest in Aspial as at the Latest Practicable Date. Koh Wee Seng is the chief executive officer of Aspial. Ko Lee Meng is a non-executive director of Aspial. Koh Lee Hwee is an executive director of Aspial.

(3) Koh Wee Seng, Koh Lee Hwee and Ko Lee Meng are deemed to have an interest in the 667,446,769 Shares held by Aspial by virtue of Section 7 of the Companies Act.

(4) Koh Wee Seng, Koh Lee Hwee and Ko Lee Meng are deemed to have an interest in the Shares held by their respective spouse.

(b) Substantial shareholders (other than the directors)

	Direct Interest		Deemed Interest	
	Number of Shares	%	Number of Shares	%
Aspial	667,446,769	62.56	–	–
MLHS	–	–	667,446,769	62.56

Note:

(1) MLHS is the controlling shareholder of Aspial, holding approximately 53.58% of the shareholdings of Aspial as at the Latest Practicable Date. MLHS is a private limited company incorporated in Singapore on 14 January 1994. It is an investment holding company. The substantial shareholders of MLHS are Koh Wee Seng (47.00%), Ko Lee Meng (25.75%) and Koh Lee Hwee (24.25%).

SHARE CAPITAL

4. As at the date of this Information Memorandum, there is only one class of ordinary shares in the Issuer. The rights and privileges attached to the Shares are stated in the Constitution of the Issuer.

5. The issued share capital of the Issuer as at the Latest Practicable Date is as follows:

Share Designation	Issued Share Capital	
	Number of Shares	Amount
Ordinary Shares	1,067,252,356	S$142,340,662

BORROWINGS

6. Save as disclosed in Appendix III, the Group had as at 31 December 2020 no other borrowings or indebtedness in the nature of borrowings including bank overdrafts and liabilities under acceptances (other than normal trading bills) or acceptance credits, mortgages, charges, hire purchase commitments, guarantees or other material contingent liabilities.

WORKING CAPITAL

7. The directors are of the opinion that, after taking into account the present banking facilities and the net proceeds of the issue of the Notes, the Issuer will have adequate working capital for its present requirements.

CHANGES IN ACCOUNTING POLICIES

8. Save as disclosed in Appendix III, there has been no significant change in the accounting policies of the Issuer since its audited financial statements for the financial year ended 31 December 2020.

LITIGATION

9. There are no legal or arbitration proceedings pending or, to the best of the Issuer's knowledge after making all reasonable enquiries, threatened against the Issuer or any of its subsidiaries the outcome of which may have or have had during the 12 months prior to the date of this Information Memorandum a material adverse effect on the financial position of the Issuer or the Group.

LEGAL ENTITY IDENTIFIER

10. The Legal Entity Identifier (LEI) of the Issuer is 9845004K5E0B9X8BLW10.

MATERIAL ADVERSE CHANGE

11. There has been no material adverse change in the financial condition or business of the Issuer or the Group since 31 December 2020.

CONSENT

12. Ernst & Young LLP has given and has not withdrawn its written consent to the issue of this Information Memorandum with the references herein to its name and, where applicable, reports in the form and context in which they appear in this Information Memorandum.

DOCUMENTS AVAILABLE FOR INSPECTION

13. Copies of the following documents may be inspected at the registered office of the Issuer at 80 Raffles Place, #32-01 UOB Plaza 1, Singapore 048624 during normal business hours for a period of six months from the date of this Information Memorandum:

    (a) the Constitution of the Issuer;

    (b) the Trust Deed; and

    (c) the audited financial statements of the Group for the financial years ended 31 December 2019 and 31 December 2020.

FUNCTIONS, RIGHTS AND OBLIGATIONS OF THE TRUSTEE

14. The functions, rights and obligations of the Trustee are set out in the Trust Deed.

AUDITED FINANCIAL STATEMENTS OF MAXI-CASH FINANCIAL SERVICES CORPORATION LTD. AND ITS SUBSIDIARIES FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2019

The information in this Appendix II has been reproduced from the annual report of Maxi-Cash Financial Services Corporation Ltd. for the financial year ended 31 December 2019 and has not been specifically prepared for inclusion in this Information Memorandum. Investors should read the consolidated financial data in conjunction with the related notes.

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF MAXI-CASH FINANCIAL SERVICES CORPORATION LTD.

Report on the audit of the financial statements

Opinion

We have audited the financial statements of Maxi-Cash Financial Services Corporation Ltd. (the "**Company**") and its subsidiaries (collectively, the "**Group**"), which comprise the statements of financial position of the Group and the Company as at 31 December 2019, the statements of changes in equity of the Group and the Company and the consolidated statement of comprehensive income and consolidated statement of cash flows of the Group for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements of the Group, the statement of financial position and the statement of changes in equity of the Company are properly drawn up in accordance with the provisions of the Companies Act, Chapter 50 (the "**Act**") and Singapore Financial Reporting Standards (International) ("**SFRS(I)**") so as to give a true and fair view of the consolidated financial position of the Group and the financial position of the Company as at 31 December 2019 and of the consolidated financial performance, consolidated changes in equity and consolidated cash flows of the Group and changes in equity of the Company for the year ended on that date.

Basis for opinion

We conducted our audit in accordance with Singapore Standards on Auditing ("**SSAs**"). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Group in accordance with the Accounting and Corporate Regulatory Authority ("**ACRA**") Code of Professional Conduct and Ethics for Public Accountants and Accounting Entities ("**ACRA Code**") together with the ethical requirements that are relevant to our audit of the financial statements in Singapore, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ACRA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled our responsibilities described in the Auditor's responsibilities for the audit of the financial statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying financial statements.

Allowance for expected credit losses on pawnshop loans and interest receivables on pawnshop loans

Trade receivables are significant to the Group and include pawnshop loans and interest receivables on pawnshop loans. The collectability of trade receivables is a key element of the Group's working capital management.

The Group uses a provision matrix to estimate the allowance for expected credit losses ("**ECLs**") on pawnshop loans and interest receivables on pawnshop loans. The key inputs of the Group's ECLs model are the probability of default and loss given default. The Group has estimated the probability of default being the forfeiture of the customers' pledges based on historical non-redemption data of its pawnshop outlets. The Group has estimated the loss given default as the amount of loss exposure at default after considering the expected realisable value of the customers' pledges.

Significant judgement and estimation is involved in using the historical non-redemption data to derive the probability of default, estimating the expected realisable value of customers' pledges as well as considering any forward-looking economic information. Accordingly, we have identified the Group's ECLs assessment on pawnshop loans and interest receivables on pawnshop loans from the Group's pawnbroking segment as a key audit matter.

As part of our audit, we tested the reasonableness of the key inputs and assumptions used by the Group in the ECLs model which is largely dependent on the Group's historical loss experience and loan-to-valuation data. We reviewed and tested the overall process and key controls relating to the collection of non-redemption data used in the ECLs model including checking the arithmetic accuracy of the probability of default. We also analysed historical trend of expected realisable value of the customers' pledges and considered forward-looking macroeconomic factors that may affect the recoverability of the pawnshop loans and related interest receivables. Furthermore, we assessed the adequacy of the disclosures related to trade receivables in Note 17 to the financial statements.

Key audit matters (continued)

Existence of pledges, cash and inventories

We focused on pledges, cash and inventories as their total carrying amounts are material to the financial statements, and there is a higher inherent risk of theft and pilferage.

As part of our audit, we obtained an understanding of the internal controls with respect to the physical safeguards over pledges, cash and inventories. We tested selected internal controls over cash receipts and disbursements and movement of inventories. We obtained bank confirmations including testing controls over bank reconciliation reviews and obtained an understanding of management's monitoring of cash balances, including monitoring of outlet cash float, physical transfer of cash between outlets and head office, and reconciliation of outlet cash flows to the pledges movement.

On a sample basis, we attended and observed surprise outlet audits on daily cash counts and inventory counts at selected outlets. We performed verification of pledges by taking a sample of pledges held on open pawn tickets and matched details of pledges to the physical pledges during our planned and surprise visits to the outlets. We also attended the year-end inventory count and cash count conducted at head office.

We assessed the adequacy of the disclosures relating to cash and bank balances, trade receivables (which comprise mainly pawnshop loans related to pledges held as collateral) and inventories in Notes 20, 17 and 16, respectively, to the financial statements.

Other information

Management is responsible for other information. The other information comprises the information included in the annual report, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of management and directors for the financial statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the provisions of the Act and SFRS(I), and for devising and maintaining a system of internal accounting controls sufficient to provide a reasonable assurance that assets are safeguarded against loss from unauthorised use or disposition; and transactions are properly authorised and that they are recorded as necessary to permit the preparation of true and fair financial statements and to maintain accountability of assets.

In preparing the financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The directors' responsibilities include overseeing the Group's financial reporting process.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Auditor's responsibilities for the audit of the financial statements (continued)

As part of an audit in accordance with SSAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on other legal and regulatory requirements

In our opinion, the accounting and other records required by the Act to be kept by the Company and by those subsidiary corporations incorporated in Singapore of which we are the auditors have been properly kept in accordance with the provisions of the Act.

The engagement partner on the audit resulting in this independent auditor's report is Ho Shyan Yan.

Ernst & Young LLP
Public Accountants and
Chartered Accountants
Singapore
25 March 2020

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2019

	Note	2019	2018
		$'000	$'000
Revenue	4	218,478	203,651
Material costs		(139,200)	(130,201)
Employee benefits	5	(19,979)	(19,644)
Depreciation and amortisation		(11,555)	(2,116)
Finance costs	6	(13,295)	(11,022)
Other operating expenses		(18,348)	(33,218)
Interest income		425	1,274
Dividend income from equity instruments		426	1,569
Rental income		323	261
Other income	7	890	1,653
Share of results of joint venture	13	(226)	(141)
Profit before tax	8	17,939	12,066
Income tax expense	9(a)	(3,003)	(1,581)
Profit for the year		14,936	10,485
Other comprehensive income			
Items that will not be reclassified to profit or loss			
Net fair value changes on equity instruments at fair value through other comprehensive income as at the end of the financial year		874	(1,342)
Net fair value changes on equity instruments at fair value through other comprehensive income upon disposal during the financial year		(345)	(992)
Items that may be reclassified subsequently to profit or loss			
Net fair value changes on debt instruments at fair value through other comprehensive income		441	(702)
Foreign currency translation		11	6
Other comprehensive income for the year, net of tax		981	(3,030)
Total comprehensive income for the year		15,917	7,455
Profit for the year attributable to:			
Owners of the Company		14,834	10,382
Non-controlling interests		102	103
		14,936	10,485
Total comprehensive income attributable to:			
Owners of the Company		15,815	7,352
Non-controlling interests		102	103
		15,917	7,455
Earnings per share (cents)			
Basic and diluted	10	1.43	1.03

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

STATEMENTS OF FINANCIAL POSITION

AS AT 31 DECEMBER 2019

	Note	Group		Company	
		2019	2018	2019	2018
		$'000	$'000	$'000	$'000
Non-current assets					
Property, plant and equipment	11	52,535	23,150	116	158
Right-of-use assets	24(a)	33,987	–	–	–
Trade and other receivables	17	11,736	15,123	–	–
Investment in subsidiaries	12	–	–	54,242	47,928
Investment in joint venture	13	6,415	141	7,000	500
Investment securities	15	3,228	24,249	–	–
Prepaid rent	18	–	1	–	–
Deferred tax assets	9(c)	433	685	–	–
		108,334	63,349	61,358	48,586
Current assets					
Inventories	16	74,461	61,469	–	–
Trade and other receivables	17	315,283	303,543	27	29
Prepaid rent	18	1	4	–	–
Prepayments		2,743	1,726	758	421
Due from subsidiaries (non-trade)	19	–	–	157,473	161,889
Due from a related company (trade)	19	394	–	–	–
Due from a related company (non-trade)	19	67	1	–	–
Due from a joint venture (non-trade)	19	2,640	5,215	2,640	5,215
Investment securities	15	1,253	2,466	–	–
Derivative financial instruments	14	602	1,058	–	–
Cash and bank balances	20	16,041	21,845	1,532	941
		413,485	397,327	162,430	168,495
Total assets		521,819	460,676	223,788	217,081
Current liabilities					
Trade and other payables	21	10,758	9,089	3,166	2,776
Due to immediate holding company (non-trade)	19	2,696	–	–	–
Due to related companies (non-trade)	19	764	706	–	–
Dividends payable		5,176	3,105	5,176	3,105
Provision for taxation		3,387	1,986	198	50
Interest-bearing loans	22	218,130	222,668	–	–
Lease liabilities	24(b)	8,245	–	–	–
Term notes	23	25,500	–	25,500	–
		274,656	237,554	34,040	5,931
Net current assets		138,829	159,773	128,390	162,564
Non-current liabilities					
Other payables	21	109	74	–	16
Interest-bearing loans	22	31,552	12,644	–	–
Term notes	23	50,000	69,000	50,000	70,000
Deferred tax liabilities	9(c)	371	257	7	–
Lease liabilities	24(b)	26,238	–	–	–
		108,270	81,975	50,007	70,016
Total liabilities		382,926	319,529	84,047	75,947
Net assets		138,893	141,147	139,741	141,134
Equity attributable to owners of the Company					
Share capital	25(a)	137,286	137,286	137,286	137,286
Treasury shares	25(b)	(9)	(15)	(9)	(15)
Other reserves	25(c)	(5,870)	(3,257)	(26)	(23)
Revenue reserves		6,627	6,113	2,490	3,886
		138,034	140,127	139,741	141,134
Non-controlling interests		859	1,020	–	–
Total equity		138,893	141,147	139,741	141,134
Total equity and liabilities		521,819	460,676	223,788	217,081

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

STATEMENTS OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2019

		Attributable to owners of the Company						
	Note	Share capital	Treasury shares	Other reserves	Revenue reserves	Equity attributable to owners of the Company	Non-controlling interests	Total equity
		$'000	$'000	$'000	$'000	$'000	$'000	$'000
Group								
At 1 January 2018		118,367	(165)	305	9,918	128,425	917	129,342
Profit for the year		–	–	–	10,382	10,382	103	10,485
Other comprehensive income								
Foreign currency translation		–	–	6	–	6	–	6
Net fair value changes in debt instruments at fair value through other comprehensive income ("**FVOCI**")		–	–	(702)	–	(702)	–	(702)
Net fair value changes in equity instruments at FVOCI		–	–	(2,334)	–	(2,334)	–	(2,334)
Other comprehensive income for the year, net of tax		–	–	(3,030)	–	(3,030)	–	(3,030)
Total comprehensive income for the year		–	–	(3,030)	10,382	7,352	103	7,455
Contributions by and distributions to owners								
Dividends on ordinary shares – Cash		–	–	–	(8,078)	(8,078)	–	(8,078)
Dividends on ordinary shares – Scrip		–	–	–	(5,117)	(5,117)	–	(5,117)
Ordinary shares issued under scrip dividend	25(a)	5,117	–	–	–	5,117	–	5,117
Ordinary shares issued under rights issue	25(a)	13,940	–	–	–	13,940	–	13,940
Share issuance expenses	25(a)	(138)	–	–	–	(138)	–	(138)
Purchase of treasury shares	25(b)	–	(42)	–	–	(42)	–	(42)
Treasury shares reissued pursuant to Maxi-Cash Performance Share Plan	25(b)(c)	–	192	(23)	–	169	–	169
Total contributions by and distributions to owners		18,919	150	(23)	(13,195)	5,851	–	5,851
Changes in ownership interests in subsidiaries								
Reserve on acquisition of subsidiaries under common control	12	–	–	(1,501)	–	(1,501)	–	(1,501)
Total changes in ownership interests in subsidiaries		–	–	(1,501)	–	(1,501)	–	(1,501)
Total transactions with owners in their capacity as owners		137,286	(15)	(4,249)	7,105	140,127	1,020	141,147
Others								
Transfer of fair value reserves of equity instruments at FVOCI upon disposal		–	–	992	(992)	–	–	–
Total others		–	–	992	(992)	–	–	–
At 31 December 2018		137,286	(15)	(3,257)	6,113	140,127	1,020	141,147

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

STATEMENTS OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2019

	Note	Attributable to owners of the Company						
		Share capital	Treasury shares	Other reserves	Revenue reserves	Equity attributable to owners of the Company	Non-controlling interests	Total equity
		$'000	$'000	$'000	$'000	$'000	$'000	$'000
Group								
At 1 January 2019		137,286	(15)	(3,257)	6,113	140,127	1,020	141,147
Profit for the year		–	–	–	14,834	14,834	102	14,936
Other comprehensive income								
Foreign currency translation		–	–	11	–	11	–	11
Net fair value changes in debt instruments at FVOCI		–	–	441	–	441	–	441
Net fair value changes in equity instruments at FVOCI		–	–	529	–	529	–	529
Other comprehensive income for the year, net of tax		–	–	981	–	981	–	981
Total comprehensive income for the year		–	–	981	14,834	15,815	102	15,917
Contributions by and distributions to owners								
Dividends on ordinary shares – Cash		–	–	–	(13,975)	(13,975)	(300)	(14,275)
Purchase of treasury shares	25(b)	–	(117)	–	–	(117)	–	(117)
Treasury shares reissued pursuant to Maxi-Cash Performance Share Plan	25(b)(c)	–	123	(3)	–	120	–	120
Total contributions by and distributions to owners		–	6	(3)	(13,975)	(13,972)	(300)	(14,272)
Changes in ownership interests in subsidiaries								
Reserve on acquisition of subsidiaries under common control	12	–	–	(3,913)	–	(3,913)	–	(3,913)
Change in ownership interests in subsidiaries without a change in control	25(c)	–	–	(23)	–	(23)	37	14
Total changes in ownership interests in subsidiaries		–	–	(3,936)	–	(3,936)	37	(3,899)
Total transactions with owners in their capacity as owners		137,286	(9)	(6,215)	6,972	138,034	859	138,893
Others								
Transfer of fair value reserves of equity instruments at FVOCI upon disposal		–	–	345	(345)	–	–	–
Total others		–	–	345	(345)	–	–	–
At 31 December 2019		137,286	(9)	(5,870)	6,627	138,034	859	138,893

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

	Note	Share capital	Treasury shares	Other reserves	Revenue reserves	Total
		$'000	$'000	$'000	$'000	$'000
Company						
At 1 January 2018		118,367	(165)	–	2,198	120,400
Profit for the year		–	–	–	14,883	14,883
Total comprehensive income for the year		–	–	–	14,883	14,883
Contributions by and distributions to owners						
Dividends on ordinary shares – Cash		–	–	–	(8,078)	(8,078)
Dividends on ordinary shares – Scrip		–	–	–	(5,117)	(5,117)
Ordinary shares issued under scrip dividend	25(a)	5,117	–	–	–	5,117
Ordinary shares issued under rights issue	25(a)	13,940	–	–	–	13,940
Share issuance expenses	25(a)	(138)	–	–	–	(138)
Purchase of treasury shares	25(b)	–	(42)	–	–	(42)
Treasury shares reissued pursuant to Maxi-Cash Performance Share Plan	25(b)(c)	–	192	(23)	–	169
Total contributions by and distributions to owners		18,919	150	(23)	(13,195)	5,851
At 31 December 2018		137,286	(15)	(23)	3,886	141,134
At 1 January 2019		137,286	(15)	(23)	3,886	141,134
Profit for the year		–	–	–	12,579	12,579
Total comprehensive income for the year		–	–	–	12,579	12,579
Contributions by and distributions to owners						
Dividends on ordinary shares – Cash		–	–	–	(13,975)	(13,975)
Purchase of treasury shares	25(b)	–	(117)	–	–	(117)
Treasury shares reissued pursuant to Maxi-Cash Performance Share Plan	25(b)(c)	–	123	(3)	–	120
Total contributions by and distributions to owners		–	6	(3)	(13,975)	(13,972)
At 31 December 2019		137,286	(9)	(26)	2,490	139,741

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

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2019

	Note	2019 $'000	2018 $'000
Operating activities			
Profit before tax		17,939	12,066
Adjustments for:			
Write-back of allowance for doubtful receivables		–	(26)
Depreciation of property, plant and equipment	11	2,370	2,113
Depreciation of right-of-use assets	24(c)	9,181	–
Write-down of inventories	16	100	–
Interest expense	6	12,943	10,794
Interest income		(425)	(1,274)
Dividend income from equity instruments		(426)	(1,569)
Amortisation of prepaid commitment fee	6	409	283
Amortisation of premium on term notes	6	(57)	(55)
Financial losses on pledged items not fully covered by insurance		32	13
Loss on disposal of property, plant and equipment	8	222	129
Loss on disposal of investment securities	8	240	187
Net fair value change on derivatives		456	(1,058)
Amortisation of prepaid rent	18	4	3
Gain on purchase of term notes		(12)	(4)
Unrealised foreign exchange differences		(527)	3,813
Share of results of joint venture	13	226	141
Operating cash flows before changes in working capital		42,675	25,556
Changes in working capital			
Increase in inventories		(13,092)	(9,611)
Increase in trade and other receivables		(8,065)	(1,768)
(Increase)/decrease in prepayments		(667)	439
Decrease in due from a related company (trade)		(393)	–
Increase in trade and other payables		1,551	5,196
Total changes in working capital		(20,666)	(5,744)
Cash flows from operations		22,009	19,812
Interest paid		(12,127)	(10,794)
Interest received		52	63
Income taxes refunded		128	35
Income taxes paid		(1,593)	(1,495)
Net cash flows from operating activities		8,469	7,621
Investing activities			
Purchase of property, plant and equipment	11	(2,151)	(9,170)
Interest received		1,182	2,380
Acquisition of a subsidiary	12	(5,259)	(1,610)
Purchase of investment securities		–	(42,830)
Investment in joint venture	13	(6,500)	–
Proceeds from disposal of plant and equipment		60	14
Due from a joint venture (non-trade)		2,575	(2,625)
Proceeds from disposal of investment securities		23,240	48,644
Net cash flows from/(used in) investing activities		13,147	(5,197)

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

	Note	2019	2018
		$'000	$'000
Financing activities			
Proceeds from issuance of term notes	23	23,500	–
Purchase of term notes	23	(16,988)	(996)
Repayment of short-term bank borrowings, net	23	(5,578)	(7,895)
Proceeds from term loans	23	–	5,678
Repayment of term loans	23	(848)	(470)
Purchase of treasury shares	25(b)	(117)	(42)
Repayment of advances from immediate holding company (non-trade), net		(4,873)	–
Term notes commitment fee paid		(756)	–
Repayment of advances from related companies (non-trade), net		–	(213)
Decrease in due from a related company (non-trade)		–	27
Proceeds from rights issue, net	25(a)	–	13,802
Dividends paid on ordinary shares		(11,904)	(8,078)
Repayment of principal portion of lease liabilities	24(b)	(9,501)	–
Due from a related company (non-trade)		(67)	–
Dividends paid to non-controlling interest of subsidiary		(300)	–
Net cash flows (used in)/from financing activities		(27,432)	1,813
Net (decrease)/increase in cash and cash equivalents		(5,816)	4,237
Effect of exchange rate changes on cash and cash equivalents		12	(86)
Cash and cash equivalents at the beginning of the financial year		21,845	17,694
Cash and cash equivalents at the end of the financial year	20	16,041	21,845

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

1. Corporate information

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

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

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

The principal activity of the Company is investment holding and provision of management services. The principal activities of the subsidiaries are disclosed in Note 12 to the financial statements.

2. Summary of significant accounting policies

2.1 *Basis of preparation*

The consolidated financial statements of the Group and the statement of financial position and statement of changes in equity of the Company have been prepared in accordance with Singapore Financial Reporting Standards (International) (**"SFRS(I)**").

The financial statements have been prepared on the historical cost basis except as disclosed in the accounting policies below.

The financial statements are presented in Singapore Dollars ("**SGD**" or "**$**") and all values in the tables are rounded to the nearest thousand ("**$'000**"), except when otherwise indicated.

2.2 *Adoption of new and amended standards and interpretations*

The accounting policies 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 2019. Except for the adoption of SFRS(I) 16 Leases described below, the adoption of these standards did not have any material effect on the financial performance or position of the Group.

<u>SFRS(I) 16 *Leases*</u>

SFRS(I) 16 supersedes SFRS(I) 1-17 *Leases*, SFRS(I) INT 4 *Determining whether an Arrangement contains a Lease*, SFRS(I) INT 1-15 *Operating Leases-Incentives* and SFRS(I) INT 1-27 *Evaluating the Substance of Transactions Involving the Legal Form of a Lease*. The standard sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to recognise most leases on the statement of financial position.

Lessor accounting under SFRS(I) 16 is substantially unchanged from SFRS(I) 1-17. Lessors will continue to classify leases as either operating or finance leases using similar principles as in SFRS(I) 1-17. Therefore, SFRS(I) 16 does not have an impact for leases where the Group is the lessor.

The Group adopted SFRS(I) 16 using the modified retrospective method of adoption, with the date of initial application of 1 January 2019. Under this method, the Group has also adopted to measure the carrying amount of the right-of-use assets at an amount equal to the lease liability on the date of initial application. The Group elected to use the transition practical expedient to not reassess whether a contract is, or contains, a lease at 1 January 2019. Instead, the Group applied the standard only to contracts that were previously identified as leases applying SFRS(I) 1-17 and SFRS(I) INT 4 at the date of initial application.

The Group has lease contracts for retail stores. Before the adoption of SFRS(I) 16, the Group classified each of its leases (as lessee) at the inception date as an operating lease.

Upon adoption of SFRS(I) 16, the Group applied a single recognition and measurement approach for all leases except for short-term leases and leases of low-value assets. The accounting policy beginning on and after 1 January 2019 is disclosed in Note 2.22 Leases. The standard provides specific transition requirements and practical expedients, which have been applied by the Group.

2. Summary of significant accounting policies (continued)

2.2 ***Adoption of new and amended standards and interpretations (continued)***

SFRS(I) 16 *Leases* (continued)

Leases previously accounted for as operating leases

The Group recognised right-of-use assets and lease liabilities for those leases previously classified as operating leases, except for short-term leases and leases of low-value assets. The right-of-use assets for most leases were recognised based on the carrying amount as if the standard had always been applied, apart from the use of incremental borrowing rate at the date of initial application. In some leases, the right-of-use assets were recognised based on the amount equal to the lease liabilities, adjusted for any related prepaid and accrued lease payments previously recognised. Lease liabilities were recognised based on the present value of the remaining lease payments, discounted using the incremental borrowing rate at the date of initial application.

The Group also applied the available practical expedients wherein it:

- used a single discount rate to a portfolio of leases with reasonably similar characteristics;
- relied on its assessment of whether leases are onerous immediately before the date of initial application;
- applied the short-term leases exemptions to leases with lease term that ends within 12 months of the date of initial application;
- excluded the initial direct costs from the measurement of the right-of-use asset at the date of initial application; and
- used hindsight in determining the lease term where the contract contained options to extend or terminate the lease.

Based on the above, as at 1 January 2019:

- right-of-use assets of $21,645,000 were recognised and presented separately in the statement of financial position; and
- lease liabilities of $21,645,000 were recognised and presented separately in the statement of financial position

The lease liabilities as at 1 January 2019 can be reconciled to the operating lease commitments as of 31 December 2018, as follows:

	$'000
Operating lease commitments as at 31 December 2018	16,914
Less:	
Commitments relating to short-term leases	(1,981)
	14,933
Weighted average incremental borrowing rate as at 1 January 2019	2.77%
Discounted operating lease commitments as at 1 January 2019	13,230
Add:	
Lease payments relating to renewal periods not included in operating lease commitments as at 31 December 2018	8,415
Lease liabilities as at 1 January 2019 (Note 24(a))	21,645

2. Summary of significant accounting policies (continued)

2.3 ***Standards issued but not yet effective***

The Group has not adopted the following standards applicable to the Group that have been issued but not yet effective:

Description	**Effective for annual periods beginning on or after**
Amendments to SFRS(I) 3 *Definition of a Business*	1 January 2020
Amendments to SFRS(I) 1-1 and SFRS(I) 1-8 *Definition of Material*	1 January 2020
Amendments to SFRS(I) 10 and SFRS(I) 1-28 *Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*	Date to be determined

The directors expect that the adoption of the standards above will have no material impact on the financial statements in the year of initial application.

2.4 ***Basis of consolidation***

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries as at the end of the reporting period. The financial statements of the subsidiaries used in the preparation of the consolidated financial statements are prepared for the same reporting date as the Company. Consistent accounting policies are applied to like transactions and events in similar circumstances.

All intra-group balances, income and expenses and unrealised gains and losses resulting from intra-group transactions and dividends are eliminated in full.

Subsidiaries are consolidated from the date of acquisition, being the date on which the Group obtains control, and continue to be consolidated until the date that such control ceases.

Losses within a subsidiary are attributed to the non-controlling interest even if that results in a deficit balance.

2.5 ***Business combination involving entities under common control***

Business combinations involving entities under common control are accounted for by applying the pooling of interest method which involves the following:

- The assets and liabilities of the combining entities are reflected at their carrying amounts reported in the consolidated financial statements of the controlling holding company.
- No adjustments are made to reflect the fair values on the date of combination, or recognise any new assets or liabilities.
- No additional goodwill is recognised as a result of the combination.
- Any difference between the consideration paid/transferred and the equity 'acquired' is reflected within the equity under other reserves.
- The statement of comprehensive income reflects the results of the combining entities prospectively from the date on which the business combination occurred.

2.6 ***Transactions with non-controlling interests***

Non-controlling interest represents the equity in subsidiaries not attributable, directly or indirectly, to owners of the Company.

Changes in the Company's ownership interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions. In such circumstances, the carrying amounts of the controlling and non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiary. Any difference between the amount by which the non-controlling interest is adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to owners of the Company.

2. Summary of significant accounting policies (continued)

2.7 ***Foreign currency***

The financial statements are presented in Singapore Dollars ("**SGD**"), which is also the Company's functional currency. Each entity in the Group determines its own functional currency to be SGD and items included in the financial statements of each entity are measured using that functional currency.

(a) *Transactions and balances*

Transactions in foreign currencies are measured in SGD by the Company and its subsidiaries and are recorded on initial recognition at exchange rates approximating those ruling at the transaction dates. Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the end of the financial year. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was measured.

Exchange differences arising on the settlement of monetary items or on translating monetary items at the end of the financial year are recognised in profit or loss.

(b) *Consolidated financial statements*

For consolidation purpose, the assets and liabilities of foreign operations are translated into SGD at the rate of exchange ruling at the end of the reporting period and their profit or loss are translated at the exchange rates prevailing at the date of the transactions. The exchange differences arising on the translation are recognised in other comprehensive income. On disposal of a foreign operation, the component of other comprehensive income relating to that particular foreign operation is recognised in profit or loss.

2.8 ***Property, plant and equipment***

All items of property, plant and equipment are initially recorded at cost. Subsequent to recognition, property, plant and equipment are measured at cost less accumulated depreciation and any accumulated impairment losses.

Freehold land has an unlimited useful life and therefore is not depreciated.

Depreciation is computed on a straight-line basis over the estimated useful lives of the assets as follows:

Freehold properties	–	50 years
Leasehold properties	–	59 to 69 years
Renovations, electrical fittings, furniture and fittings	–	3 – 5 years
Air-conditioners, office and security equipment	–	3 – 5 years
Showroom tools and machinery	–	5 years
Computers	–	3 years
Motor vehicles	–	3 – 7 years

Work-in-progress is not depreciated until it is ready for its intended use.

The carrying values of property, plant and equipment are reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable.

The useful life and depreciation method are reviewed at each financial year-end, and adjusted prospectively, if appropriate.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset is included in profit or loss in the year the asset is derecognised.

2. Summary of significant accounting policies (continued)

2.9 ***Impairment of non-financial assets***

The Group assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Group makes an estimate of the asset's recoverable amount.

An asset's recoverable amount is the higher of an asset's or cash-generating unit's fair value less costs of disposal and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. Where the carrying amount of an asset or cash-generating unit exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

Impairment losses are recognised in profit or loss.

A previously recognised impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. If that is the case, the carrying amount of the asset is increased to its recoverable amount. That increase cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised previously. Such reversal is recognised in profit or loss.

2.10 ***Subsidiaries***

A subsidiary is an investee that is controlled by the Group. The Group controls an investee when it is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee.

In the Company's separate financial statements, investments in subsidiaries are accounted for at cost less impairment losses.

2.11 ***Joint arrangements***

A joint arrangement is a contractual arrangement whereby two or more parties have joint control. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require the unanimous consent of the parties sharing control.

A joint arrangement is classified either as joint operation or joint venture, based on the rights and obligations of the parties to the arrangement.

To the extent the joint arrangement provides the Group with rights to the assets and obligations for the liabilities relating to the arrangement, the arrangement is a joint operation. To the extent the joint arrangement provides the Group with rights to the net assets of the arrangement, the arrangement is a joint venture.

Joint ventures

The Group recognises its interest in a joint venture as an investment and accounts for the investment using the equity method. The accounting policy for investment in joint venture is set out in Note 2.12.

2.12 ***Joint ventures and associates***

An associate is an entity over which the Group has the power to participate in the financial and operating policy decisions of the investee but does not have control or joint control of those policies.

The Group account for its investments in associates and joint ventures using the equity method from the date on which it becomes an associate or joint venture.

On acquisition of the investment, any excess of the cost of the investment over the Group's share of the net fair value of the investee's identifiable assets and liabilities represents goodwill and is included in the carrying amount of the investment. Any excess of the Group's share of the net fair value of the investee's identifiable assets and liabilities over the cost of the investment is included as income in the determination of the entity's share of the associate or joint venture's profit or loss in the period in which the investment is acquired.

2. Summary of significant accounting policies (continued)

2.12 ***Joint ventures and associates (continued)***

Under the equity method, the investment in associates or joint ventures are carried in the statement of financial position at cost plus post-acquisition changes in the Group's share of net assets of the associates or joint ventures. The profit or loss reflects the share of results of the operations of the associates or joint ventures. Distributions received from joint ventures or associates reduce the carrying amount of the investment. Where there has been a change recognised in other comprehensive income by the associates or joint venture, the Group recognises its share of such changes in other comprehensive income. Unrealised gains and losses resulting from transactions between the Group and associate or joint venture are eliminated to the extent of the interest in the associates or joint ventures.

When the Group's share of losses in an associate or joint venture equals or exceeds its interest in the associate or joint venture, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the associate or joint venture.

After application of the equity method, the Group determines whether it is necessary to recognise an additional impairment loss on the Group's investment in associate or joint ventures. The Group determines at the end of each reporting period whether there is any objective evidence that the investment in the associate or joint venture is impaired. If this is the case, the Group calculates the amount of impairment as the difference between the recoverable amount of the associate or joint venture and its carrying value and recognises the amount in profit or loss.

The financial statements of the associates and joint ventures are prepared as the same reporting date as the Company. Where necessary, adjustments are made to bring the accounting policies in line with those of the Group.

2.13 ***Financial instruments***

(a) *Financial assets*

Initial recognition and measurement

Financial assets are recognised when, and only when the entity becomes party to the contractual provisions of the instruments.

At initial recognition, the Group measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss.

Trade receivables are measured at the amount of consideration to which the Group expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third party, if the trade receivables do not contain a significant financing component at initial recognition.

Subsequent measurement

Investments in debt instruments

Subsequent measurement of debt instruments depends on the Group's business model for managing the asset and the contractual cash flow characteristics of the asset. The three measurement categories for classification of debt instruments are:

(i) Amortised cost

Financial assets that are held for the collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. Financial assets are measured at amortised cost using the effective interest method, less impairment. Gains and losses are recognised in profit or loss when the assets are derecognised or impaired, and through amortisation process.

2. Summary of significant accounting policies (continued)

2.13 ***Financial instruments (continued)***

(a) *Financial assets (continued)*

Subsequent measurement (continued)

(ii) Fair value through other comprehensive income

Financial assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at FVOCI. Financial assets measured at FVOCI are subsequently measured at fair value. Any gains or losses from changes in fair value of the financial assets are recognised in other comprehensive income, except for impairment losses, foreign exchange gains and losses and interest calculated using the effective interest method are recognised in profit or loss. The cumulative gain or loss previously recognised in other comprehensive income is reclassified from equity to profit or loss as a reclassification adjustment when the financial asset is derecognised.

(iii) *Fair value through profit or loss*

Assets that do not meet the criteria for amortised cost or FVOCI are measured at fair value through profit or loss. A gain or loss on a debt instruments that is subsequently measured at fair value through profit or loss and is not part of a hedging relationship is recognised in profit or loss in the period in which it arises.

Investments in equity instruments

On initial recognition of an investment in equity instrument that is not held for trading, the Group may irrevocably elect to present subsequent changes in fair value in other comprehensive income. Dividends from such investments are to be recognised in profit or loss when the Group's right to receive payments is established.

Derivatives

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently remeasured to their fair value at the end of each reporting period. Changes in fair value of derivatives are recognised in profit or loss.

Derecognition

A financial asset is derecognised where the contractual right to receive cash flows from the asset has expired. On derecognition of a financial asset in its entirety, the difference between the carrying amount and the sum of the consideration received and any cumulative gain or loss that had been recognised in other comprehensive income for debt instruments is recognised in profit or loss. For derecognition of equity instruments, cumulative fair value changes previously recognised in FVOCI will be transferred to retained earnings.

Regular way purchases and sales

All regular way purchases and sales of financial assets are recognised or derecognised on the trade date i.e. the date that the Group commits to purchase or sell the asset. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the period generally established by regulation or convention in the marketplace concerned.

(b) *Financial liabilities*

Initial recognition and measurement

Financial liabilities are recognised when, and only when, the Group becomes a party to the contractual provisions of the financial instrument. The Group determines the classification of its financial liabilities at initial recognition.

All financial liabilities are recognised initially at fair value plus in the case of financial liabilities not at fair value through profit or loss, directly attributable transaction costs.

2. Summary of significant accounting policies (continued)

2.13 ***Financial instruments (continued)***

(b) *Financial liabilities (continued)*

Subsequent measurement

After initial recognition, financial liabilities that are not carried at fair value through profit or loss are subsequently measured at amortised cost using the effective interest method. Gains and losses are recognised in profit or loss when the liabilities are derecognised, and through the amortisation process.

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. On derecognition, the difference between the carrying amounts and the consideration paid is recognised in profit or loss.

2.14 ***Impairment of financial assets***

The Group estimates the ECLs for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

The Group's estimation varies with respect to its various types of financial assets as follows:

Pawnshop loans and interest receivables on pawnshop loans

The Group uses the general approach and estimates for lifetime ECLs on the financial assets. ECLs are based on the difference between the contractual cash flows due in accordance with the contractual terms of the pawn tickets and all the cash flows that the Group expects to receive from the sale of collateral held or other credit enhancements that are integral to the contractual terms of the pawn tickets.

The Group considers the financial assets in default upon forfeiture of the collateral to the Group. When such default occurs, the Group has no reasonable expectations of recovering the interest receivable portion of the financial assets. Therefore, the Group writes off the interest receivable portion of the financial assets.

Secured lending receivables

The Group uses the general approach and estimates for 12-months expected credit losses when there is no indication of significant deterioration in credit risk. When a significant increase in credit risk has occurred, the Group estimates the lifetime ECLs for such financial assets.

Debt investment securities

ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECLs). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is recognised for credit losses expected over the remaining life of the exposure, irrespective of timing of the default (a lifetime ECLs).

For debt instruments at FVOCI, the Group applies the low credit risk simplification. At every reporting date, the Group evaluates whether the debt instrument is considered to have low credit risk using all reasonable and supportable information that is available without undue cost or effort. In making that evaluation, the Group reassesses the external credit rating of the debt instrument.

Due from a joint venture

The Group uses the general approach and estimates for 12-months expected credit losses when there is no indication of significant deterioration in credit risk based on the financial performance of its related entities. When a significant increase in credit risk has occurred, the Group estimates the lifetime ECLs for such financial assets.

2. Summary of significant accounting policies (continued)

2.15 ***Cash and cash equivalents***

Cash and cash equivalents comprise cash at banks including fixed deposits and cash on hand.

2.16 ***Inventories***

Inventories are stated at the lower of cost and net realisable value. Cost is determined by applying the specific identification method.

Where necessary, allowance is provided for damaged, obsolete and slow moving items to adjust the carrying value of inventories to the lower of cost and net realisable value.

Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

2.17 ***Provisions***

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of economic resources embodying economic benefits will be required to settle the obligation and the amount of the obligation can be estimated reliably.

Provisions are reviewed at the end of each financial year and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of economic resources will be required to settle the obligation, the provision is reversed. If the effect of the time value of money is material, provisions are discounted using a current pre tax rate that reflects, where appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

2.18 ***Government grants***

Government grants are recognised when there is reasonable assurance that the grant will be received and all attaching conditions will be complied with. Where the grant relates to income, the government grant is recognised in profit or loss upon receipt of the grant. Grants related to income are presented under other income.

2.19 ***Financial guarantees***

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payment when due in accordance with the terms of a debt instrument.

Financial guarantees are recognised initially as a liability at fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee. Subsequent to initial recognition, financial guarantees are measured at the higher of the amount of expected credit loss determined in accordance with the policy set out in Note 2.14 and the amount initially recognised less, when appropriate, the cumulative amount of income recognised over the period of the guarantee.

2.20 ***Borrowing costs***

Borrowing costs are capitalised as part of the cost of a qualifying asset if they are directly attributable to the acquisition, construction or production of that asset. Capitalisation of borrowing costs commences when the activities to prepare the asset for its intended use or sale are in progress and the expenditures and borrowing costs are incurred. Borrowing costs are capitalised until the assets are substantially completed for their intended use or sale. All other borrowing costs are expensed in the period they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

2. Summary of significant accounting policies (continued)

2.21 ***Employee benefits***

(a) *Defined contribution plans*

The Group participates in the national pension schemes as defined by the laws of the countries in which it has operations. In particular, the Singapore companies in the Group make contributions to the Central Provident Fund scheme in Singapore, a defined contribution pension scheme. Contributions to defined contribution pension schemes are recognised as an expense in the period in which the related service is performed.

(b) *Employee leave entitlement*

Employees' entitlement to annual leave is recognised as a liability when they are accrued to the employees. The undiscounted liability for leave expected to be settled wholly before twelve months after the end of the financial year is recognised for services rendered by employees up to the end of the financial year.

(c) *Employee share award plan*

The immediate holding company's shares can be awarded to certain employees and directors of the Group. Share award expense is recognised as an expense in the same period in which the related service is performed. The fair value of the share award expense is determined based on the market value of the shares at the distribution dates.

2.22 ***Leases***

The Group assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Group as a lessee

The Group applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Group recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

(a) *Right-of-use assets*

The Group recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets, as follows:

Retail stores – 2 to 10 years

If ownership of the leased asset transfers to the Group at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

The right-of-use assets are also subject to impairment. The accounting policy for impairment is disclosed in Note 2.9.

(b) *Lease liabilities*

At the commencement date of the lease, the Group recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating the lease, if the lease term reflects the Group exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

2. Summary of significant accounting policies (continued)

2.22 ***Leases (continued)***

Group as a lessee (continued)

(b) *Lease liabilities (continued)*

In calculating the present value of lease payments, the Group uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

(c) *Short-term leases and leases of low-value assets*

The Group applies the short-term lease recognition exemption to its short-term leases of retail stores (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). Lease payments on short-term leases are recognised as expense on a straight-line basis over the lease term.

Group as a lessor

Leases in which the Group does not transfer substantially all the risks and rewards incidental to ownership of an asset are classified as operating leases. Rental income arising is accounted for on a straight-line basis over the lease terms and is included in the consolidated statement of comprehensive income due to its operating nature. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as rental income in the period in which they are earned.

2.23 ***Revenue***

Revenue is measured based on the consideration to which the Group expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third parties.

Revenue is recognised when the Group satisfies a performance obligation by transferring a promised good or service to the customer, which is when the customer obtains control of the good or service. A performance obligation may be satisfied at a point in time or over time. The amount of revenue recognised is the amount allocated to the satisfied performance obligation.

(a) *Sale of goods*

Revenue from sale of jewellery and branded merchandise is recognised upon satisfaction of identified performance obligation, which generally coincides with delivery and acceptance of promised goods sold, net of discounts, returns and applicable goods and services tax. Revenue is not recognised to the extent where there are significant uncertainties regarding recovery of the consideration due, associated costs or the possible return of goods.

(b) *Interest income*

Interest income is recognised using the effective interest method.

(c) *Rental income from operating leases*

Rental income is accounted for on a straight-line basis over the lease terms. The aggregate costs of incentives provided to lessees are recognised as a reduction of rental income over the lease term on a straight-line basis.

(d) *Distribution income*

Distribution income are recognised when the Group's right to receive payment is established.

2. Summary of significant accounting policies (continued)

2.24 ***Taxes***

(a) *Current income tax*

Current income tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authority. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted at the end of the financial year, in Singapore where the Group operates and generates taxable income.

Current income taxes are recognised in profit or loss except to the extent that the tax relates to items recognised outside profit or loss, either in other comprehensive income or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

(b) *Deferred tax*

Deferred tax is provided using the liability method on temporary differences at the end of the financial year between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liabilities are recognised for all taxable temporary differences, except:

- Where the deferred tax liability arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and

- In respect of taxable temporary differences associated with investments in subsidiaries, where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised except:

- Where the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and

- In respect of deductible temporary differences associated with investments in subsidiaries, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at the end of each financial year and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are reassessed at the end of each financial year and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted at the end of each financial year.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss. Deferred tax items are recognised in correlation to the underlying transaction either in other comprehensive income or directly in equity.

2. Summary of significant accounting policies (continued)

2.24 ***Taxes (continued)***

(c) *Sales tax*

Revenues, expenses and assets are recognised net of the amount of sales tax except:

- Where the sales tax incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case the sales tax is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable; and

- Receivables and payables that are stated with the amount of sales tax included.

2.25 ***Share capital and share issuance expenses***

Proceeds from issuance of ordinary shares are recognised as share capital in equity. Incremental costs directly attributable to the issuance of ordinary shares are deducted against share capital.

2.26 ***Treasury shares***

The Group's own equity instruments, which are reacquired (treasury shares) are recognised at cost and deducted from equity. No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of the Group's own equity instruments. Any difference between the carrying amount of treasury shares and the consideration received, if reissued, is recognised directly in equity. Voting rights related to treasury shares are nullified for the Group and no dividends are allocated to them respectively.

2.27 ***Contingencies***

A contingent liability is:

(a) a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group; or

(b) a present obligation that arises from past events but is not recognised because:

(i) It is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or

(ii) The amount of the obligation cannot be measured with sufficient reliability.

A contingent asset is a possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group.

Contingent liabilities and assets are not recognised on the statement of financial position of the Group.

3. Significant accounting judgments and estimates

The preparation of the Group's consolidated financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities at the end of each financial year. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of the asset or liability affected in the future periods.

3.1 ***Judgments made in applying accounting policies***

In the process of applying the Group's accounting policies, management has made the following judgments, apart from those involving estimations, which have the most significant effect on the amounts recognised in the consolidated financial statements:

3. Significant accounting judgments and estimates (continued)

3.1 ***Judgments made in applying accounting policies (continued)***

Income taxes

The Group has exposure to income taxes in countries where the Group operates. Significant judgment is involved in determining the Group-wide provision for income taxes. There are certain transactions and computations for which the ultimate tax determination is uncertain during the ordinary course of business. The Group recognises liabilities for expected tax issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recognised, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made. The carrying amount of the Group's provision for taxation and deferred tax liabilities at the end of the financial year was $3,387,000 (2018: $1,986,000) and $371,000 (2018: $257,000) respectively.

Deferred tax assets are recognised for all deductible temporary differences and unutilised tax credits and losses to the extent that it is probable that taxable profit will be available against which the deductible temporary differences and tax credits/losses can be utilised. Significant management judgment is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and level of future taxable profits together with future tax planning strategies. The carrying amount of the Group's deferred tax assets at the end of the financial year was $433,000 (2018: $685,000).

Classification and measurement of equity instruments as fair value through other comprehensive income

The Group intends to hold its equity instruments for an indefinite period and it may be sold in response to liquidity needs or in response to changes in the market conditions. Therefore, management has concluded that these equity instruments are not held for trading and can be classified and measured at FVOCI.

Determining the lease term of contracts with renewal options – Group as a lessee

The Group determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised.

The Group has several lease contracts that include extension options. The Group applies judgement in evaluating whether it is reasonably certain whether or not to exercise the option to renew or terminate the lease. That is, it considers all relevant factors that create an economic incentive for it to exercise either the renewal or termination. After the commencement date, the Group reassesses the lease term if there is a significant event or change in circumstances that is within its control and affects its ability to exercise or not to exercise the option to renew or to terminate (e.g., construction of significant leasehold improvements or significant customisation to the leased asset).

The Group included the renewal period as part of the lease term for leases of retail stores with shorter non-cancellable period (i.e., two to five years). The Group typically exercises its option to renew for these leases because there will be a significant negative effect on its operations if a replacement asset is not readily available.

As at 31 December 2019, potential future (undiscounted) cash outflows of approximately $1,035,000 have not been included in lease liabilities because it is not reasonably certain that the leases will be extended.

3.2 ***Key sources of estimation uncertainty***

The key assumptions concerning the future and other key sources of estimation uncertainty at the end of the financial year are discussed below. The Group based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising beyond the control of the Group. Such changes are reflected in the assumptions when they occur.

3. Significant accounting judgments and estimates (continued)

3.2 ***Key sources of estimation uncertainty (continued)***

(a) *Allowance for expected credit losses on pawnshop loans and interest receivables on pawnshop loans*

The Group uses a provision matrix to estimate the allowance for ECLs on pawnshop loans and interest receivables on pawnshop loans. The Group has estimated the probability of default being the forfeiture of the customers' pledges based on historical non-redemption data of individual pawnshop outlets. The Group has estimated the loss given default based on the expected realisable value of the customers' pledges. Significant judgement and estimation is involved in using the historical non-redemption data to derive the probability of default as well as considering any forward-looking economic information. The Group's historical credit loss experience and forecast of economic conditions may also not be representative of customer's actual default in the future. The carrying amount of the Group's trade receivables which includes the pawnshop loans and interest receivables on pawnshop loans at the end of the financial year is disclosed in Note 17 to the financial statements.

(b) *Allowance for inventory obsolescence*

The Group periodically assesses the allowance for inventory obsolescence. When inventories are deemed obsolete or when the net realisable value falls below cost, the amount of obsolete inventories or fall in value is recognised as an impairment against the inventory balance. To determine whether there is objective evidence of impairment, the Group estimates future demand for the product. Any possible changes in these estimates could result in revision to the valuation of inventory. The carrying amount of the Group's inventories at the end of the financial year is disclosed in Note 16 to the financial statements.

(c) *Leases – estimating the incremental borrowing rate*

The Group cannot readily determine the interest rate implicit in the lease, therefore, it uses its incremental borrowing rate ("**IBR**") to measure lease liabilities. The IBR is the rate of interest that the Group would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment. The IBR therefore reflects what the Group 'would have to pay', which requires estimation when no observable rates are available (such as for subsidiaries that do not enter into financing transactions) or when they need to be adjusted to reflect the terms and conditions of the lease (for example, when leases are not in the subsidiary's functional currency). The Group estimates the IBR using the effective interest rates of its term notes and bank borrowings.

4. Revenue

	Group	
	2019	**2018**
	$'000	$'000
Sale of jewellery and branded merchandise (Revenue recognised at a point in time)	167,314	153,597
Interest income from pawnbroking services	43,224	41,110
Interest income and distribution income from secured lending	7,940	8,944
	218,478	203,651

5. Employee benefits

	Group	
	2019	2018
	$'000	$'000
Employee benefits expense:		
- Salaries and bonuses	17,786	17,419
- Central Provident Fund contributions	2,193	2,225
	19,979	19,644

6. Finance costs

	Group	
	2019	2018
	$'000	$'000
Interest expense on:		
- Short-term bank borrowings	7,373	6,680
- Term loans	578	264
- Term notes	4,058	3,850
- Advances from immediate holding company	118	–
- Lease liabilities (Note 24(b))	816	–
	12,943	10,794
Amortisation of prepaid commitment fee	409	283
Amortisation of premium on term notes	(57)	(55)
	13,295	11,022

7. Other income

	Group	
	2019	2018
	$'000	$'000
Net foreign exchange gain	573	–
Net fair value gain on derivatives	–	1,058
Government grants and other miscellaneous income	317	595
	890	1,653

8. Profit before tax

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

	Group	
	2019	**2018**
	$'000	$'000
Audit fees:		
- Auditor of the Company	304	299
- Other auditors	30	–
Non-audit fees:		
- Auditor of the Company	67	74
- Other auditors	19	–
Write-back of allowance for doubtful receivables	–	(26)
Amortisation of prepaid rent	4	3
Depreciation of property, plant and equipment	2,370	2,113
Depreciation of right-of-use assets	9,181	–
Operating leases	–	11,675
- Fixed rental expense on operating leases	–	11,536
- Contingent rental expense on operating leases	–	139
Lease expense not capitalised in lease liabilities:	2,399	–
- Expense relating to short-term leases (Note 24(c))	2,277	–
- Variable lease payments (Note 24(c))	122	–
Loss on disposal of property, plant and equipment	222	129
Net loss on disposal of investment securities	240	187
Net foreign exchange loss	–	5,854
Net fair value loss on derivatives	456	–
Interest receivables on pawnshop loans written off	3,946	4,427
Write-down of inventories	100	–
Financial losses on pledged items not fully covered by insurance	32	13
Branding and marketing related costs	1,911	1,605

9. Income tax expense

(a) ***Major components of income tax expense***

The major components of income tax expense for the years ended 31 December 2019 and 2018 are:

	Group	
	2019	**2018**
	$'000	$'000
Consolidated statement of comprehensive income:		
Current income tax		
Current income taxation	3,028	1,693
Over provision in respect of previous years	(11)	(12)
Withholding tax	–	7
	3,017	1,688
Deferred income tax		
Origination and reversal of temporary differences	(100)	(49)
Under/(over) provision in respect of previous years	86	(58)
Income tax expense recognised in profit or loss	3,003	1,581
Deferred tax expense/(credit) related to other comprehensive income		
Net loss on fair value changes on equity instruments	356	(274)
Net loss on fair value changes on debt instruments	(87)	(144)
	269	(418)

(b) ***Relationship between tax expense and profit before tax***

The reconciliations between tax expense and the product of profit before tax multiplied by the applicable corporate tax rate for the years ended 31 December 2019 and 2018 are as follows:

	Group	
	2019	**2018**
	$'000	$'000
Profit before tax	17,939	12,066
Tax calculated at a tax rate of 17% (2018: 17%)	3,050	2,051
Adjustments:		
Expenses not deductible for tax purposes	714	113
Income not subject to tax	(48)	(61)
Deferred tax assets not recognised	–	243
Effect of partial tax exemption and tax relief	(262)	(535)
Under/(over) provision in respect of previous years	75	(70)
Benefits from previously unrecognised tax losses	(450)	–
Withholding tax	–	7
Disposal of equity instruments carried at FVOCI, which are not recycled to profit or loss	(59)	(169)
Others	(17)	2
Income tax expense recognised in profit or loss	3,003	1,581

9. Income tax expense (continued)

(c) ***Deferred income tax***

	Group		Company	
	2019	**2018**	**2019**	**2018**
	$'000	$'000	$'000	$'000
Balance at 1 January	428	(12)	–	110
Tax (charged)/credited to profit or loss	(97)	22	7	(110)
Tax (charged)/credited to other comprehensive income	(269)	418	–	–
Balance at 31 December	62	428	7	–

Deferred income tax relates to the following:

	Group		Company	
	2019	**2018**	**2019**	**2018**
	$'000	$'000	$'000	$'000
Deferred tax liabilities				
Difference in depreciation	406	307	19	–
Provisions	(33)	(20)	(12)	–
Unutilised tax losses and allowances	(2)	(30)	–	–
	371	257	7	–
Deferred tax assets				
Difference in depreciation	(34)	(69)	–	–
Provisions	(37)	(37)	–	–
Unutilised tax losses and allowances	(276)	(224)	–	–
Fair value change, net of debt and equity instruments in FVOCI	(86)	(355)	–	–
	(433)	(685)	–	–

The subsidiaries of the Group transferred tax losses of approximately $653,000 (2018: $501,000) to other subsidiaries within the Group and related companies under the group relief system, subject to compliance with the relevant rules and agreement of Inland Revenue Authority of Singapore.

The Group has unutilised tax losses and unabsorbed capital allowances of approximately $18,286,000 and $7,434,000 (2018: $21,894,000 and $6,866,000) that are available for offset against future taxable profits of the Company for which no deferred tax asset is recognised due to uncertainty of its recoverability. The use of these balances is subject to the agreement of the tax authority and compliance with the relevant provisions of the Singapore tax legislation.

Tax consequences of proposed dividends

There are no income tax consequences (2018: Nil) attached to the dividends to the shareholders proposed by the Company but not recognised as a liability in the financial statements (Note 30).

10. Earnings per share

Basic earnings per share is calculated by dividing the profit for the year attributable to owners of the Company by the weighted average number of ordinary shares (excluding treasury shares) for basic earnings per share computation.

Diluted earnings per share is similar to basic earnings per share as there were no potential dilutive ordinary shares existing during the respective financial years.

The following table reflects the profit and share data used in the computation of basic and diluted earnings per share for the years ended 31 December:

	Group	
	2019	2018
Profit for the year attributable to owners of the Company used in the computation of basic and diluted earnings per share ($'000)	14,834	10,382
Weighted average number of ordinary shares (excluding treasury shares) for basic and diluted earnings per share computation	1,035,151,163	1,012,594,117
Earnings per share (cents)		
– basic and diluted	1.43	1.03

11. Property, plant and equipment

Group	Freehold properties	Leasehold properties	Renovations, electrical fittings, furniture and fittings	Air-conditioners, office and security equipment	Showroom tools and machinery	Computers	Motor vehicles	Work-in-progress	Total
	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000
Cost									
At 1 January 2018	–	10,440	6,275	2,915	612	1,206	231	54	21,733
Additions	–	6,935	281	162	44	175	68	1,505	9,170
Acquisition of a subsidiary	–	–	37	–	–	8	–	–	45
Disposals	–	–	(447)	(182)	(35)	(47)	(66)	(6)	(783)
Transfer in/(out)	–	–	581	2	–	99	–	(682)	–
At 31 December 2018 and 1 January 2019	–	17,375	6,727	2,897	621	1,441	233	871	30,165
Additions	–	–	195	269	36	61	–	1,590	2,151
Acquisition of subsidiary	15,183	14,701	–	2	–	–	–	–	29,886
Disposals	–	–	(402)	(58)	(2)	(67)	–	(123)	(652)
Transfer in/(out)	–	–	1,383	125	1	189	–	(1,698)	–
At 31 December 2019	15,183	32,076	7,903	3,235	656	1,624	233	640	61,550
Accumulated depreciation									
At 1 January 2018	–	62	2,284	1,909	437	733	117	–	5,542
Depreciation charge for the year	–	265	1,153	331	76	255	33	–	2,113
Disposals	–	–	(336)	(167)	(31)	(45)	(61)	–	(640)
At 31 December 2018 and 1 January 2019	–	327	3,101	2,073	482	943	89	–	7,015
Depreciation charge for the year	3	362	1,267	328	69	308	33	–	2,370
Disposals	–	–	(278)	(47)	(1)	(44)	–	–	(370)
At 31 December 2019	3	689	4,090	2,354	550	1,207	122	–	9,015
Net carrying amount									
At 31 December 2018	–	17,048	3,626	824	139	498	144	871	23,150
At 31 December 2019	15,180	31,387	3,813	881	106	417	111	640	52,535

11. Property, plant and equipment (continued)

Company	**Renovations, electrical fittings, furniture and fittings**	**Air-conditioners, office and security equipment**	**Showroom tools and machinery**	**Computers**	**Work-in-progress**	**Total**
	$'000	$'000	$'000	$'000	$'000	$'000
Cost						
At 1 January 2018	185	90	5	167	42	489
Additions	3	5	–	28	–	36
At 31 December 2018 and 1 January 2019	188	95	5	195	42	525
Additions	–	–	–	12	–	12
At 31 December 2019	188	95	5	207	42	537
Accumulated depreciation						
At 1 January 2018	145	54	5	107	–	311
Depreciation charge for the year	14	10	–	32	–	56
At 31 December 2018 and 1 January 2019	159	64	5	139	–	367
Depreciation charge for the year	12	9	–	33	–	54
At 31 December 2019	171	73	5	172	–	421
Net carrying amount						
At 31 December 2018	29	31	–	56	42	158
At 31 December 2019	17	22	–	35	42	116

A floating charge has been placed on plant and equipment of certain subsidiaries with a carrying amount aggregating $3,829,000 (2018: $4,570,000) as security for bank borrowings (Note 22).

As at 31 December 2019, freehold properties and leasehold properties with a carrying value of $15,180,000 (2018: Nil) and $31,387,000 (2018: $17,048,000) respectively are pledged to banks as security for bank borrowings (Note 22).

12. Investment in subsidiaries

	Company 2019	Company 2018
	$'000	$'000
Unquoted equity shares, at cost		
Balance at beginning of the year	47,928	46,100
Additions during the year	6,314	1,828
Balance at end of the year	54,242	47,928

The Company had the following subsidiaries:

	Name of Company	Country of incorporation and place of business	Principal activities	Proportion (%) of ownership interest 2019	Proportion (%) of ownership interest 2018
	Held by the Company				
(a)	Maxi-Cash Group Pte. Ltd.	Singapore	Investment holding and provision of management services	100	100
(a), (f)	Gold N Gems Pte. Ltd.	Singapore	Trading and retailing of jewellery and branded merchandise	–	100
(a)	Maxi-Cash Jewellery Group Pte. Ltd.	Singapore	Trading and retailing of jewellery and branded merchandise	100	100
(a)	Maxi-Cash Property Pte. Ltd.	Singapore	Real estate activities	100	100
(a)	Maxi-Cash Investment Holding Pte. Ltd.	Singapore	Investment holding	100	100
(a)	Maxi-Cash Capital Management Pte. Ltd.	Singapore	Secured lending and investment holding	100	100
(a)	Maxi-Cash International Pte. Ltd.	Singapore	Investment holding and provision of management services	100	100
(a), (f)	Maxi-Cash Retail Pte. Ltd. (previously known as Citigems Pte. Ltd.)	Singapore	Jewellery retailing	100	100
(a), (d)	Aspial Property Investment Pte. Ltd.	Singapore	Real estate activities	100	–
	Held by Maxi-Cash Group Pte. Ltd.				
(a)	Maxi-Cash (North) Pte. Ltd.	Singapore	Pawn brokerage	100	100
(a)	Maxi-Cash (East) Pte. Ltd.	Singapore	Pawn brokerage	100	100
(a)	Maxi-Cash (Central) Pte. Ltd.	Singapore	Pawn brokerage	100	100
(a)	Maxi-Cash (West) Pte. Ltd.	Singapore	Pawn brokerage	100	100
(a)	Maxi-Cash (Clementi) Pte. Ltd.	Singapore	Pawn brokerage	70	70
(a)	Maxi-Cash Capital Pte. Ltd.	Singapore	Pawn brokerage	100	100
(a)	Maxi-Cash Assets Pte. Ltd.	Singapore	Pawn brokerage	100	100
(a)	Maxi-Cash Ventures Pte. Ltd.	Singapore	Pawn brokerage	100	100
(a)	Maxi-Cash (Central 2) Pte. Ltd.	Singapore	Pawn brokerage	100	100
(a)	Maxi-Cash (East 2) Pte. Ltd.	Singapore	Pawn brokerage	100	100
(a)	Maxi-Cash (North East) Pte. Ltd.	Singapore	Pawn brokerage	100	100
(a)	Maxi-Cash (North East 2) Pte. Ltd.	Singapore	Inactive	100	100

12. Investment in subsidiaries (continued)

The Company had the following subsidiaries (continued):

	Name of Company	Country of incorporation and place of business	Principal activities	Proportion (%) of ownership interest 2019	2018
	Held by Maxi-Cash Capital Management Pte. Ltd.				
(a)	Maxi Financial Pte. Ltd.	Singapore	Inactive	100	100
	Held by Maxi-Cash International Pte. Ltd.				
(b)	Maxi Cash (Malaysia) Sdn. Bhd.	Malaysia	Investment holding and provision of management services	100	100
(c)	Maxi-Cash (Australia) Pty. Ltd.	Australia	Investment holding and provision of management services	100	100
(b),(e)	Maxi-Cash (Hong Kong) Co. Ltd.	Hong Kong	Investment holding and provision of management services	100	–
	Held by Maxi Cash (Malaysia) Sdn. Bhd.				
(b)	Maxi Cash (Penang) Sdn. Bhd.	Malaysia	Inactive	100	90
(b)	Maxi Cash (Southern) Sdn. Bhd.	Malaysia	Investment holding and provision of management services	100	90
(b)	LuxeSTYLE (Malaysia) Sdn. Bhd.	Malaysia	Trading and retailing of jewellery and branded merchandise	100	100
	Held by Maxi Cash (Penang) Sdn. Bhd.				
(b)	Max Cash (George Town) Sdn. Bhd.	Malaysia	Inactive	100	100
	Held by Maxi Cash (Southern) Sdn. Bhd.				
(b)	Maxi Cash (S1) Sdn. Bhd.	Malaysia	Pawn brokerage	99	100
(b),(e)	Maxi Cash (S2) Sdn. Bhd.	Malaysia	Inactive	99	–
(b),(e)	Maxi Cash (S3) Sdn. Bhd.	Malaysia	Inactive	99	–
(b),(e)	Maxi Cash (KL1) Sdn. Bhd.	Malaysia	Inactive	99	–
(b),(e)	Maxi Cash (KL2) Sdn. Bhd.	Malaysia	Inactive	99	–
	Held by Maxi-Cash (Australia) Pty. Ltd.				
(c)	Maxi-Cash Melbourne (VIC) Pty. Ltd.	Australia	Pawn brokerage	100	100
(c)	LuxeSTYLE (Australia) Pty. Ltd.	Australia	Trading and retailing of jewellery and branded merchandise	100	100
	Held by Maxi-Cash (Hong Kong) Co. Ltd.				
(b),(e)	Maxi-Cash (HKI) Co. Ltd.	Hong Kong	Pawn brokerage	100	–
(b),(e)	Maxi-Cash Retail (HKI) Co. Ltd.	Hong Kong	Inactive	100	–

(a) Audited by Ernst & Young LLP, Singapore

(b) Audited by a member firm of EY Global

(c) Audited by The Field Group, Melbourne

(d) Acquired during the financial year ended 31 December 2019

(e) Newly incorporated during the financial year ended 31 December 2019

(f) During the financial year ended 31 December 2019, Maxi-Cash Retail Pte. Ltd. (previously known as Citigems Pte. Ltd.) amalgamated with Gold N Gems Pte. Ltd. pursuant to Section 215A and Section 215D of the Companies Act (Chapter 50), with Maxi-Cash Retail Pte. Ltd. remaining as the amalgamated entity. The amalgamation took effect on 1 July 2019.

12. Investment in subsidiaries (continued)

(a) ***Acquisition of Aspial Property Investment Pte. Ltd. under common control***

On 31 August 2019, the Company acquired 100% equity interest in Aspial Property Investment Pte. Ltd. ("**API**") for a cash consideration of $5,314,000 from Aspial Corporation Limited ("**ACL**"). Both the Company and ACL are ultimately controlled by the same party before and after the business combination within the MLHS Holdings Group. The Company is of the view that the acquisition is in line with the Group's strategic plans to acquire an asset which has the potential for capital gain, while being utilised (or potentially utilised) for the purposes of its existing pawnbroking and retail businesses.

The above acquisition is considered to be a business combination under common control and the acquired assets and liabilities transferred have been included in the consolidated financial statements at their carrying amounts. The consolidated financial statements include the financial position and financial performance of API from the date of acquisition.

The carrying value of the assets and liabilities of API as at the acquisition date were:

	Carrying value recognised on acquisition
	$'000
Property, plant and equipment	29,886
Trade and other receivables	161
Prepayments	2
Cash and bank balances	55
	30,104
Trade and other payables	(7,884)
Interest-bearing loans	(20,796)
Provision for taxation	(23)
Total net assets at carrying value	1,401
Cash paid, representing total consideration transferred	(5,314)
Reserve on acquisition of subsidiaries (Note 25(c))	(3,913)
Effect of the acquisition of API on cash flows	
Cash paid	(5,314)
Less: Cash and cash equivalents of subsidiary acquired	55
Net cash outflow on acquisition	(5,259)

From the acquisition date, API contributed a loss of $128,000 to the Group's profit for the financial year ended 31 December 2019. If the business combination had taken place at the beginning of the year, the Group's profit for the year would have reduced by approximately $391,000.

(b) ***Acquisition of Maxi-Cash Retail Pte. Ltd. (previously known as Citigems Pte. Ltd.) under common control***

On 1 April 2018, the Company acquired 100% equity interest in Maxi-Cash Retail Pte. Ltd. (previously known as Citigems Pte. Ltd.) ("**MCR**") for a cash consideration of $1,828,000 from Aspial-Lee Hwa Jewellery Singapore Pte. Ltd. ("**ALHJS**"). Both the Company and ALHJS are ultimately controlled by the same party before and after the business combination within the Aspial Corporation Limited Group. The reason for the acquisition is to leverage on the branding of Citigems as part of the Group's strategic plans of increasing its product offerings in the market.

The acquisition is considered to be a business combination under common control and the acquired assets and liabilities transferred have been included in the consolidated financial statements at their carrying amounts. The consolidated financial statements include the financial position and financial performance of MCR from the date of acquisition.

12. Investment in subsidiaries (continued)

(b) ***Acquisition of Maxi-Cash Retail Pte. Ltd. (previously known as Citigems Pte. Ltd.) under common control (continued)***

The carrying value of the assets and liabilities of MCR as at the acquisition date were:

	Carrying value recognised on acquisition
	$'000
Property, plant and equipment	45
Trade and other receivables	1,066
Inventories	52
Due from the then-existing shareholders of the subsidiary	1
Prepayments	130
Cash and bank balances	218
	1,512
Trade and other payables	(1,185)
Total net assets at carrying value	327
Cash paid, representing total consideration transferred	(1,828)
Reserve on acquisition of subsidiaries (Note 25(c))	(1,501)
Effect of the acquisition of MCR on cash flows	
Cash paid	(1,828)
Less: Cash and cash equivalents of subsidiary acquired	218
Net cash outflow on acquisition	(1,610)

From the acquisition date, MCR contributed $3,845,000 of revenue and a loss of $555,000 to the Group's profit for the financial year ended 31 December 2018. If the business combination had taken place at the beginning of the year, the Group's revenue would have increased by approximately $2,653,000 and profit before tax would have reduced by approximately $888,000.

13. Investment in joint venture

The Company has 50% (2018: 50%) interest in the ownership and voting rights in Aspial Capital (Ubi) Pte. Ltd ("**ACUPL**") amounting to cost of investment of $7,000,000 (2018: $500,000), as the Group subsequently subscribed for new shares issued by ACUPL during the year amounting to $6,500,000.

ACUPL is incorporated in Singapore and is a strategic venture in the business of investment holding. The Company jointly controls ACUPL with a subsidiary of the immediate holding company under the contractual agreement which provides the Company with rights to the net assets of the joint venture and requires unanimous consent for all major decisions over the relevant activities.

Details of the joint venture are as follow:

Name of Company	**Country of incorporation and place of business**	**Principal activities**	**Proportion (%) of ownership interest**	
			2019	**2018**
(a) Aspial Capital (Ubi) Pte. Ltd.	Singapore	Investment holding	50	50

(a) Audited by Ernst & Young LLP, Singapore

13. Investment in joint venture (continued)

The summarised financial information in respect of ACUPL based on its financial statements prepared in accordance with SFRS(I) and reconciliation with the carrying amount of the investment in the consolidated financial statements are as follows:

Summarised statement of financial position

	ACUPL	
	2019	**2018**
	$'000	$'000
Cash and cash equivalents	100	13
Other current assets	456	351
Current assets	556	364
Investment properties	51,441	28,805
Right-of-use assets	7,611	–
Total assets	59,608	29,169
Other payables and provisions	4,572	1,679
Other current liabilities	5,280	10,430
Interest-bearing loans	1,788	631
Lease liabilities	96	–
Current liabilities	11,736	12,740
Interest-bearing loans	27,403	16,147
Lease liabilities	7,640	–
Total liabilities	46,779	28,887
Net assets	12,829	282
Proportion of Group's ownership	50%	50%
Group's share of net assets and carrying amount of the investment	6,415	141

Summarised statement of comprehensive income

	ACUPL	
	2019	**2018**
	$'000	$'000
Revenue	–	82
Other operating expenses	(339)	(303)
Finance costs	(112)	(61)
Loss before tax	(451)	(282)
Income tax expense	–	–
Loss for the year, representing other comprehensive income	(451)	(282)
Proportion of Group's ownership	50%	50%
Group's share of results of joint venture	(226)	(141)

14. Derivative financial instruments

	Group			
	2019	**2019**	**2018**	**2018**
	$'000	$'000	$'000	$'000
	Contract notional amount	**Assets/ (liabilities)**	**Contract notional amount**	**Assets/ (liabilities)**
Forward currency contracts				
- Assets	36,174	602	57,042	1,273
- Liabilities	–	–	14,177	(215)
		602		1,058

As at 31 December 2019, the Group entered into foreign currency forward contracts mainly in Australian Dollar and Euro, maturing within the next 12 months to reduce its exposure to foreign currency risks on Australian Dollar and Euro receivables.

15. Investment securities

	Group	
	2019	**2018**
	$'000	$'000
Current:		
At fair value through other comprehensive income		
- Debt securities (quoted)	1,253	2,466
Add:		
Non-current:		
At fair value through other comprehensive income		
- Debt securities (quoted)	747	11,536
- Equity securities (quoted)	2,481	12,713
	3,228	24,249
Total financial assets measured at fair value through other comprehensive income	4,481	26,715

15. Investment securities (continued)

Investments in equity instruments designated at fair value through other comprehensive income

The fair value of each of the investments in equity instruments designated at fair value through other comprehensive income at the end of the reporting period is as follows:

	Group	
	2019	**2018**
	$'000	$'000
At fair value through other comprehensive income		
- Equity securities (quoted)		
Lippo Malls Indonesia Retail Trust	2,481	2,762
Olam International Ltd.	–	2,205
Ara Asset Management Limited	–	721
Wing Tai Properties Finance Limited	–	3,779
Frasers Property Treasury Limited	–	3,009
GLL IHT Pte. Ltd.	–	237
	2,481	12,713

The Group has elected to measure these equity securities at FVOCI due to the Group's intention to hold these equity instruments for long-term appreciation. The fair value of equity instruments designated at fair value through other comprehensive income at the date of derecognition amounted to $10,941,000 (2018: $31,515,000). The cumulative losses arising from disposal amounted to $345,000 (2018: $992,000) and were transferred from fair value adjustment reserve to retained earnings. The reason for disposal is to meet requirements for new investment opportunities in secured lending.

Investment pledged as securities

A floating charge has been placed on investment securities with a carrying value of $4,481,000 (2018: $26,715,000) as security for bank borrowings (Note 22).

16. Inventories

	Group	
	2019	**2018**
	$'000	$'000
Consolidated statement of financial position:		
Finished goods, at cost or net realisable value	74,461	61,469
Consolidated statement of comprehensive income:		
Inventories recognised as an expense:		
- Material costs	139,200	130,201
- Inventories written-down	100	–

A floating charge has been placed on inventories with a carrying value of $67,720,000 (2018: $56,988,000) as security for bank borrowings (Note 22).

17. Trade and other receivables

	Group		Company	
	2019	**2018**	**2019**	**2018**
	$'000	$'000	$'000	$'000
Trade and other receivables (current):				
Trade receivables	312,921	301,852	–	–
Other receivables	40	426	11	11
Deposits	2,322	1,265	16	18
	315,283	303,543	27	29
Trade and other receivables (non-current):				
Trade receivables	–	3,517	–	–
Unquoted debt securities at fair value through profit or loss	9,430	9,625	–	–
Deposits	2,306	1,981	–	–
	11,736	15,123	–	–
Total trade and other receivables (current and non-current)	327,019	318,666	27	29
Add:				
Due from subsidiaries (non-trade)	–	–	157,473	161,889
Due from a related company (trade)	394	–	–	–
Due from a related company (non-trade)	67	1	–	–
Cash and bank balances	16,041	21,845	1,532	941
Less:				
Unquoted debt securities at fair value through profit or loss	(9,430)	(9,625)	–	–
Total financial assets carried at amortised cost	334,091	330,887	159,032	162,859
Financial assets at fair value through profit or loss				
Unquoted debt securities at fair value through profit or loss	9,430	9,625	–	–
Derivative financial instruments (Note 14)	602	1,058	–	–
Due from joint venture (non-trade)	2,640	5,215	2,640	5,215
Total financial assets at fair value through profit or loss	12,672	15,898	2,640	5,215

Trade receivables comprise of pawnshop loans, interest receivables on pawnshop loans, secured lending receivables, interest and distribution receivables on secured lending receivables and trade receivables from retail and trading of jewellery and branded merchandise.

Pawnshop loans are loans to customers extended under pawnbroking business which are interest-bearing, ranging between 1.0% to 1.5% for the first month and 1.5% for the subsequent 6 months (2018: 1.0% to 1.5% for the first month and 1.5% for the subsequent 6 months). The quantum of loans granted to customers is based on a fraction of the value of the collaterals pledged to the Group.

Secured lending receivables are measured at amortised cost using the effective interest rate method which are interest-bearing ranging between 5.0% to 22.5% (2018: 5.0% to 22.5%) per annum and are secured by way of collateralised real estate held by the investment trustee. These loans and receivables have remaining maturities ranging between 1 to 6 months.

17. Trade and other receivables (continued)

Included in non-current financial assets held at fair value through profit or loss is an amount of $9,430,000 (2018: $9,625,000), extended through a fund which extends interest-bearing loans to borrowers and has provided a return of approximately 9% (2018: 11%) per annum for the financial year ended 31 December 2019. This financial asset is secured by way of collateralised real estate held by the fund, and has a remaining maturity of 17 months (2018: 29 months), with an option by the fund to extend the maturity by a further 12 months.

Other receivables comprise mainly of accrued interest receivable from investment in quoted debt securities.

Trade receivables from retail and trading of jewellery and branded merchandise are non-interest-bearing and are on cash or generally 30 days' terms. They are recognised at their original invoice amounts which represent their fair values on initial recognition.

A floating charge has been placed on trade and other receivables with a carrying value of $287,645,000 (2018: $266,796,000) as security for bank borrowings (Note 22).

Trade and other receivables denominated in foreign currencies are as follows:

	Group		Company	
	2019	**2018**	**2019**	**2018**
	$'000	$'000	$'000	$'000
United States Dollar	323	203	–	–
Australian Dollar	26,034	51,471	–	–
Euro	10,143	–	–	–

Expected credit losses

The movement in allowance for expected credit losses of trade receivables computed based on lifetime ECL are as follows:

	Group	
	2019	**2018**
	$'000	$'000
Movement in allowance accounts:		
At 1 January	–	(101)
Charge for the year	(3,946)	(4,427)
Write-back	–	26
Written off	3,946	4,502
At 31 December	–	–

When customer default occurs, the Group has no reasonable expectations of recovering the interest receivable and therefore, the Group writes off the interest receivable portion of the financial assets. However, this loss is expected to be recoverable when the forfeited pledges are subsequently sold to customers under the Group's retail and trading of jewellery and branded merchandise business segment (Note 29).

18. Prepaid rent

	Group	
	2019	**2018**
	$'000	$'000
Cost		
At 1 January	8	150
Additions	–	8
Write-off	–	(150)
At 31 December	8	8
Accumulated amortisation		
At 1 January	3	150
Amortisation for the year	4	3
Write-off	–	(150)
At 31 December	7	3
Balance at 31 December	1	5
Current portion	1	4
Non-current portion	–	1
	1	5

Prepaid rent relates to payments for assignments of operating leases. It is amortised over the balance lease period if new leases are entered into upon the assignments or the expected balance lease period of the leases if no new leases are entered into upon the assignments.

19. Due from subsidiaries (non-trade)
Due from a related company (trade)
Due from a related company (non-trade)
Due from a joint venture (non-trade)
Due to immediate holding company (non-trade)
Due to related companies (non-trade)

The amounts due from subsidiaries are non-trade related, unsecured, receivable on demand and are to be settled in cash. These amounts are interest-free except for amounts due from subsidiaries of $55,974,000 (2018: $82,250,000) which bear interest at rates ranging from 3.24% to 6.39% (2018: 3.52% to 6.39%) per annum.

The amounts due from related companies and joint venture are unsecured, interest-free, receivable on demand and are to be settled in cash.

The amount due to immediate holding are unsecured, interest-bearing at 6.35%, repayable on demand and are to be settled in cash.

The amounts due to related companies are unsecured, interest-free, repayable on demand and are to be settled in cash.

20. Cash and bank balances

For the purpose of the consolidated statement of cash flows, cash and cash equivalents comprise the following:

	Group		Company	
	2019	2018	2019	2018
	$'000	$'000	$'000	$'000
Cash at banks and on hand	16,041	21,845	1,532	941

A floating charge has been placed on cash and bank balances with a carrying value of $6,168,000 (2018: $10,800,000) as security for bank borrowings (Note 22).

Cash and bank balances denominated in foreign currency are as follows:

	Group		Company	
	2019	2018	2019	2018
	$'000	$'000	$'000	$'000
Australian Dollar	114	2,004	–	–

21. Trade and other payables

	Group		Company	
	2019	2018	2019	2018
	$'000	$'000	$'000	$'000
Trade and other payables (current):				
Trade payables	540	462	42	138
Other payables	1,109	1,368	55	114
Accrued operating expenses				
- Payroll related	3,355	3,325	940	1,383
- Others	3,560	3,174	2,129	1,141
Deposits received	2,194	760	–	–
	10,758	9,089	3,166	2,776
Other payables (non-current):				
Other payables	109	74	–	16
	109	74	–	16
Total trade and other payables (current and non-current)	10,867	9,163	3,166	2,792
Add:				
Due to immediate holding company (non-trade)	2,696	–	–	–
Due to related companies (non-trade)	764	706	–	–
Interest-bearing loans (Note 22)	249,682	235,312	–	–
Term notes (Note 23)	75,500	69,000	75,500	70,000
Lease liabilities (Note 24(b))	34,483	–	–	–
Less:				
Accrued operating expenses				
- Payroll related	(313)	(312)	(72)	(92)
- Others	(16)	(73)	(16)	(73)
Total financial liabilities carried at amortised cost	373,663	313,796	78,578	72,627

21. Trade and other payables (continued)

Trade and other payables are unsecured, non-interest bearing and repayment is based on agreed payment terms and conditions.

Trade and other payables denominated in foreign currencies are as follows:

	Group		Company	
	2019	**2018**	**2019**	**2018**
	$'000	$'000	$'000	$'000
Hong Kong Dollar	3	30	–	–
Australian Dollar	188	417	–	8
United States Dollar	78	60	29	14

22. Interest-bearing loans

	Note	Group		Company	
	Note	**2019**	**2018**	**2019**	**2018**
		$'000	$'000	$'000	$'000
Secured borrowings					
Current					
Bank borrowings		216,602	222,180	–	–
Term loans		1,528	488	–	–
		218,130	222,668	–	–
Non-current					
Term loans		31,552	12,644	–	–
		249,682	235,312	–	–
Add:					
Term notes	23	75,500	69,000	75,500	70,000
Total loans and borrowings		325,182	304,312	75,500	70,000

(a) ***Details of securities granted for the secured borrowings are as follows:***

The bank borrowings are secured by way of a fixed and floating charge on all assets of certain subsidiaries and corporate guarantee by the Company and/or the immediate holding company.

The term loans of $33,080,000 (2018: $13,132,000) bear interest at rates ranging from 2.08% to 4.40% (2018: 1.88% to 2.61%) per annum and are secured by way of legal mortgage over the freehold and leasehold properties (Note 11). These loans are repayable in instalments and is expected to be fully repaid between years 2032 to 2041 (2018: 2037 to 2038).

(b) ***Effective interest rate***

Weighted average effective interest rates per annum of total borrowings at the end of the financial year are as follows:

	2019	**2018**
Bank borrowings	3.37%	2.95%
Term loans	3.04%	2.11%

23. Term notes

			Aggregate principal amount outstanding			
			Group		Company	
Date issued	**Interest rate**	**Maturity dates**	**2019**	**2018**	**2019**	**2018**
	%		$'000	$'000	$'000	$'000
Current						
27 April 2017	5.50	27 April 2020	5,500	–	5,500	–
9 October 2017	5.50	27 April 2020	20,000	–	20,000	–
			25,500	–	25,500	–
Non-current						
27 April 2017	5.50	27 April 2020	–	49,000	–	50,000
9 October 2017	5.50	27 April 2020	–	20,000	–	20,000
22 July 2019	6.35	22 July 2022	50,000	–	50,000	–
Total term notes			75,500	69,000	75,500	70,000

During 2017, the Company established a Multicurrency Medium Term Note programme ("**MTN Programme**"), under which the Company may issue notes from time to time. As at 31 December 2018, unsecured term notes issued by the Company under the MTN Programme amounted to $69,000,000 at Group level.

As at 1 January 2019, 5.50% term notes issued due 2020 amounted to $69,000,000 as $1,000,000 term notes had been purchased and held by a subsidiary of the Group. During the year, an additional $3,000,000 of term notes were purchased by the subsidiary. Subsequently, the Company purchased $4,000,000 of term notes from its subsidiary.

On 1 July 2019, the Company issued an updated Information Memorandum in relation to the MTN Programme. On the same day, the Company issued a Notice of Tender and Exchange Offer Exercise to note holders on the Series 001 notes.

Upon completion of the Tender Offer, $14,000,000 principal amount of its Series 001 notes were offered for sale and accepted by the Company. $26,500,000 principal amount of Series 001 notes were offered for exchange for Series 002 New Notes. Following the cancellation of Tender Offer notes, the aggregate outstanding Series 001 notes is $25,500,000. In addition to the $26,500,000 principal amount of Exchange Offer Notes, the Company received interest from investors for additional notes (Series 002) of $23,500,000. The Company issued $50,000,000 6.35% term notes due 2022 on 22 July 2019. As at 31 December 2019, outstanding 5.50% term notes (Series 001) due 2020 issued in 2017, amounted to $25,500,000, and 6.35% term notes (Series 002) due 2022 issued in 2019, amounted to $50,000,000.

A reconciliation of liabilities arising from financing activities is as follows:

				Non-cash changes				
	1 January 2019	**Cash flows (used in)/ from financing activities**	**Changes arising from obtaining control of a subsidiary**	**Accretion of interests**	**Amortisation of premium on term notes**	**Gain on purchase of term notes**	**Additions of lease liabilities**	**31 December 2019**
	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000
Trade and other payables – premium on term notes	73	–	–	–	(57)	–	–	16
Term notes	69,000	6,512	–	–	–	(12)	–	75,500
Interest-bearing loans	222,180	(5,578)	–	–	–	–	–	216,602
Term loans	13,132	(848)	20,796	–	–	–	–	33,080
Lease liabilities	21,645	(9,501)	(1,405)	816	–	–	22,928	34,483
Total	326,030	(9,415)	19,391	816	(57)	(12)	22,928	359,681

23. Term notes (continued)

A reconciliation of liabilities arising from financing activities is as follows (continued):

			Non-cash changes		
	1 January 2018	Cash flows (used in)/ from financing activities	Amortisation of premium on term notes	Gain on purchase of term notes	31 December 2018
	$'000	$'000	$'000	$'000	$'000
Trade and other payables – premium on term notes	128	–	(55)	–	73
Term notes	70,000	(996)	–	(4)	69,000
Interest-bearing loans	230,075	(7,895)	–	–	222,180
Term loans	7,924	5,208	–	–	13,132
Total	308,127	(3,683)	(55)	(4)	304,385

24. Leases

Group as a lessee

The Group has lease contracts for retail stores used in its operations. Leases of retail stores generally have lease terms between 2 and 10 years. The Group's obligations under its leases are secured by the lessor's title to the leased assets. There are several lease contracts that include extension and termination options and variable lease payments, which are further discussed below.

The Group also has certain leases of retail stores with lease terms of 12 months or less. The Group applies the 'short-term lease' recognition exemptions for these leases.

(a) *Carrying amounts of right-of-use assets*

Set out below are the carrying amounts of right-of-use assets recognised and the movements during the period:

	Retail stores
	$'000
As at 1 January 2019	21,645
Additions	22,928
Depreciation	(9,181)
Changes arising from obtaining control of a subsidiary	(1,405)
As at 31 December 2019	33,987

24. Leases (continued)

Group as a lessee (continued)

(b) *Lease liabilities*

Set out below are the carrying amounts of lease liabilities and the movements during the period:

	2019
	$'000
As at 1 January	21,645
Additions	22,928
Accretion of interest	816
Payments	(9,501)
Changes arising from obtaining control of a subsidiary	(1,405)
As at 31 December	34,483
Current portion	8,245
Non-current portion	26,238
	34,483

The maturity analysis of lease liabilities is disclosed in Note 31.

(c) *Amounts recognised in profit or loss*

The following are the amounts recognised in profit or loss:

	2019
	$'000
Depreciation of right-of-use assets	9,181
Interest expense on lease liabilities (Note 6)	816
Expense relating to short-term leases (included in other operating expenses) (Note 8)	2,277
Variable lease payments (included in other operating expenses) (Note 8)	122
Total amount recognised in profit or loss	12,396

(d) *Total cash outflow*

The Group had total cash outflows for leases of $11,900,000 in 2019.

(e) *Extension options*

The Group has several lease contracts that include extension and termination options. These options are negotiated by management to provide flexibility in managing the leased-asset portfolio and align with the Group's business needs. Management exercises judgement in determining whether these extension and termination options are reasonably certain to be exercised (Note 3.1).

24. Leases (continued)

Group as a lessor

The Group has entered into commercial property sublease of its existing lease agreements. These non-cancellable leases have remaining lease terms of less than three years.

Rental income recognised by the Group during the year is $323,000 (2018: $261,000).

Future minimum rentals receivable under non-cancellable operating leases contracted for as at 31 December are as follows:

	Group	
	2019	**2018**
	$'000	$'000
Not later than one year	633	88
Later than one year but not later than five years	409	–
	1,042	88

25. Share capital, treasury shares and other reserves

(a) ***Share capital***

	Group and Company			
	2019		**2018**	
	No. of shares	$'000	No. of shares	$'000
Issued and fully paid ordinary shares:				
At 1 January	1,035,252,356	137,286	911,576,048	118,367
Ordinary shares issued under scrip dividend scheme (2)	–	–	36,550,676	5,117
Ordinary shares issued under rights issue (1)	–	–	87,125,632	13,802
Balance at 31 December	1,035,252,356	137,286	1,035,252,356	137,286

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

Notes

(1) On 30 September 2018 and 12 January 2018, the Company issued 87,125,632 new shares at an issue price of $0.160 for each rights share, on the basis of one (1) rights share for every ten (10) existing ordinary shares in the capital of the Company.

(2) On 13 July 2018, the Company issued 36,550,676 new shares at an issue price of $0.140 to eligible Shareholders who have elected to participate in the Company's scrip dividend scheme.

25. Share capital, treasury shares and other reserves (continued)

(b) ***Treasury shares***

	Group and Company			
	2019		2018	
	No. of shares	$'000	No. of shares	$'000
At 1 January	96,300	15	1,000,000	165
Share buyback through open market (1)(3)	911,000	117	300,000	42
Treasury shares reissued pursuant to Maxi-Cash Performance Share Plan (2)(4)	(941,178)	(123)	(1,203,700)	(192)
Balance at 31 December	66,122	9	96,300	15

Notes

(1) On 14 August 2018, 17 August 2018 and 20 August 2018, the Company purchased an aggregate of 300,000 shares, which are held as treasury shares and presented as a component within shareholders' equity

(2) On 31 August 2018, the Company transferred 1,203,700 treasury shares to eligible employees under Maxi-Cash Performance Share Plan.

(3) On 22 August 2019, 23 August 2019 and 26 August 2019, the Company purchased an aggregate of 911,000 shares, which are held as treasury shares.

(4) On 30 August 2019, the Company transferred 941,178 treasury shares to eligible employees under the Maxi-Cash Performance Share Plan.

(c) ***Other reserves***

	Group		Company	
	2019	2018	2019	2018
	$'000	$'000	$'000	$'000
Fair value adjustment reserve	(424)	(1,739)	–	–
Loss on reissuance of treasury shares	(26)	(23)	(26)	(23)
Foreign currency translation reserve	17	6	–	–
Reserve on acquisition of subsidiaries (Note 12)	(5,414)	(1,501)	–	–
Change in ownership interest in subsidiary without a change in control	(23)	–	–	–
	(5,870)	(3,257)	(26)	(23)

Fair value adjustment reserve

Fair value adjustment reserve represents the cumulative fair value changes, net of tax, of financial assets until they are disposed of or impaired.

Loss on reissuance of treasury shares

This represents the loss arising from purchase, sale, issue or cancellation of treasury shares. No dividend may be paid, and no other distribution (whether in cash or otherwise) of the Company's assets (including any distribution of assets to members on a winding up) may be made in respect of this reserve.

Foreign currency translation reserve

The foreign currency translation reserve represents exchange differences arising from the translation of the financial statements of foreign operations whose functional currencies are different from that of the Group's presentation currency.

Reserve on acquisition of subsidiaries

This represents reserve on acquisition of subsidiaries under common control (Note 12).

26. 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:

	Group	
	2019	**2018**
	$'000	$'000
Purchases from a related company	2,530	6,155
Sales to a related company	6,470	6,413
Corporate services charged by immediate holding company	1,425	1,200
Rental to a related company	558	836
Rental to a director related company	608	608
Interest expense on advances from immediate holding company	118	–
Acquisition of Maxi-Cash Retail Pte. Ltd. (Note 12(b))	–	1,828
Acquisition of Aspial Property Investment Pte. Ltd. (Note 12(a))	5,314	–
Bad debt recovered from immediate holding company	141	–

(b) ***Commitments with related parties***

As at 31 December 2018, the Group had lease commitments in respect of retail outlet premises with related parties. Lease terms do not contain restrictions on the Group's activities concerning dividends, additional debt or further leasing.

	Group
	2018
	$'000
Rental payable to a related company:	
Not later than one year	837
Later than one year but not later than five years	604
	1,441
Rental payable to a director related company:	
Not later than one year	609
Later than one year but not later than five years	446
	1,055

Operating lease payments recognised as an expense in the consolidated statement of comprehensive income for the financial year ended 31 December 2018 amounted to $1,444,000.

As disclosed in Note 2.2, the Group adopted SFRS(I) 16 on 1 January 2019. These lease payments have been recognised as right-of-use assets and lease liabilities on the statement of financial position as at 31 December 2019, except for short-term leases.

26. Related party transactions (continued)

(c) ***Compensation of key management personnel***

	Group	
	2019	**2018**
	$'000	$'000
Short-term employee benefits	2,044	1,797
Central Provident Fund contributions	89	79
Total compensation paid to key management personnel	2,133	1,876
Comprise amounts paid to:		
Directors of the Company	1,224	1,139
Other key management personnel	909	737
	2,133	1,876

27. Commitments

(a) ***Capital commitments***

Capital expenditure contracted for but not recognised in the financial statements are as follows:

	Group	
	2019	**2018**
	$'000	$'000
Capital commitments of a joint venture in respect of property, plant and equipment	–	10,440
Capital commitments of a subsidiary in respect of acquisition of properties#	22,515	–

\# The subsidiary has completed the acquisition of properties from 8G Investment Pte. Ltd., a director-related company, on 23 January 2020.

(b) ***Operating lease commitments - As lessee***

The Group leases office and retail outlet premises under non-cancellable operating lease agreements. Certain of the leases contain an escalation clause and provides for contingent rentals based on a percentage of sales derived. Lease terms do not contain restrictions on the Group's activities concerning dividends, additional debt or further leasing.

Operating lease payments recognised as an expense in the consolidated statement of comprehensive income for the financial year ended 31 December 2018 amounted to $11,675,000.

As at 31 December 2018, the future minimum rental payable under non-cancellable operating leases as the end of the financial year are as follows:

	Group
	2018
	$'000
Not later than one year	9,362
Later than one year but not later than five years	7,552
	16,914

As disclosed in Note 2.2, the Group adopted SFRS(I) 16 on 1 January 2019. These lease payments have been recognised as right-of-use assets and lease liabilities on the statement of financial position as at 31 December 2019, except for short-term leases.

28. Contingencies

Guarantees

The Company has provided guarantee to banks for loans of the joint venture, to the extent of its interest, amounting to $14,596,000 (2018: $8,389,000) at the end of the financial year.

The Company has provided corporate guarantees to banks for an aggregate of $243,748,000 (2018: $222,163,000) in respect of bank borrowings drawn down by certain subsidiaries (Note 12).

29. Segmental 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 respective products and services. 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 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 which are mainly intersegment transactions.

Allocation basis and transfer pricing

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 provision for taxation, deferred tax liabilities and deferred tax assets.

Transfer prices between business segments are set on an arm's length basis in a manner similar to transactions with third parties. Segment revenue, expenses and results include transfers between business segments. These transfers are eliminated on consolidation.

Capital expenditure comprises additions to property, plant and equipment.

29. Segmental information (continued)

	Pawnbroking	Money lending	Retail and trading of jewellery and branded merchandise	Others	Elimination	Note	Total
	$'000	$'000	$'000	$'000	$'000		$'000
2019							
Revenue	43,223	7,940	167,315	–	–		218,478
Inter-segment revenue	43,237	–	24	–	(43,261)	A	–
Results							
Segment results	18,592	6,578	4,848	12,847	(12,256)		30,609
Share of result of joint venture	–	–	–	(226)	–		(226)
Interest income	37	11	–	4,695	(4,318)		425
Dividend income from equity instruments	–	–	–	426	–		426
Finance costs	(7,491)	(3,698)	(1,091)	(5,333)	4,318		(13,295)
Profit before tax	11,138	2,891	3,757	12,409	(12,256)	B	17,939
Segment assets	353,150	37,195	82,993	220,450	(178,817)	C	514,971
Investment in joint venture	–	–	–	6,415	–		6,415
Unallocated assets	–	–	–	–	–		433
Total assets							521,819
Segment liabilities	310,101	37,778	68,857	148,168	(178,962)	D	385,942
Unallocated liabilities							(3,016)
Total liabilities							382,926
Capital expenditure	2,026	–	112	13	–		2,151
Depreciation and amortisation	10,670	–	464	421	–		11,555
Other significant non-cash expenses	184	–	170	–	–	E	354

29. Segmental information (continued)

	Pawnbroking	Money lending	Retail and trading of jewellery and branded merchandise	Others	Elimination	Note	Total
	$'000	$'000	$'000	$'000	$'000		$'000
2018							
Revenue	41,110	8,944	153,597	–	–		203,651
Inter-segment revenue	44,320	–	3	–	(44,323)	A	–
Results							
Segment results	15,078	3,014	2,850	13,948	(14,504)		20,386
Share of result of joint venture	–	–	–	(141)	–		(141)
Interest income	–	26	–	7,177	(4,360)		2,843
Finance costs	(5,509)	(4,137)	(595)	(5,141)	4,360		(11,022)
Profit before tax	9,569	(1,097)	2,255	15,843	(14,504)	B	12,066
Segment assets	300,675	56,522	67,955	218,840	(184,142)	C	459,850
Investment in joint venture	–	–	–	141	–		141
Unallocated assets	–	–	–	–	–		685
Total assets							460,676
Segment liabilities	263,084	56,781	58,129	127,501	(184,237)	D	321,258
Unallocated liabilities							(1,729)
Total liabilities							319,529
Capital expenditure	1,922	–	131	7,117	–		9,170
Depreciation and amortisation	1,652	–	140	324	–		2,116
Other significant non-cash expenses	116	–	–	–	–	E	116

29. Segmental information (continued)

Notes

A Inter-segment revenues are eliminated on consolidation.

B The following items are deducted from segment profit to arrive at "profit before tax" presented in the consolidated statements of comprehensive income:

	2019	2018
	$'000	$'000
Profit from inter-segment sales	(12,256)	(14,504)

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

	Group	
	2019	2018
	$'000	$'000
Inter-segment assets	(178,817)	(184,142)

D The following items are deducted from segment liabilities to arrive at total liabilities reported in the consolidated statements of financial position:

	Group	
	2019	2018
	$'000	$'000
Inter-segment liabilities	(178,962)	(184,237)

E Other non-cash expenses consist of the following items, as presented in the respective notes to the financial statements:

	2019	2018
	$'000	$'000
Write-back of allowance for doubtful receivables	–	(26)
Loss on disposal of property, plant and equipment	222	129
Write-down of inventories	100	–
Financial losses on pledged items not fully covered by insurance	32	13
	354	116

29. Segmental information (continued)

Geographical segments

Revenue and non-current assets information based on the geographical location of customers and assets respectively are as follows:

	Revenue		**Non-current assets**	
	2019	**2018**	**2019**	**2018**
	$'000	$'000	$'000	$'000
Singapore	209,514	194,707	86,160	23,291
Australia	7,577	8,944	4,683	–
Ireland	1,308	–	–	–
Malaysia	79	–	397	–
Hong Kong	–	–	1,697	–
	218,478	203,651	92,937	23,291

Non-current assets information presented above consist of property, plant and equipment, right-of-use assets and investment in joint venture as presented in the consolidated statement of financial position.

30. Dividends

	2019	**2018**
	$'000	$'000
Dividends on ordinary shares declared and payable/paid during the year		
Final exempt (one-tier) dividend in respect of profits for 2018: 0.35 (2017: 0.70) cent per share	3,623	6,984
Interim exempt (one-tier) dividend in respect of profits for 2019: 1.00 (2018: 0.60) cent per share based on 1,035,186,234 shares (2018: based on 997,701,680 shares after rights issue)	10,352	6,211
Proposed but not recognised as a liability as at 31 December:		
Dividend on ordinary shares, subject to shareholders' approval at the Annual General Meeting:		
Final exempt (one-tier) dividend in respect of profits for 2019: 0.35 (2018: 0.35) cent per share	3,623	3,623

30. Dividends (continued)

On 30 September 2018 and 12 January 2018, 87,125,632 rights shares were successfully allotted and issued by the Company. As a result of the allotment and issue of the rights shares, the number of issued and paid-up shares has increased from 910,576,048 shares (excluding 1,000,000 treasury shares) to 997,701,680 shares (excluding 1,000,000 treasury shares).

On 13 July 2018, the Company issued 36,550,676 new shares at an issue price of $0.140 to eligible Shareholders who have elected to participate in the Company's scrip dividend scheme.

31. Financial risk management objectives and policies

The Group and the Company are exposed to financial risks arising from its operations and the use of financial instruments. The key financial risks include liquidity risk, interest rate risk, foreign currency risk and credit risk. The board of directors reviews and agrees policies and procedures for the management of these risks, which are executed by the Assistant Finance Director. The Audit Committee provides independent oversight to the effectiveness of the risk management process. It is, and has been throughout the current and previous financial year, the Group's policy that no derivatives shall be undertaken except for use as hedging instruments where appropriate and cost-efficient. The Group and the Company do not apply hedge accounting.

The following sections provide details regarding the Group's and Company's exposure to the above-mentioned financial risks and the objectives, policies and processes for the management of these risks.

(a) ***Liquidity risk***

Liquidity risk is the risk that the Group or the Company will encounter difficulty in meeting financial obligations due to shortage of funds. The Group's and the Company's exposure to liquidity risk arises primarily from mismatches of the maturities of financial assets and liabilities for its business. The Group's and the Company's objective is to maintain a balance between continuity of funding and flexibility through the use of stand-by credit facilities.

The Group and the Company monitor and maintain a level of cash and cash equivalents deemed adequate by the management to finance the Group's and the Company's operations and mitigate the effect of fluctuations in cash flows.

31. Financial risk management objectives and policies (continued)

(a) ***Liquidity risk (continued)***

Analysis of financial instruments by remaining contractual maturities

The table below summarises the maturity profile of the Group's and the Company's financial assets and liabilities at the end of the financial year based on contractual undiscounted repayment obligations.

	1 year or less	**1 to 5 years**	**Over 5 years**	**Total**
	$'000	$'000	$'000	$'000
Group				
2019				
Financial assets:				
Trade and other receivables	316,421	11,736	–	328,157
Due from a related company (trade)	394	–	–	394
Due from a related company (non-trade)	67	–	–	67
Due from a joint venture (non-trade)	2,640	–	–	2,640
Investment securities	1,253	747	2,481	4,481
Derivative financial instruments	602	–	–	602
Cash and bank balances	16,041	–	–	16,041
Total undiscounted financial assets	337,418	12,483	2,481	352,382
Financial liabilities:				
Trade and other payables	10,005	109	–	10,114
Due to immediate holding company (non-trade)	2,696	–	–	2,696
Due to related companies (non-trade)	764	–	–	764
Interest-bearing loans	219,556	9,355	29,828	258,739
Term notes	29,235	56,350	–	85,585
Lease liabilities	9,012	23,257	4,446	36,715
Total undiscounted financial liabilities	271,268	89,071	34,274	394,613
Total net undiscounted financial assets/(liabilities)	66,150	(76,588)	(31,793)	(42,231)
2018				
Financial assets:				
Trade and other receivables	315,852	16,261	–	332,113
Due from a related company (non-trade)	1	–	–	1
Due from a joint venture (non-trade)	5,215	–	–	5,215
Investment securities	2,466	11,536	12,713	26,715
Cash and bank balances	21,845	–	–	21,845
Total undiscounted financial assets	345,379	27,797	12,713	385,889
Financial liabilities:				
Trade and other payables	9,017	246	–	9,263
Due to related companies (non-trade)	706	–	–	706
Interest-bearing loans	223,606	3,335	16,068	243,009
Term notes	3,207	70,930	–	74,137
Total undiscounted financial liabilities	236,536	74,511	16,068	327,115
Total net undiscounted financial assets/(liabilities)	108,843	(46,714)	(3,355)	58,774

31. Financial risk management objectives and policies (continued)

(a) ***Liquidity risk (continued)***

	1 year or less	1 to 5 years	Total
	$'000	$'000	$'000
Company			
2019			
Financial assets:			
Trade and other receivables	27	–	27
Due from subsidiaries (non-trade)	160,366	–	160,366
Due from a joint venture (non-trade)	2,640	–	2,640
Cash and bank balances	1,532	–	1,532
Total undiscounted financial assets	164,565	–	164,565
Financial liabilities:			
Trade and other payables	3,036	–	3,036
Term notes	29,235	56,350	85,585
Total undiscounted financial liabilities	32,271	56,350	88,621
Total net undiscounted financial assets/(liabilities)	132,294	(56,350)	75,944
2018			
Financial assets:			
Trade and other receivables	29	–	29
Due from subsidiaries (non-trade)	166,693	–	166,693
Due from a joint venture (non-trade)	5,215	–	5,215
Cash and bank balances	941	–	941
Total undiscounted financial assets	172,878	–	172,878
Financial liabilities:			
Trade and other payables	2,495	–	2,495
Term notes	3,207	71,930	75,137
Total undiscounted financial liabilities	5,702	71,930	77,632
Total net undiscounted financial assets/(liabilities)	167,176	(71,930)	95,246

31. Financial risk management objectives and policies (continued)

(b) ***Interest rate risk***

Interest rate risk is the risk that the fair value or future cash flows of the Group's and the Company's financial instruments will fluctuate because of changes in market interest rates. The Group's and the Company's exposure to interest rate risk arises primarily from its term loans. Other than the term notes which are at fixed rates, the Group's loans are at floating rates which are contractually repriced at intervals of less than 6 months from the end of the reporting period.

The Group's policy is to manage interest cost by using a mix of fixed and floating rate debts. At the end of the reporting period, term notes of $75,500,000 (2018: $69,000,000) are at fixed rates of interest.

Sensitivity analysis for interest rate risk

At the end of the reporting period, if SGD interest rates had been 50 (2018: 50) basis points lower/higher with all other variables held constant, the Group's profit net of tax would have been $137,000 (2018: $54,000) higher/lower, arising mainly as a result of lower/higher interest expense on floating rate term loans.

(c) ***Foreign currency risk***

The Group's money lending business has transactional currency exposures arising from investments that are denominated in a currency other than the respective functional currencies of the Group entities, primarily SGD. The foreign currencies in which these transactions are denominated are mainly Australian Dollars ("**AUD**") and Euro ("**EUR**").

The Group also holds cash and bank balances denominated in foreign currencies for working capital purposes.

As disclosed in Note 14, the Group entered into forward currency contracts during the financial year for reducing its exposure to foreign currency risks on Australian Dollar and Euro.

Sensitivity analysis for foreign currency risk

The following table demonstrates the sensitivity of the Group's profit before tax to a reasonably possible change in AUD exchange rates (against SGD), with all other variables held constant.

			2019	2018
			Profit before tax	**Profit before tax**
			$'000	$'000
			(lower)/ higher	(lower)/ higher
AUD	-	strengthened 5% (2018: 5%)	77	709
	-	weakened 5% (2018: 5%)	(77)	(709)

(d) ***Credit risk***

Credit risk is the risk of loss that may arise on outstanding financial instruments should a counterparty default on its obligations. The Group's exposure to credit risk arises primarily from trade receivables and quoted debt instruments. The Group minimises credit risk by requiring collateral and/or dealing with credit worthy counterparties.

The Group considers the probability of default upon initial recognition of asset and whether there has been a significant increase in credit risk on an ongoing basis throughout each reporting period.

The Group has determined the default event on a financial asset to be when the counterparty fails to make contractual payments.

31. Financial risk management objectives and policies (continued)

(d) ***Credit risk (continued)***

The Group considers "low risk" to be an investment grade credit rating with at least one major rating agency for those investments with credit rating. To assess whether there is a significant increase in credit risk, the company compares the risk of a default occurring on the asset as at reporting date with the risk of default as at the date of initial recognition. The Group considers available reasonable and supportive forward-looking information which includes the following indicators:

– External credit rating;

– Actual or expected significant adverse changes in business, financial or economic conditions that are expected to cause a significant change to the borrower's ability to meet its obligations;

– Actual or expected significant changes in the operating results of the borrower;

– Significant increases in credit risk on other financial instruments of the same borrower;

– Significant changes in the value of the collateral supporting the obligation or in the quality of third–party guarantees or credit enhancements; and

– Significant changes in the expected performance and behaviour of the borrower, including changes in the payment status of borrowers in the Group and changes in the operating results of the borrower.

Regardless of the analysis above, a significant increase in credit risk is presumed if a debtor is past due in making contractual payment.

The Group determined that its financial assets are credit-impaired when:

– There is significant difficulty of the issuer or the borrower;

– A breach of contract, such as a default or past due event;

– It is becoming probable that the borrower will enter bankruptcy or other financial reorganisation; and

– There is a disappearance of an active market for that financial asset because of financial difficulty.

Financial assets are written off when there is no reasonable expectation of recovery. Where loans and receivables have been written off, the company continues to engage enforcement activity to attempt to recover the receivable due, where legally enforceable or practicable. Where recoveries are made, these are recognised in profit or loss.

The following are classes of financial assets that are exposed to credit risk:

Secured lending receivables (Note 17)

Secured lending receivables are secured by way of collateralised real estate held by the investment trustee. Although the collateral does not influence whether the financial instrument has a low credit risk, the expected cash flows in the assessment of net lifetime expected credit losses will include cash flows from the sale of collateral held.

Pawnshop loans (Note 17)

Collateralised nature of the pawnshop loans whereby the quantum of loans granted to customers is based on a fraction of the value of the collaterals pledged to the Group. Although the collateral does not influence whether the financial instrument has a low credit risk, the expected cash flows in the assessment of net lifetime expected credit losses will include cash flows from the sale of collateral held.

31. Financial risk management objectives and policies (continued)

(d) ***Credit risk (continued)***

Interest receivables on pawnshop loans (Note 17)

When customer default occurs, the Group has no reasonable expectations of recovering the interest receivable and therefore, the Group writes off the interest receivable portion of the financial assets. However, this loss is expected to be recoverable when the forfeited pledges are subsequently sold to customers under the Group's retail and trading of jewellery and branded merchandise business segment (Note 29).

Pawnshop loans and interest receivables on pawnshop loans expected credit losses

The Group uses a provision matrix to estimate the allowance for expected credit losses ("**ECLs**") on pawnshop loans and interest receivables on pawnshop loans. The key inputs of the Group's ECLs model are the probability of default and loss given default. The Group has estimated the probability of default being the forfeiture of the customers' pledges based on historical non-redemption data of its pawnshop outlets. The Group has estimated the loss given default as the amount of loss exposure at default after considering the expected realisable value of the customers' pledges.

Significant judgement and estimation is involved in using the historical non-redemption data to derive the probability of default as well as considering any forward-looking economic information.

Quoted debt instruments (Note 15)

For those quoted debt instruments that are assessed to be of low credit risk and externally rated, the Group applied the low credit operational simplification and determined that no significant increase in credit risk has occurred. There is no significant impact arising from estimation of loss allowance based on 12-month probability of default and loss given default, which would result in impairment losses to be recognised in profit or loss.

For those quoted debt instruments that are assessed to be of high credit risk and externally rated, the Group applied the lifetime ECLs approach and noted that there is no significant impact arising from estimation of loss allowance as the Group does not have a significant portion of quoted debt instruments with high credit risk.

Exposure to credit risk

At the end of the reporting period, the Group's and the Company's maximum exposure to credit risk is represented by the carrying amount of each class of financial assets recognised in the balance sheets.

Credit risk concentration profile

The Group determines concentrations of credit risk by monitoring significant counterparties of its trade receivables on an ongoing basis. At the end of the financial year, 100% (2018: 100%) of the Group's trade receivables in the money lending business segment were due from 6 entities (2018: 8 entities).

Financial assets that are neither past due nor impaired

Trade receivables that are neither past due nor impaired are pawnshop loans that have not defaulted. Cash and bank balances are placed with reputable financial institutions or companies with high credit ratings and no history of default. They are neither past due nor impaired.

Financial assets that are either past due or impaired

Information regarding financial assets that are either past due or impaired is disclosed in Note 17 (Trade and other receivables).

32. Fair value of assets and liabilities

(a) *Fair value hierarchy*

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 in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

(b) *Assets measured at fair value*

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

	Quoted prices in active markets for identical assets (Level 1)	Significant observable inputs other than quoted prices (Level 2)	Significant unobservable inputs (Level 3)	Total
	$'000	$'000	$'000	$'000
Group				
2019				
Assets measured at fair value				
Financial assets				
At fair value through other comprehensive income				
- Debt securities (quoted) (Note 15)	2,000	–	–	2,000
- Equity securities (quoted) (Note 15)	2,481	–	–	2,481
At fair value through profit or loss				
- Forward currency contracts (Note 14)	–	602	–	602
- Debt securities (unquoted) (Note 17)	–	–	9,430	9,430
- Due from a joint venture (non-trade) (Note 19)	–	–	2,640	2,640
	4,481	602	12,070	17,153

32. Fair value of assets and liabilities (continued)

(b) ***Assets measured at fair value (continued)***

	Quoted prices in active markets for identical assets (Level 1)	Significant observable inputs other than quoted prices (Level 2)	Significant unobservable inputs (Level 3)	Total
	$'000	$'000	$'000	$'000
Group				
2018				
Assets measured at fair value				
Financial assets				
At fair value through other comprehensive income				
- Debt securities (quoted) (Note 15)	14,002	–	–	14,002
- Equity securities (quoted) (Note 15)	12,713	–	–	12,713
At fair value through profit or loss				
- Forward currency contracts (Note 14)	–	1,058	–	1,058
- Debt securities (unquoted) (Note 17)	–	–	9,625	9,625
- Due from a joint venture (non-trade) (Note 19)	–	–	5,215	5,215
	26,715	1,058	14,840	42,613

There are no prior year comparatives and there are no transfers of assets or liabilities between Levels 1, 2 and 3.

(c) ***Level 2 fair value measurements***

The following is a description of the valuation techniques and inputs used in the fair value measurement for assets and liabilities that are categorised within Level 2 of the fair value hierarchy:

Derivatives

Forward currency contracts are valued using a valuation technique with market observable inputs. The most frequently applied valuation techniques include forward pricing, using present value calculations. The models incorporate various inputs including the foreign exchange spot and forward rates, and forward rate curves.

32. Fair value of assets and liabilities (continued)

(d) ***Level 3 fair value measurements***

(i) Information about significant unobservable inputs used in Level 3 fair value measurements

The following table shows the information about fair value measurements using significant unobservable inputs (Level 3).

Description	Fair value at 31 December 2019	Valuation techniques	Unobservable inputs	Range of unobservable inputs
	$'000			
Recurring fair value measurements				
Unquoted debt securities at fair value through profit or loss (Note 17)	9,430	Net asset valuation	Note 1	Not applicable
Due from a joint venture (non-trade) (Note 19)	2,640	Discounted cash flow	Note 2	Not applicable

Description	Fair value at 31 December 2018	Valuation techniques	Unobservable inputs	Range of unobservable inputs
	$'000			
Recurring fair value measurements				
Unquoted debt securities at fair value through profit or loss (Note 17)	9,625	Net asset valuation	Note 1	Not applicable
Due from a joint venture (non-trade) (Note 19)	5,215	Discounted cash flow	Note 2	Not applicable

Note 1 - Unquoted debt securities at fair value through profit or loss

For secured lending extended through investment in a fund, the valuation of the units in the fund is performed on a monthly or quarterly basis by an independent professional investment manager. The investment manager provides management with quarterly investment reports, quarterly distribution statements, half yearly unaudited financial statements and annual audited accounts, audited by a reputable auditor.

The valuation of the investment by the fund in debt instruments, secured by real estate, is the responsibility of the investment manager. The net asset valuation, provided on a quarterly basis, is the value that approved transfers will be based on. The valuation based on reported net asset value of the fund (which comprise mainly monetary assets) is not publicly available as it is provided by the investment manager to the investors of the fund.

Note 2 - Due from a joint venture (non-trade)

The fair value is estimated by discounting expected future cash flows at market incremental lending rate for similar types of lending, borrowing or leasing arrangements at the end of the financial year.

32. Fair value of assets and liabilities (continued)

(d) ***Level 3 fair value measurements (continued)***

(ii) Movements in Level 3 assets measured at fair value

	Group			
	Unquoted debt securities		**Due from a joint venture**	
	2019	**2018**	**2019**	**2018**
	$'000	$'000	$'000	$'000
Opening balance 1 January	9,625	10,364	5,215	2,590
Purchase	–	224	–	–
Exchange differences	(195)	(963)	–	–
Additions	–	–	2,640	2,625
Settlements	–	–	(5,215)	–
Closing balance	9,430	9,625	2,640	5,215

(iii) Valuation policies and procedures

The Group's Assistant Finance Director oversees the Group's financial reporting valuation process and is responsible for setting and documenting the Group's valuation policies and procedures.

For all significant financial reporting valuations using valuation models and significant unobservable inputs, it is the Group's policy to engage external valuation experts who possess the relevant credentials and knowledge on the subject of valuation, valuation methodologies and SFRS(I) 13 fair value measurement guidance to perform the valuation.

For valuations performed by external valuation experts, the appropriateness of the valuation methodologies and assumptions adopted are reviewed along with the appropriateness and reliability of the inputs (including those developed internally by the Group) used in the valuations.

In selecting the appropriate valuation models and inputs to be adopted for each valuation that uses significant non-observable inputs, management has considered the reports and representations provided by the investment manager.

Significant changes in fair value measurements from period to period are evaluated for reasonableness. Key drivers of the changes are identified and assessed for reasonableness against relevant information from independent sources, or internal sources if necessary and appropriate.

32. Fair value of assets and liabilities (continued)

(e) ***Assets and liabilities not carried at fair value but for which fair value is disclosed***

The following table shows an analysis of the Group's and the Company's assets not measured at fair value, but for which fair value is disclosed:

	Fair value measurements at the end of the financial year using		
	Quoted prices in active markets for identical assets (Level 1)	**Significant unobservable inputs (Level 3)**	**Carrying amount**
	$'000	$'000	$'000
Group			
2019			
Assets:			
Non-current:			
Deposits	–	2,176	2,306
Financial liabilities:			
Non-current:			
Term notes	49,668	–	50,000
Company			
Financial liabilities:			
Non-current:			
Term notes	49,668	–	50,000
Group			
2018			
Assets:			
Non-current:			
Trade receivables	–	3,793	3,517
Deposits	–	1,936	1,981
Financial liabilities:			
Non-current:			
Term notes	68,813	–	69,000
Company			
Financial liabilities:			
Non-current:			
Term notes	68,813	–	69,000

32. Fair value of assets and liabilities (continued)

(e) ***Assets and liabilities not carried at fair value but for which fair value is disclosed (continued)***

Determination of fair value

Trade and other receivables

The fair values as disclosed in the table above are estimated by discounting expected future cash flows at market incremental lending rate for similar types of lending, borrowing or leasing arrangements at the end of the financial year.

Term notes

The fair values as disclosed in the table above are determined directly by reference to the bid price quotation of the term notes at the end of the financial year.

(f) ***Fair value of financial instruments by classes that are not carried at fair value and whose carrying amounts are not reasonable approximation of fair value***

The fair value of financial assets and liabilities by classes that are not carried at fair value and whose carrying amounts are not reasonable approximation of fair value are as follows:

	Group			
	Carrying amount 2019	**Fair value 2019**	**Carrying amount 2018**	**Fair value 2018**
	$'000	$'000	$'000	$'000
Financial assets:				
Non-current:				
Trade receivables	–	–	3,517	3,793
Deposits	2,306	2,176	1,981	1,936
Financial liabilities:				
Non-current:				
Term notes	50,000	49,668	69,000	68,813

	Company			
	Carrying amount 2019	**Fair value 2019**	**Carrying amount 2018**	**Fair value 2018**
	$'000	$'000	$'000	$'000
Financial liabilities:				
Non-current:				
Term notes	50,000	49,668	69,000	68,813

33. Capital management

The primary objective of the Group's capital management is to ensure that it maintains a strong credit rating and healthy capital ratios in order to support its business and maximise shareholder value.

The Group manages its capital structure and makes adjustments to it, in light of changes in economic conditions. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. No changes were made in the objectives, policies or processes during the years ended 31 December 2019 and 2018.

The Group monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt. The Group includes within net debt, trade and other payables, due to related companies (non-trade), due to immediate holding company (non-trade), dividends payables, interest-bearing loans, term notes and lease liabilities, less cash and bank balances. Capital refers to equity attributable to owners of the Company.

	2019	2018
	$'000	$'000
Trade and other payables	10,867	9,163
Due to related companies (non-trade)	764	706
Due to immediate holding company (non-trade)	2,696	–
Dividends payable	5,176	3,105
Interest-bearing loans	249,682	235,312
Term notes	75,500	69,000
Lease liabilities	34,483	–
Less: Cash and bank balances	(16,041)	(21,845)
Net debt	363,127	295,441
Equity attributable to owners of the Company	138,034	140,127
Capital and net debt	501,161	435,568
Gearing ratio	72.5%	67.8%

34. Authorisation of financial statements for issue

The financial statements for the financial year ended 31 December 2019 were authorised for issue in accordance with a directors' resolution dated 25 March 2020.

AUDITED FINANCIAL STATEMENTS OF MAXI-CASH FINANCIAL SERVICES CORPORATION LTD. AND ITS SUBSIDIARIES FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

The information in this Appendix III has been reproduced from the annual report of Maxi-Cash Financial Services Corporation Ltd. for the financial year ended 31 December 2020 and has not been specifically prepared for inclusion in this Information Memorandum. Investors should read the consolidated financial data in conjunction with the related notes.

INDEPENDENT AUDITOR'S REPORT

To The Members of Maxi-Cash Financial Services Corporation Ltd.

Report on the audit of the financial statements

Opinion

We have audited the financial statements of Maxi-Cash Financial Services Corporation Ltd. (the "**Company**") and its subsidiaries (collectively, the "**Group**"), which comprise the statements of financial position of the Group and the Company as at 31 December 2020, the statements of changes in equity of the Group and the Company and the consolidated statement of comprehensive income and consolidated statement of cash flows of the Group for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements of the Group, the statement of financial position and the statement of changes in equity of the Company are properly drawn up in accordance with the provisions of the Companies Act, Chapter 50 (the "**Act**") and Singapore Financial Reporting Standards (International) ("**SFRS(I)**") so as to give a true and fair view of the consolidated financial position of the Group and the financial position of the Company as at 31 December 2020 and of the consolidated financial performance, consolidated changes in equity and consolidated cash flows of the Group and changes in equity of the Company for the year ended on that date.

Basis for opinion

We conducted our audit in accordance with Singapore Standards on Auditing ("**SSAs**"). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Group in accordance with the Accounting and Corporate Regulatory Authority ("**ACRA**") Code *of Professional Conduct and Ethics for Public Accountants and Accounting Entities* ("**ACRA Code**") together with the ethical requirements that are relevant to our audit of the financial statements in Singapore, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ACRA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled our responsibilities described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying financial statements.

Allowance for expected credit losses on pawnshop loans and interest receivables on pawnshop loans

Trade receivables are significant to the Group and include pawnshop loans and interest receivables on pawnshop loans. The collectability of trade receivables is a key element of the Group's working capital management.

The Group uses a provision matrix to estimate the allowance for expected credit losses ("**ECLs**") on pawnshop loans and interest receivables on pawnshop loans. The key inputs of the Group's ECLs model are the probability of default and loss given default. The Group has estimated the probability of default being the forfeiture of the customers' pledges based on historical non-redemption data of its pawnshop outlets and estimated future non-redemption rate on open pledges taking into account the current economic environment. The Group has estimated the loss given default as the amount of loss exposure at default after considering the expected realisable value of the customers' pledges.

Significant judgement and estimation is involved in using the historical non-redemption data to derive the probability of default, estimating the expected realisable value of customers' pledges as well as considering any forward-looking economic information. Accordingly, we have identified the Group's ECLs assessment on pawnshop loans and interest receivables on pawnshop loans from the Group's pawnbroking segment as a key audit matter.

As part of our audit, we tested the reasonableness of the key inputs and assumptions used by the Group in the ECLs model which is largely dependent on the Group's historical loss experience and loan-to-valuation data. We reviewed and tested the overall process and key controls relating to the collection of non-redemption data used in the ECLs model including checking the arithmetic accuracy of the probability of default. We also analysed historical trend of expected realisable value of the customers' pledges and considered forward-looking macroeconomic factors, taking into consideration the economic environment and external information, that may affect the recoverability of the pawnshop loans and related interest receivables. Furthermore, we assessed the adequacy of the disclosures related to trade receivables in Note 18 to the financial statements.

Key audit matters (continued)

Existence of pledges, cash and inventories

We focused on pledges, cash and inventories as their total carrying amounts are material to the financial statements, and there is a higher inherent risk of theft and pilferage.

As part of our audit, we obtained an understanding of the internal controls with respect to the physical safeguards over pledges, cash and inventories. We tested selected internal controls over cash receipts and disbursements and movement of inventories. We obtained bank confirmations including testing controls over bank reconciliation reviews and obtained an understanding of management's monitoring of cash balances, including monitoring of outlet cash float, physical transfer of cash between outlets and head office, and reconciliation of outlet cash flows to the pledges movement.

On a sample basis, we attended and observed surprise outlet audits on daily cash counts and inventory counts at selected outlets. We performed verification of pledges by taking a sample of pledges held on open pawn tickets and matched details of pledges to the physical pledges during our planned and surprise visits to the outlets. We also attended the year-end inventory count and cash count conducted at head office.

We assessed the adequacy of the disclosures relating to cash and bank balances, trade receivables (which comprise mainly pawnshop loans related to pledges held as collateral) and inventories in Notes 20, 18 and 17 respectively, to the financial statements.

Other information

Management is responsible for other information. The other information comprises the information included in the annual report, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of management and directors for the financial statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the provisions of the Act and SFRS(I), and for devising and maintaining a system of internal accounting controls sufficient to provide a reasonable assurance that assets are safeguarded against loss from unauthorised use or disposition; and transactions are properly authorised and that they are recorded as necessary to permit the preparation of true and fair financial statements and to maintain accountability of assets.

In preparing the financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The directors' responsibilities include overseeing the Group's financial reporting process.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Auditor's responsibilities for the audit of the financial statements (continued)

As part of an audit in accordance with SSAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on other legal and regulatory requirements

In our opinion, the accounting and other records required by the Act to be kept by the Company and by those subsidiary corporations incorporated in Singapore of which we are the auditors have been properly kept in accordance with the provisions of the Act.

The engagement partner on the audit resulting in this independent auditor's report is Ho Shyan Yan.

Ernst & Young LLP
Public Accountants and
Chartered Accountants
Singapore
26 March 2021

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the financial year ended 31 December 2020

	Note	2020	2019
		$'000	$'000
Revenue	4	262,821	218,478
Material costs		(179,220)	(139,200)
Employee benefits expenses	5	(22,191)	(19,979)
Depreciation and amortisation		(13,601)	(11,555)
Finance costs	6	(11,199)	(13,295)
Other operating expenses		(16,923)	(18,348)
Interest income		148	425
Dividend income from equity instruments		99	426
Rental income		649	323
Other income	7	8,675	890
Share of results of joint venture	14	(6)	(226)
Profit before tax	8	29,252	17,939
Income tax credit/(expense)	9(a)	137	(3,003)
Profit for the year		29,389	14,936
Other comprehensive income			
Items that will not be reclassified to profit or loss (net of tax):			
Net fair value changes on equity instruments at fair value through other comprehensive income as at the end of the financial year		(47)	874
Net fair value changes on equity instruments at fair value through other comprehensive income upon disposal during the financial year		–	(345)
Items that may be reclassified subsequently to profit or loss (net of tax):			
Net fair value changes on debt instruments at fair value through other comprehensive income		(12)	441
Foreign currency translation		(137)	11
Other comprehensive income for the year, net of tax		(196)	981
Total comprehensive income for the year		29,193	15,917
Profit for the year attributable to:			
Owners of the Company		29,264	14,834
Non-controlling interests		125	102
		29,389	14,936
Total comprehensive income attributable to:			
Owners of the Company		29,068	15,815
Non-controlling interests		125	102
		29,193	15,917
Earnings per share (cents)			
Basic and diluted	10	2.83	1.43

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

STATEMENTS OF
FINANCIAL POSITION

As at 31 December 2020

	Note	Group 2020	Group 2019	Company 2020	Company 2019
		$'000	$'000	$'000	$'000
Non-current assets					
Property, plant and equipment	11	65,474	52,535	45	116
Investment properties	12	10,810	–	–	–
Right-of-use assets	24(a)	34,046	33,987	–	–
Trade and other receivables	18	4,089	11,736	–	–
Investment in subsidiaries	13	–	–	54,242	54,242
Investment in joint venture	14	1,409	6,415	2,000	7,000
Investment securities	16	2,424	3,228	–	–
Prepaid rent		5	–	–	–
Deferred tax assets	9(c)	3,973	433	–	–
		122,230	108,334	56,287	61,358
Current assets					
Inventories	17	74,656	74,461	–	–
Trade and other receivables	18	293,319	315,283	21	27
Prepaid rent		3	1	–	–
Prepayments		1,517	2,743	407	758
Due from subsidiaries (non-trade)	19	–	–	134,494	157,473
Due from a related company (trade)	19	–	394	–	–
Due from a related company (non-trade)	19	–	67	–	–
Due from a joint venture (non-trade)	19	263	2,640	263	2,640
Investment securities	16	738	1,253	–	–
Derivative financial instruments	15	–	602	–	–
Cash and bank balances	20	23,816	16,041	8,058	1,532
		394,312	413,485	143,243	162,430
Total assets		516,542	521,819	199,530	223,788
Current liabilities					
Trade and other payables	21	12,753	10,758	2,712	3,166
Due to immediate holding company (non-trade)	19	–	2,696	–	–
Due to related companies (non-trade)	19	84	764	26	–
Dividends payable		–	5,176	–	5,176
Derivative financial instruments	15	25	–	–	–
Provision for taxation		5,025	3,387	481	198
Interest-bearing loans	22	200,117	218,130	–	–
Lease liabilities	24(b)	9,725	8,245	–	–
Term notes	23	–	25,500	–	25,500
		227,729	274,656	3,219	34,040
Net current assets		166,583	138,829	140,024	128,390
Non-current liabilities					
Other payables	21	68	109	–	–
Interest-bearing loans	22	65,403	31,552	–	–
Term notes	23	45,250	50,000	45,250	50,000
Deferred tax liabilities	9(c)	267	371	7	7
Lease liabilities	24(b)	25,216	26,238	–	–
		136,204	108,270	45,257	50,007
Total liabilities		363,933	382,926	48,476	84,047
Net assets		152,609	138,893	151,054	139,741
Equity attributable to owners of the Company					
Share capital	25(a)	137,286	137,286	137,286	137,286
Treasury shares	25(b)	(9)	(9)	(9)	(9)
Other reserves	25(c)	(6,066)	(5,870)	(26)	(26)
Revenue reserve		20,363	6,627	13,803	2,490
		151,574	138,034	151,054	139,741
Non-controlling interests		1,035	859	–	–
Total equity		152,609	138,893	151,054	139,741
Total equity and liabilities		516,542	521,819	199,530	223,788

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

	Note	Attributable to owners of the Company						
		Share capital	Treasury shares	Other reserves	Revenue reserve	Equity attributable to owners of the Company	Non-controlling interests	Total equity
		$'000	$'000	$'000	$'000	$'000	$'000	$'000
Group								
At 1 January 2019		137,286	(15)	(3,257)	6,113	140,127	1,020	141,147
Profit for the year		–	–	–	14,834	14,834	102	14,936
Other comprehensive income								
Foreign currency translation		–	–	11	–	11	–	11
Net fair value changes in debt instruments at fair value through other comprehensive income ("**FVOCI**")		–	–	441	–	441	–	441
Net fair value changes in equity instruments at FVOCI		–	–	529	–	529	–	529
Other comprehensive income for the year, net of tax		–	–	981	–	981	–	981
Total comprehensive income for the year		–	–	981	14,834	15,815	102	15,917
Contributions by and distributions to owners								
Dividends on ordinary shares – Cash	30	–	–	–	(13,975)	(13,975)	(300)	(14,275)
Purchase of treasury shares	25(b)	–	(117)	–	–	(117)	–	(117)
Treasury shares reissued pursuant to Maxi-Cash Performance Share Plan	25(b)(c)	–	123	(3)	–	120	–	120
Total contributions by and distributions to owners		–	6	(3)	(13,975)	(13,972)	(300)	(14,272)
Changes in ownership interests in subsidiaries								
Reserve on acquisition of subsidiaries under common control	13	–	–	(3,913)	–	(3,913)	–	(3,913)
Change in ownership interests in subsidiaries without a change in control	25(c)	–	–	(23)	–	(23)	37	14
Total changes in ownership interests in subsidiaries		–	–	(3,936)	–	(3,936)	37	(3,899)
Total transactions with owners in their capacity as owners		137,286	(9)	(6,215)	6,972	138,034	859	138,893
Others								
Transfer of fair value reserves of equity instruments at FVOCI upon disposal		–	–	345	(345)	–	–	–
Total others		–	–	345	(345)	–	–	–
At 31 December 2019		137,286	(9)	(5,870)	6,627	138,034	859	138,893
At 1 January 2020		137,286	(9)	(5,870)	6,627	138,034	859	138,893
Profit for the year		–	–	–	29,264	29,264	125	29,389
Other comprehensive income								
Foreign currency translation		–	–	(137)	–	(137)	–	(137)
Net fair value changes in debt instruments at FVOCI		–	–	(12)	–	(12)	–	(12)
Net fair value changes in equity instruments at FVOCI		–	–	(47)	–	(47)	–	(47)
Other comprehensive income for the year, net of tax		–	–	(196)	–	(196)	–	(196)
Total comprehensive income for the year		–	–	(196)	29,264	29,068	125	29,193
Contributions by and distributions to owners								
Dividends on ordinary shares – Cash	30	–	–	–	(15,528)	(15,528)	–	(15,528)
Total contributions by and distributions to owners		–	–	–	(15,528)	(15,528)	–	(15,528)
Changes in ownership interests in subsidiaries								
Change in ownership interests in subsidiaries without a change in control		–	–	–	–	–	51	51
Total changes in ownership interests in subsidiaries		–	–	–	–	–	51	51
At 31 December 2020		137,286	(9)	(6,066)	20,363	151,574	1,035	152,609

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

STATEMENTS OF CHANGES IN EQUITY

For the financial year ended 31 December 2020

	Note	Share capital	Treasury shares	Other reserves	Revenue reserve	Total
		$'000	$'000	$'000	$'000	$'000
Company						
At 1 January 2019		137,286	(15)	(23)	3,886	141,134
Profit for the year		–	–	–	12,579	12,579
Total comprehensive income for the year		–	–	–	12,579	12,579
Contributions by and distributions to owners						
Dividends on ordinary shares – Cash	30	–	–	–	(13,975)	(13,975)
Purchase of treasury shares	25(b)	–	(117)	–	–	(117)
Treasury shares reissued pursuant to Maxi-Cash Performance Share Plan	25(b)(c)	–	123	(3)	–	120
Total contributions by and distributions to owners		–	6	(3)	(13,975)	(13,972)
At 31 December 2019		137,286	(9)	(26)	2,490	139,741
At 1 January 2020		137,286	(9)	(26)	2,490	139,741
Profit for the year		–	–	–	26,841	26,841
Total comprehensive income for the year		–	–	–	26,841	26,841
Contributions by and distributions to owners						
Dividends on ordinary shares – Cash	30	–	–	–	(15,528)	(15,528)
Total contributions by and distributions to owners		–	–	–	(15,528)	(15,528)
At 31 December 2020		137,286	(9)	(26)	13,803	151,054

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

CONSOLIDATED STATEMENT OF CASH FLOWS

For the financial year ended 31 December 2020

	Note	2020	2019
		$'000	$'000
Operating activities			
Profit before tax		29,252	17,939
Adjustments for:			
Depreciation of property, plant and equipment	8	2,935	2,370
Depreciation of right-of-use assets	8	10,663	9,181
Write-down of inventories	8	536	100
Interest expense	6	10,871	12,943
Interest income		(148)	(425)
Dividend income from equity instruments		(99)	(426)
Amortisation of prepaid commitment fee	6	344	409
Amortisation of premium on term notes	6	(16)	(57)
Financial losses on pledged items not fully covered by insurance	8	133	32
Loss on disposal of property, plant and equipment	8	119	222
(Gain)/loss on disposal of investment securities	7,8	(1)	240
Net fair value change on derivatives	8	627	456
Amortisation of prepaid rent	8	3	4
Gain on purchase of term notes		(14)	(12)
Unrealised foreign exchange differences		(1,010)	(527)
Share of results of joint venture	14	6	226
Gain on de-recognition of right-of-use assets	7	(6)	–
Operating cash flows before changes in working capital		54,195	42,675
Changes in working capital			
Increase in inventories		(730)	(13,092)
Decrease/(increase) in trade and other receivables		27,675	(8,065)
Decrease/(increase) in prepayments		1,124	(667)
Decrease/(increase) in due from a related company (trade)		394	(393)
Increase in trade and other payables		1,719	1,551
Total changes in working capital		30,182	(20,666)
Cash flows from operations		84,377	22,009
Interest paid		(9,848)	(12,127)
Interest received		50	52
Income taxes refunded		289	128
Income taxes paid		(2,100)	(1,593)
Net cash flows from operating activities		72,768	8,469

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

CONSOLIDATED STATEMENT OF CASH FLOWS

For the financial year ended 31 December 2020

	Note	2020	2019
		$'000	$'000
Investing activities			
Purchase of property, plant and equipment	11	(26,807)	(2,151)
Interest received		2,909	1,182
Acquisition of a subsidiary	13	–	(5,259)
Capital reduction/(investment) in joint venture	14	5,000	(6,500)
Proceeds from disposal of plant and equipment		19	60
Decrease in due from a joint venture (non-trade)		2,640	2,575
Proceeds from disposal of investment securities	16	1,248	23,240
Net cash flows (used in)/from investing activities		(14,991)	13,147
Financing activities			
Proceeds from issuance of term notes	23	–	23,500
Redemption of term notes	23	(4,736)	(16,988)
Repayment of term notes	23	(25,500)	–
Repayment from short-term bank borrowings, net	23	(20,223)	(5,578)
Proceeds from term loans	23	37,053	–
Repayment of term loans	23	(992)	(848)
Purchase of treasury shares	25(b)	–	(117)
Repayment of advances to immediate holding company (non-trade), net		(2,697)	(4,873)
Proceeds from issuance of ordinary shares of subsidiaries from non-controlling interests		51	–
Term notes commitment fee paid		–	(756)
Repayment of advances to related companies (non-trade), net		(680)	–
Dividends paid on ordinary shares		(20,704)	(11,904)
Interest paid on lease liabilities	24(b)	(1,023)	(816)
Payment of principal portion of lease liabilities	24(b)	(10,272)	(8,685)
Increase in due from a related company (non-trade)		(195)	(67)
Dividends paid to non-controlling interest of subsidiary		–	(300)
Net cash flows used in financing activities		(49,918)	(27,432)
Net increase/(decrease) in cash and cash equivalents		7,859	(5,816)
Effect of exchange rate changes on cash and cash equivalents		(84)	12
Cash and cash equivalents at the beginning of the financial year		16,041	21,845
Cash and cash equivalents at the end of the financial year	20	23,816	16,041

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

1. Corporate information

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

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

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

The principal activity of the Company is investment holding and provision of management services. The principal activities of the subsidiaries are disclosed in Note 13 to the financial statements.

2. Summary of significant accounting policies

2.1 *Basis of preparation*

The consolidated financial statements of the Group and the statement of financial position and statement of changes in equity of the Company have been prepared in accordance with Singapore Financial Reporting Standards (International) ("**SFRS(I)**").

The financial statements have been prepared on the historical cost basis except as disclosed in the accounting policies below.

The financial statements are presented in Singapore Dollars ("**SGD**" or "**$**") and all values in the tables are rounded to the nearest thousand ("**$'000**"), except when otherwise indicated.

2.2 *Adoption of new and amended standards and interpretations*

The accounting policies 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 2020. Except for the adoption of amendment to SFRS(I) 16 *Leases*: COVID-19-Related Rent Concessions described below, the adoption of these standards did not have any material effect on the financial performance or position of the Group.

<u>Amendment to SFRS(I) 16 *Leases*: COVID-19-Related Rent Concessions</u>

The Group has early adopted the amendment to SFRS(I) 16 *Leases*: COVID-19-Related Rent Concessions and has applied the practical expedient applicable in this amendment that is effective for annual periods beginning on or after 1 June 2020.

The standard allows the lessee to account for any COVID-19 related rent concessions received as a variable lease payment with the effect of the rent concession recognised directly in the statement of comprehensive income, rather than a lease modification, which generally requires a lessee to remeasure the lease liability by discounting the revised lease payments using a new discount rate under SFRS(I) 16 *Leases*.

Accounting for any COVID-19-related rent concessions directly in the statement of comprehensive income is permissible provided the following conditions are met:

- The change in lease payments results in revised consideration for the lease that is substantially the same as, or less than, the consideration for the lease immediately preceding the change;
- Any reduction in lease payments affects only payments originally due on or before 30 June 2021; and
- There is no substantive change to other terms and conditions of the lease.

The amount of COVID-19-related rent concessions recognised directly the statement of comprehensive income is disclosed in Note 7.

The amendment is applicable for annual reporting periods beginning on or after 1 June 2020 and earlier application is permitted. The Group has early adopted this amendment for the year ended 31 December 2020 and has applied the practical expedient available in the standard.

2. Summary of significant accounting policies (continued)

2.3 ***Standards issued but not yet effective***

The Group has not adopted the following standards applicable to the Group that have been issued but not yet effective:

Description	**Effective for annual periods beginning on or after**
Amendments to SFRS(I) 9 SFRS(I) 1-39, SFRS(I) 7, SFRS(I) 4, SFRS(I) 16: Interest Rate Benchmark Reform – Phase 2	1 January 2021
Amendments to SFRS(I) 3: Reference to Conceptual Framework	1 January 2022
Amendments to SFRS(I) 1-16: *Property, Plant and Equipment*: Proceeds before Intended Use	1 January 2022
Amendments to SFRS(I) 1-37: Onerous Contracts – Cost of Fulfilling a Contract	1 January 2022
Annual Improvements to SFRS(I)s 2018-2020	1 January 2022
Amendments to SFRS(I) 1-1: Classification of Liabilities as Current or Non-current	1 January 2023
Amendments to SFRS(I) 10 and SFRS(I) 1-28: Sale of Contribution of Assets between and Investor and its Associate or Joint Venture	Date to be determined

The directors expect that the adoption of the standards above will have no material impact on the financial statements in the year of initial application.

2.4 ***Basis of consolidation***

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries as at the end of the reporting period. The financial statements of the subsidiaries used in the preparation of the consolidated financial statements are prepared for the same reporting date as the Company. Consistent accounting policies are applied to like transactions and events in similar circumstances.

All intra-group balances, income and expenses and unrealised gains and losses resulting from intra-group transactions and dividends are eliminated in full.

Subsidiaries are consolidated from the date of acquisition, being the date on which the Group obtains control, and continue to be consolidated until the date that such control ceases.

Losses within a subsidiary are attributed to the non-controlling interest even if that results in a deficit balance.

2.5 ***Business combination involving entities under common control***

Business combinations involving entities under common control are accounted for by applying the pooling of interest method which involves the following:

- The assets and liabilities of the combining entities are reflected at their carrying amounts reported in the consolidated financial statements of the controlling holding company.
- No adjustments are made to reflect the fair values on the date of combination, or recognise any new assets or liabilities.
- No additional goodwill is recognised as a result of the combination.
- Any difference between the consideration paid/transferred and the equity 'acquired' is reflected within the equity under other reserves.
- The statement of comprehensive income reflects the results of the combining entities prospectively from the date on which the business combination occurred.

2. Summary of significant accounting policies (continued)

2.6 ***Transactions with non-controlling interests***

Non-controlling interest represents the equity in subsidiaries not attributable, directly or indirectly, to owners of the Company.

Changes in the Company's ownership interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions. In such circumstances, the carrying amounts of the controlling and non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiary. Any difference between the amount by which the non-controlling interest is adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to owners of the Company.

2.7 ***Foreign currency***

The financial statements are presented in Singapore Dollars ("**SGD**"), which is also the Company's functional currency. Each entity in the Group determines its own functional currency and items included in the financial statements of each entity are measured using that functional currency.

(a) *Transactions and balances*

Transactions in foreign currencies are measured in the respective functional currencies of the Company and its subsidiaries and are recorded on initial recognition at exchange rates approximating those ruling at the transaction dates. Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the end of the financial year. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was measured.

Exchange differences arising on the settlement of monetary items or on translating monetary items at the end of the financial year are recognised in profit or loss.

(b) *Consolidated financial statements*

For consolidation purpose, the assets and liabilities of foreign operations are translated into SGD at the rate of exchange ruling at the end of the reporting period and their profit or loss are translated at the exchange rates prevailing at the date of the transactions. The exchange differences arising on the translation are recognised in other comprehensive income. On disposal of a foreign operation, the component of other comprehensive income relating to that particular foreign operation is recognised in profit or loss.

2.8 ***Property, plant and equipment***

All items of property, plant and equipment are initially recorded at cost. Subsequent to recognition, property, plant and equipment are measured at cost less accumulated depreciation and any accumulated impairment losses.

Freehold land has an unlimited useful life and therefore is not depreciated.

Depreciation is computed on a straight-line basis over the estimated useful lives of the assets as follows:

Freehold properties	–	50 years
Leasehold properties	–	57 to 69 years
Renovations, electrical fittings, furniture and fittings	–	3 – 5 years
Air-conditioners, office and security equipment	–	3 – 5 years
Showroom tools and machinery	–	5 years
Computers	–	3 years
Motor vehicles	–	3 – 7 years

Work-in-progress is not depreciated until it is ready for its intended use.

The carrying values of property, plant and equipment are reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable.

2. Summary of significant accounting policies (continued)

2.8 *Property, plant and equipment (continued)*

The useful life and depreciation method are reviewed at each financial year-end, and adjusted prospectively, if appropriate.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on de-recognition of the asset is included in profit or loss in the year the asset is derecognised.

2.9 *Investment properties*

Investment properties are properties that are either owned by the Group that are held to earn rental or for capital appreciation, or both, rather than for use in the production or supply of goods or services, or for administrative purposes, or in the ordinary course of business. Investment properties comprise completed investment properties and properties that are being constructed or developed for future use as investment properties.

Investment properties are initially measured at cost, including transaction costs.

Subsequent to initial recognition, investment properties are carried at cost less accumulated depreciation and accumulated impairment losses.

Freehold land has an unlimited useful life and therefore is not depreciated.

Depreciation is calculated using a straight-line method to allocate the depreciable amount over their estimated useful lives of 50 to 68 years. The residual values, useful lives and depreciation method of the investment properties are reviewed, and adjusted as appropriate, at each balance sheet date.

Investment properties are derecognised when either they have been disposed of or when the investment property is permanently withdrawn from use and no future economic benefit is expected from its disposal. Any gains or losses on the retirement or disposal of an investment property are recognised in profit or loss in the year of retirement or disposal.

2.10 *Impairment of non-financial assets*

The Group assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Group makes an estimate of the asset's recoverable amount.

An asset's recoverable amount is the higher of an asset's or cash-generating unit's fair value less costs of disposal and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. Where the carrying amount of an asset or cash-generating unit exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

Impairment losses are recognised in profit or loss.

A previously recognised impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. If that is the case, the carrying amount of the asset is increased to its recoverable amount. That increase cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised previously. Such reversal is recognised in profit or loss.

2.11 *Subsidiaries*

A subsidiary is an investee that is controlled by the Group. The Group controls an investee when it is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee.

In the Company's separate financial statements, investments in subsidiaries are accounted for at cost less impairment losses.

2. Summary of significant accounting policies (continued)

2.12 ***Joint arrangements***

A joint arrangement is a contractual arrangement whereby two or more parties have joint control. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require the unanimous consent of the parties sharing control.

A joint arrangement is classified either as joint operation or joint venture, based on the rights and obligations of the parties to the arrangement.

To the extent the joint arrangement provides the Group with rights to the assets and obligations for the liabilities relating to the arrangement, the arrangement is a joint operation. To the extent the joint arrangement provides the Group with rights to the net assets of the arrangement, the arrangement is a joint venture.

Joint ventures

The Group recognises its interest in a joint venture as an investment and accounts for the investment using the equity method. The accounting policy for investment in joint venture is set out in Note 2.13.

2.13 ***Joint ventures and associates***

An associate is an entity over which the Group has the power to participate in the financial and operating policy decisions of the investee but does not have control or joint control of those policies.

The Group account for its investments in associates and joint ventures using the equity method from the date on which it becomes an associate or joint venture.

On acquisition of the investment, any excess of the cost of the investment over the Group's share of the net fair value of the investee's identifiable assets and liabilities represents goodwill and is included in the carrying amount of the investment. Any excess of the Group's share of the net fair value of the investee's identifiable assets and liabilities over the cost of the investment is included as income in the determination of the entity's share of the associate or joint venture's profit or loss in the period in which the investment is acquired.

Under the equity method, the investment in associates or joint ventures are carried in the statement of financial position at cost plus post-acquisition changes in the Group's share of net assets of the associates or joint ventures. The profit or loss reflects the share of results of the operations of the associates or joint ventures. Distributions received from joint ventures or associates reduce the carrying amount of the investment. Where there has been a change recognised in other comprehensive income by the associates or joint venture, the Group recognises its share of such changes in other comprehensive income. Unrealised gains and losses resulting from transactions between the Group and associate or joint venture are eliminated to the extent of the interest in the associates or joint ventures.

When the Group's share of losses in an associate or joint venture equals or exceeds its interest in the associate or joint venture, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the associate or joint venture.

After application of the equity method, the Group determines whether it is necessary to recognise an additional impairment loss on the Group's investment in associate or joint ventures. The Group determines at the end of each reporting period whether there is any objective evidence that the investment in the associate or joint venture is impaired. If this is the case, the Group calculates the amount of impairment as the difference between the recoverable amount of the associate or joint venture and its carrying value and recognises the amount in profit or loss.

The financial statements of the associates and joint ventures are prepared as the same reporting date as the Company. Where necessary, adjustments are made to bring the accounting policies in line with those of the Group.

2. Summary of significant accounting policies (continued)

2.14 ***Financial instruments***

(a) *Financial assets*

Initial recognition and measurement

Financial assets are recognised when, and only when the entity becomes party to the contractual provisions of the instruments.

At initial recognition, the Group measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss.

Trade receivables are measured at the amount of consideration to which the Group expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third party, if the trade receivables do not contain a significant financing component at initial recognition.

Subsequent measurement

Investments in debt instruments

Subsequent measurement of debt instruments depends on the Group's business model for managing the asset and the contractual cash flow characteristics of the asset. The three measurement categories for classification of debt instruments are:

(i) Amortised cost

Financial assets that are held for the collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. Financial assets are measured at amortised cost using the effective interest method, less impairment. Gains and losses are recognised in profit or loss when the assets are derecognised or impaired, and through amortisation process.

(ii) Fair value through other comprehensive income

Financial assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at FVOCI. Financial assets measured at FVOCI are subsequently measured at fair value. Any gains or losses from changes in fair value of the financial assets are recognised in other comprehensive income, except for impairment losses, foreign exchange gains and losses and interest calculated using the effective interest method are recognised in profit or loss. The cumulative gain or loss previously recognised in other comprehensive income is reclassified from equity to profit or loss as a reclassification adjustment when the financial asset is derecognised.

(iii) Fair value through profit or loss

Assets that do not meet the criteria for amortised cost or FVOCI are measured at fair value through profit or loss. A gain or loss on a debt instruments that is subsequently measured at fair value through profit or loss and is not part of a hedging relationship is recognised in profit or loss in the period in which it arises.

Investments in equity instruments

On initial recognition of an investment in equity instrument that is not held for trading, the Group may irrevocably elect to present subsequent changes in fair value in other comprehensive income. Dividends from such investments are to be recognised in profit or loss when the Group's right to receive payments is established.

Derivatives

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently remeasured to their fair value at the end of each reporting period. Changes in fair value of derivatives are recognised in profit or loss.

2. Summary of significant accounting policies (continued)

2.14 ***Financial instruments (continued)***

(a) *Financial assets (continued)*

Derecognition

A financial asset is derecognised where the contractual right to receive cash flows from the asset has expired. On derecognition of a financial asset in its entirety, the difference between the carrying amount and the sum of the consideration received and any cumulative gain or loss that had been recognised in other comprehensive income for debt instruments is recognised in profit or loss. For derecognition of equity instruments, cumulative fair value changes previously recognised in FVOCI will be transferred to retained earnings.

Regular way purchases and sales

All regular way purchases and sales of financial assets are recognised or derecognised on the trade date i.e. the date that the Group commits to purchase or sell the asset. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the period generally established by regulation or convention in the marketplace concerned.

(b) *Financial liabilities*

Initial recognition and measurement

Financial liabilities are recognised when, and only when, the Group becomes a party to the contractual provisions of the financial instrument. The Group determines the classification of its financial liabilities at initial recognition.

All financial liabilities are recognised initially at fair value plus in the case of financial liabilities not at fair value through profit or loss, directly attributable transaction costs.

Subsequent measurement

After initial recognition, financial liabilities that are not carried at fair value through profit or loss are subsequently measured at amortised cost using the effective interest method. Gains and losses are recognised in profit or loss when the liabilities are derecognised, and through the amortisation process.

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. On derecognition, the difference between the carrying amounts and the consideration paid is recognised in profit or loss.

2.15 ***Impairment of financial assets***

The Group estimates the ECLs for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

The Group's estimation varies with respect to its various types of financial assets as follows:

Pawnshop loans and interest receivables on pawnshop loans

The Group uses the general approach and estimates for lifetime ECLs on the financial assets. ECLs are based on the difference between the contractual cash flows due in accordance with the contractual terms of the pawn tickets and all the cash flows that the Group expects to receive from the sale of collateral held or other credit enhancements that are integral to the contractual terms of the pawn tickets.

The Group considers the financial assets in default upon forfeiture of the collateral to the Group. When such default occurs, the Group has no reasonable expectations of recovering the interest receivable portion of the financial assets. Therefore, the Group writes off the interest receivable portion of the financial assets.

2. Summary of significant accounting policies (continued)

2.15 ***Impairment of financial assets (continued)***

Secured lending receivables

The Group uses the general approach and estimates for 12-months expected credit losses when there is no indication of significant deterioration in credit risk. When a significant increase in credit risk has occurred, the Group estimates the lifetime ECLs for such financial assets.

Debt investment securities

ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECLs). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is recognised for credit losses expected over the remaining life of the exposure, irrespective of timing of the default (a lifetime ECLs).

For debt instruments at FVOCI, the Group applies the low credit risk simplification. At every reporting date, the Group evaluates whether the debt instrument is considered to have low credit risk using all reasonable and supportable information that is available without undue cost or effort. In making that evaluation, the Group reassesses the external credit rating of the debt instrument.

Due from subsidiaries (non-trade), due from a related company (non-trade), due from a joint venture (non-trade)

The Group uses the general approach and estimates for 12-months expected credit losses when there is no indication of significant deterioration in credit risk based on the financial performance of its related entities. When a significant increase in credit risk has occurred, the Group estimates the lifetime ECLs for such financial assets.

2.16 ***Cash and cash equivalents***

Cash and cash equivalents comprise cash at banks including fixed deposits and cash on hand.

2.17 ***Inventories***

Inventories are stated at the lower of cost and net realisable value. Cost is determined by applying the specific identification method.

Where necessary, allowance is provided for damaged, obsolete and slow moving items to adjust the carrying value of inventories to the lower of cost and net realisable value.

Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

2.18 ***Provisions***

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of economic resources embodying economic benefits will be required to settle the obligation and the amount of the obligation can be estimated reliably.

Provisions are reviewed at the end of each financial year and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of economic resources will be required to settle the obligation, the provision is reversed. If the effect of the time value of money is material, provisions are discounted using a current pre tax rate that reflects, where appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

2. Summary of significant accounting policies (continued)

2.19 ***Government grants***

Government grants are recognised when there is reasonable assurance that the grant will be received and all attaching conditions will be complied with. When government grant relates to an expense item, it is recognised as income on a systematic basis over the periods that the related costs, for which it is intended to compensate, are expensed. Grant relating to income are presented as part of profit or loss under "Other income".

2.20 ***Financial guarantees***

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payment when due in accordance with the terms of a debt instrument.

Financial guarantees are recognised initially as a liability at fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee. Subsequent to initial recognition, financial guarantees are measured at the higher of the amount of expected credit loss determined in accordance with the policy set out in Note 2.15 and the amount initially recognised less, when appropriate, the cumulative amount of income recognised over the period of the guarantee.

2.21 ***Borrowing costs***

Borrowing costs are capitalised as part of the cost of a qualifying asset if they are directly attributable to the acquisition, construction or production of that asset. Capitalisation of borrowing costs commences when the activities to prepare the asset for its intended use or sale are in progress and the expenditures and borrowing costs are incurred. Borrowing costs are capitalised until the assets are substantially completed for their intended use or sale. All other borrowing costs are expensed in the period they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

2.22 ***Employee benefits***

(a) *Defined contribution plans*

The Group participates in the national pension schemes as defined by the laws of the countries in which it has operations. In particular, the Singapore companies in the Group make contributions to the Central Provident Fund scheme in Singapore, a defined contribution pension scheme. Contributions to defined contribution pension schemes are recognised as an expense in the period in which the related service is performed.

(b) *Employee leave entitlement*

Employees' entitlement to annual leave is recognised as a liability when they are accrued to the employees. The undiscounted liability for leave expected to be settled wholly before twelve months after the end of the financial year is recognised for services rendered by employees up to the end of the financial year.

(c) *Employee share award plan*

The immediate holding company's shares can be awarded to certain employees and directors of the Group. Share award expense is recognised as an expense in the same period in which the related service is performed. The fair value of the share award expense is determined based on the market value of the shares at the distribution dates.

2.23 ***Leases***

The Group assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Group as a lessee

The Group applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Group recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

2. Summary of significant accounting policies (continued)

2.23 ***Leases (continued)***

Group as a lessee (continued)

(a) *Right-of-use assets*

The Group recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets, as follows:

Retail stores – 2 to 10 years

If ownership of the leased asset transfers to the Group at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

The right-of-use assets are also subject to impairment. The accounting policy for impairment is disclosed in Note 2.10.

(b) *Lease liabilities*

At the commencement date of the lease, the Group recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating the lease, if the lease term reflects the Group exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Group uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

(c) *Short-term leases and leases of low-value assets*

The Group applies the short-term lease recognition exemption to its short-term leases of retail stores (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). Lease payments on short-term leases are recognised as expense on a straight-line basis over the lease term.

Group as a lessor

Leases in which the Group does not transfer substantially all the risks and rewards incidental to ownership of an asset are classified as operating leases. Rental income arising from operating lease is accounted for on a straight-line basis over the lease terms and is included in the consolidated statement of comprehensive income due to its operating nature. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as rental income in the period in which they are earned.

2. Summary of significant accounting policies (continued)

2.24 ***Revenue***

Revenue is measured based on the consideration to which the Group expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third parties.

Revenue is recognised when the Group satisfies a performance obligation by transferring a promised good or service to the customer, which is when the customer obtains control of the good or service. A performance obligation may be satisfied at a point in time or over time. The amount of revenue recognised is the amount allocated to the satisfied performance obligation.

(a) *Sale of goods*

Revenue from sale of jewellery and branded merchandise is recognised upon satisfaction of identified performance obligation, which generally coincides with delivery and acceptance of promised goods sold, net of discounts, returns and applicable goods and services tax. Revenue is not recognised to the extent where there are significant uncertainties regarding recovery of the consideration due, associated costs or the possible return of goods.

(b) *Interest income*

Interest income is recognised using the effective interest method.

(c) *Rental income from operating leases*

Rental income is accounted for on a straight-line basis over the lease terms. The aggregate costs of incentives provided to lessees are recognised as a reduction of rental income over the lease term on a straight-line basis.

(d) *Distribution income*

Distribution income are recognised when the Group's right to receive payment is established.

2.25 ***Taxes***

(a) *Current income tax*

Current income tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authority. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted at the end of the financial year, in Singapore where the Group operates and generates taxable income.

Current income taxes are recognised in profit or loss except to the extent that the tax relates to items recognised outside profit or loss, either in other comprehensive income or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

(b) *Deferred tax*

Deferred tax is provided using the liability method on temporary differences at the end of the financial year between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liabilities are recognised for all taxable temporary differences, except:

- Where the deferred tax liability arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and

- In respect of taxable temporary differences associated with investments in subsidiaries, where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

2. Summary of significant accounting policies (continued)

2.25 ***Taxes (continued)***

(b) *Deferred tax (continued)*

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised except:

- Where the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and

- In respect of deductible temporary differences associated with investments in subsidiaries, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at the end of each financial year and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are reassessed at the end of each financial year and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted at the end of each financial year.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss. Deferred tax items are recognised in correlation to the underlying transaction either in other comprehensive income or directly in equity.

(c) *Sales tax*

Revenues, expenses and assets are recognised net of the amount of sales tax except:

- Where the sales tax incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case the sales tax is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable; and

- Receivables and payables that are stated with the amount of sales tax included.

2.26 ***Share capital and share issuance expenses***

Proceeds from issuance of ordinary shares are recognised as share capital in equity. Incremental costs directly attributable to the issuance of ordinary shares are deducted against share capital.

2.27 ***Treasury shares***

The Group's own equity instruments, which are reacquired (treasury shares) are recognised at cost and deducted from equity. No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of the Group's own equity instruments. Any difference between the carrying amount of treasury shares and the consideration received, if reissued, is recognised directly in equity. Voting rights related to treasury shares are nullified for the Group and no dividends are allocated to them respectively.

2. Summary of significant accounting policies (continued)

2.28 ***Contingencies***

A contingent liability is:

(a) a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group; or

(b) a present obligation that arises from past events but is not recognised because:

(i) It is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or

(ii) The amount of the obligation cannot be measured with sufficient reliability.

A contingent asset is a possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group.

Contingent liabilities and assets are not recognised on the statement of financial position of the Group.

3. Significant accounting judgments and estimates

The preparation of the Group's consolidated financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities at the end of each financial year. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of the asset or liability affected in the future periods.

3.1 ***Judgments made in applying accounting policies***

In the process of applying the Group's accounting policies, is of the opinion that there is no significant judgement made in applying accounting policies.

3.2 ***Key sources of estimation uncertainty***

The key assumptions concerning the future and other key sources of estimation uncertainty at the end of the financial year are discussed below. The Group based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising beyond the control of the Group. Such changes are reflected in the assumptions when they occur.

(a) *Allowance for expected credit losses on pawnshop loans and interest receivables on pawnshop loans*

The Group uses a provision matrix to estimate the allowance for ECLs on pawnshop loans and interest receivables on pawnshop loans. The Group has estimated the probability of default being the forfeiture of the customers' pledges based on historical non-redemption data of individual pawnshop outlets. The Group has estimated the loss given default based on the expected realisable value of the customers' pledges. Significant judgement and estimation is involved in using the historical non-redemption data to derive the probability of default well as considering any forward-looking economic information. The Group's historical credit loss experience and forecast of economic conditions may also not be representative of customer's actual default in the future. The carrying amount of the Group's trade receivables which includes the pawnshop loans and interest receivables on pawnshop loans at the end of the financial year is disclosed in Note 18 to the financial statements.

(b) *Allowance for inventory obsolescence*

The Group periodically assesses the allowance for inventory obsolescence. When inventories are deemed obsolete or when the net realisable value falls below cost, the amount of obsolete inventories or fall in value is recognised as an impairment against the inventory balance. To determine whether there is objective evidence of impairment, the Group estimates future demand for the product. Any possible changes in these estimates could result in revision to the valuation of inventory. The carrying amount of the Group's inventories at the end of the financial year is disclosed in Note 17 to the financial statements.

4. Revenue

	Group 2020	Group 2019
	$'000	$'000
Recognised at a point in time		
Sale of jewellery and branded merchandise	217,941	167,314
Recognised over time		
Interest income from pawnbroking services	41,997	43,224
Interest income and distribution income from secured lending	2,883	7,940
	262,821	218,478

5. Employee benefits expenses

	Group 2020	Group 2019
	$'000	$'000
Employee benefits expenses:		
- Salaries and bonuses	19,941	17,786
- Central Provident Fund contributions	2,250	2,193
	22,191	19,979

6. Finance costs

	Note	Group 2020	Group 2019
		$'000	$'000
Interest expense on:			
- Short-term bank borrowings		4,994	7,373
- Term loans		1,232	578
- Term notes		3,609	4,058
- Advances from immediate holding company	26	13	118
- Lease liabilities	24(b)	1,023	816
		10,871	12,943
Amortisation of prepaid commitment fee		344	409
Amortisation of premium on term notes		(16)	(57)
		11,199	13,295

7. Other income

	Group	
	2020	**2019**
	$'000	$'000
Net foreign exchange gain	1,068	573
Jobs Support Scheme grant income	2,789	–
COVID-19-related rent concessions	3,159	–
Foreign worker levy rebate	250	–
Gain on forfeited customer advances	325	72
Property tax rebates and government cash grant	401	–
Gain on derecognition of right-of-use assets	6	–
Net gain on disposal of investment securities	1	–
Other government grants and miscellaneous income	676	245
	8,675	890

Jobs Support Scheme

The Jobs Support Scheme ("**JSS**") was introduced to provide wage support to employers to retain local employees during the period of economic uncertainty. Under the JSS, the Government co-funds the first $4,600 of gross monthly wages paid to each local employee.

Foreign worker levy rebate

Under the foreign worker levy rebate and waiver, foreign worker levy due in April 2020 were waived, and companies received a rebate of $750 in that month for each work permit or S-Pass holder, from levies paid for the month.

Property tax rebate and government cash grant

As part of the COVID-19 (Temporary Measures) Act, the Group received property tax rebates and government cash grant for its qualifying non-residential properties for the period from 1 January 2020 to 31 December 2020 of up to 100% on their property tax payable for the calendar year 2020. Government cash grant is provided based on 0.8 months annual value of the Annual Value of the properties for Year 2020. Owners of the qualifying properties are required to unconditionally and fully pass on to their tenants the property tax rebate that is attributable to the rented property based on the period it was rented out.

COVID-19-related rent concessions

The Group received rent concessions as part of the COVID-19 support under the Rental Relief Framework, which provides for mandated equitable co-sharing of rental obligations between the Government, landlords and tenants.

The Rental Relief Framework requires qualifying property owners which have received support via a government cash grant to in turn provide the necessary rental relief to their eligible Small and Medium Enterprises ("**SMEs**") and specified Non-Profit Organisations tenant-occupiers of the prescribed properties.

During the financial year ended 31 December 2020, the Group recognised COVID-19-related rent concessions to which the Group applied the practical expedient as disclosed in Note 2.2.

8. Profit before tax

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

	Note	Group 2020	Group 2019
		$'000	$'000
Audit fees:			
- Auditor of the Company		314	304
- Other auditors		–	30
Non-audit fees:			
- Auditor of the Company		67	67
- Other auditors		21	19
Amortisation of prepaid rent		3	4
Depreciation of property, plant and equipment	11	2,935	2,370
Depreciation of right-of-use assets	24(a)	10,663	9,181
Lease expense not capitalised in lease liabilities:		1,764	2,399
- Expense relating to short-term leases	24(c)	1,649	2,277
- Variable lease payments	24(c)	115	122
Loss on disposal of property, plant and equipment		119	222
Net loss on disposal of investment securities		–	240
Net fair value loss on derivatives		627	456
Interest receivables on pawnshop loans written off	18	2,913	3,946
Write-down of inventories	17	536	100
Financial losses on pledged items not fully covered by insurance		133	32
Branding and marketing related costs		971	1,911

9. Income tax (credit)/expense

(a) ***Major components of income tax (credit)/expense***

The major components of income tax (credit)/expense for the years ended 31 December 2020 and 2019 are:

	Group 2020	Group 2019
	$'000	$'000
Consolidated statement of comprehensive income:		
Current income tax		
Current income taxation	4,464	3,028
Over provision in respect of previous years	(507)	(11)
	3,957	3,017
Deferred income tax		
Origination and reversal of temporary differences	100	(100)
(Over)/under provision in respect of previous years	(4,194)	86
	(4,094)	(14)
Income tax (credit)/expense recognised in profit or loss	(137)	3,003

9. Income tax (credit)/expense (continued)

(a) ***Major components of income tax (credit)/expense (continued)***

	Group	
	2020	**2019**
	$'000	$'000
Deferred tax (credit)/expense related to other comprehensive income		
Net loss on fair value changes on equity instruments	(2)	356
Net loss on fair value changes on debt instruments	(10)	(87)
	(12)	269

(b) ***Relationship between tax (credit)/expense and profit before tax***

The reconciliations between tax (credit)/expense and the product of profit before tax multiplied by the applicable corporate tax rate for the years ended 31 December 2020 and 2019 are as follows:

	Group	
	2020	**2019**
	$'000	$'000
Profit before tax	29,252	17,939
Tax calculated at a tax rate of 17% (2019: 17%)	4,973	3,050
Adjustments:		
Expenses not deductible for tax purposes	1,021	714
Income not subject to tax	(1,180)	(48)
Effect of partial tax exemption and tax relief	(279)	(262)
(Over)/under provision in respect of previous years	(4,702)	75
Benefits from previously unrecognised tax losses	–	(450)
Disposal of equity instruments carried at FVOCI, not recycled to profit or loss	–	(59)
Others	30	(17)
Income tax (credit)/expense recognised in profit or loss	(137)	3,003

(c) ***Deferred income tax***

	Group		Company	
	2020	**2019**	**2020**	**2019**
	$'000	$'000	$'000	$'000
Balance at 1 January	62	428	7	–
Credited/(charged) to profit or loss	3,632	(97)	–	7
Credited/(charged) to other comprehensive income	12	(269)	–	–
Balance at 31 December	3,706	62	7	7

9. Income tax (credit)/expense (continued)

(c) ***Deferred income tax (continued)***

Deferred income tax prior to offsetting of balances within the same tax jurisdiction as at 31 December relates to the following:

	Group		Company	
	2020	**2019**	**2020**	**2019**
	$'000	$'000	$'000	$'000
Deferred tax liabilities/(assets)				
Difference in depreciation	360	372	7	19
Leases	(57)	–	–	–
Provisions	(129)	(70)	–	(12)
Unutilised tax losses and allowances	(3,774)	(278)	–	–
Fair value change of debt instruments in FVOCI	(97)	(88)	–	–
Fair value change of equity instruments in FVOCI	(1)	2	–	–
Others	(8)	–	–	–
	(3,706)	(62)	7	7

Deferred tax assets and liabilities are offset when there is legally enforceable right to offset current income tax assets and current income tax liabilities and when deferred tax relate to the same fiscal authority. The amounts of deferred tax assets and liabilities determined after appropriate offsetting are as follows:

	Group		Company	
	2020	**2019**	**2020**	**2019**
	$'000	$'000	$'000	$'000
Deferred tax liabilities	267	371	7	7
Deferred tax assets	(3,973)	(433)	–	–
	(3,706)	(62)	7	7

The subsidiaries of the Group transferred tax losses of approximately $3,003,000 (2019: $653,000) to other subsidiaries within the Group and related companies under the group relief system, subject to compliance with the relevant rules and agreement of Inland Revenue Authority of Singapore.

As at 31 December 2019, the Group had approximately $18,286,000 and $7,434,000 of unutilised tax losses and unabsorbed capital which related to Maxi-Cash Retail Pte. Ltd. ("**MCR**") that were available for offset against future taxable profits of MCR for which no deferred tax asset is recognised due to uncertainty of its recoverability. The use of these balances was subject to the agreement of the tax authority and compliance with the relevant provisions of the Singapore tax legislation.

During the financial year ended 31 December 2020, MCR obtained approval from the tax authority to carry forward the unutilised tax losses and unabsorbed capital allowances, and MCR is expected to generate future taxable profits. Consequently, the Group has concluded that the deferred tax assets will be recoverable and recognised deferred tax asset. As at 31 December 2020, unutilised tax losses and unabsorbed capital allowances of the Group available for offset against future taxable profits amount to $2,199,000 and $57,000, respectively.

Tax consequences of proposed dividends

There are no income tax consequences (2019: Nil) attached to the dividends to the shareholders proposed by the Company but not recognised as a liability in the financial statements (Note 30).

10. Earnings per share

Basic earnings per share is calculated by dividing the profit for the year attributable to owners of the Company by the weighted average number of ordinary shares (excluding treasury shares) for basic earnings per share computation.

Diluted earnings per share is similar to basic earnings per share as there were no potential dilutive ordinary shares existing during the respective financial years.

The following table reflects the profit and share data used in the computation of basic and diluted earnings per share for the years ended 31 December:

	Group	
	2020	2019
Profit for the year attributable to owners of the Company used in the computation of basic and diluted earnings per share ($'000)	29,264	14,834
Weighted average number of ordinary shares (excluding treasury shares) for basic and diluted earnings per share computation	1,035,186,234	1,035,151,163
Earnings per share (cents)		
– basic and diluted	2.83	1.43

11. Property, plant and equipment

Group	Freehold properties	Leasehold properties	Renovations, electrical fittings, furniture and fittings	Air-conditioners, office and security equipment	Showroom tools and machinery	Computers	Motor vehicles	Work-in-progress	Total
	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000
Cost									
At 1 January 2019	–	17,375	6,727	2,897	621	1,441	233	871	30,165
Additions	–	–	195	269	36	61	–	1,590	2,151
Acquisition of subsidiary	15,183	14,701	–	2	–	–	–	–	29,886
Disposals	–	–	(402)	(58)	(2)	(67)	–	(123)	(652)
Transfer in/(out)	–	–	1,383	125	1	189	–	(1,698)	–
At 31 December 2019 and 1 January 2020	15,183	32,076	7,903	3,235	656	1,624	233	640	61,550
Additions	5,969	18,668	1,197	335	175	186	–	277	26,807
Disposals	–	–	(379)	(112)	(26)	(161)	–	(11)	(689)
Transfer in/(out)	–	–	132	–	–	90	–	(222)	–
Transfer to investment properties (Note 12)	(5,969)	(5,425)	–	–	–	–	–	–	(11,394)
Translation difference	–	–	39	10	–	11	–	(30)	30
At 31 December 2020	15,183	45,319	8,892	3,468	805	1,750	233	654	76,304
Accumulated depreciation									
At 1 January 2019	–	327	3,101	2,073	482	943	89	–	7,015
Depreciation charge for the year	3	362	1,267	328	69	308	33	–	2,370
Disposals	–	–	(278)	(47)	(1)	(44)	–	–	(370)
At 31 December 2019 and 1 January 2020	3	689	4,090	2,354	550	1,207	122	–	9,015
Depreciation charge for the year	23	818	1,373	347	61	280	33	–	2,935
Disposals	–	–	(294)	(89)	(17)	(151)	–	–	(551)
Transfer to investment properties (Note 12)	(14)	(570)	–	–	–	–	–	–	(584)
Translation difference	–	–	10	4	–	1	–	–	15
At 31 December 2020	12	937	5,179	2,616	594	1,337	155	–	10,830
Net carrying amount									
At 31 December 2019	15,180	31,387	3,813	881	106	417	111	640	52,535
At 31 December 2020	15,171	44,382	3,713	852	211	413	78	654	65,474

11. Property, plant and equipment (continued)

Company	Renovations, electrical fittings, furniture and fittings	Air-conditioners, office and security equipment	Showroom tools and machinery	Computers	Work-in-progress	Total
	$'000	$'000	$'000	$'000	$'000	$'000
Cost						
At 1 January 2019	188	95	5	195	42	525
Additions	–	–	–	12	–	12
At 31 December 2019 and 1 January 2020	188	95	5	207	42	537
Disposal	(188)	(80)	–	(3)	–	(271)
Transfer in/(out)	–	–	–	42	(42)	–
At 31 December 2020	–	15	5	246	–	266
Accumulated depreciation						
At 1 January 2019	159	64	5	139	–	367
Depreciation charge for the year	12	9	–	33	–	54
At 31 December 2019 and 1 January 2020	171	73	5	172	–	421
Depreciation charge for the year	4	4	–	34	–	42
Disposal	(175)	(65)	–	(2)	–	(242)
At 31 December 2020	–	12	5	204	–	221
Net carrying amount						
At 31 December 2019	17	22	–	35	42	116
At 31 December 2020	–	3	–	42	–	45

A floating charge has been placed on plant and equipment of certain subsidiaries with a carrying amount aggregating $3,099,000 (2019: $3,829,000) as security for bank borrowings (Note 22).

As at 31 December 2020, freehold properties and leasehold properties with a carrying value of $15,171,000 (2019: $15,180,000) and $44,382,000 (2019: $31,387,000) respectively are pledged to banks as security for bank borrowings (Note 22).

12. Investment properties

Investment properties held by the Group are as follows:

Description and location	Existing use	Tenure	Unexpired lease term
Maxi-Cash Property Pte. Ltd.			
40 Changi Road, Singapore	Retail	Freehold	–
Aspial Property Investment Pte. Ltd.			
709 Ang Mo Kio Avenue 8 #01-2593, Singapore	Retail	Leasehold	64 years

12. Investment properties (continued)

	Group	
	2020	2019
	$'000	$'000
Cost		
At 1 January	–	–
Transfer from property, plant and equipment (Note 11)	11,394	–
At 31 December	11,394	–
Accumulated depreciation		
At 1 January	–	–
Transfer from property, plant and equipment (Note 11)	584	–
At 31 December	584	–
Net carrying amount	10,810	–
Statement of comprehensive income:		
Rental income from investment properties/property, plant and equipment	206	–
Direct operating expenses arising from rental generating properties	54	–
Fair value for disclosure purpose only:		
Fair value as at 31 December (Note 32)	10,810	–

The Group transferred $10,810,000 of freehold and leasehold properties from Property, plant and equipment to Investment properties on 31 December 2020 due to a change in management's intention for use of the properties. The investment properties are leased to third parties under operating leases, details of which are disclosed in Note 24 to the financial statements.

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.

As at 31 December 2020, investment properties with a carrying value of $10,810,000 (2019: Nil) are pledged to banks as security for bank borrowings (Note 22).

Valuation of investment properties

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

13. Investment in subsidiaries

	Company	
	2020	2019
	$'000	$'000
Unquoted equity shares, at cost		
Balance at beginning of the year	54,242	47,928
Additions during the year	–	6,314
Balance at end of the year	54,242	54,242

13. Investment in subsidiaries (continued)

The Company had the following subsidiaries:

	Name of Company	Country of incorporation and place of business	Principal activities	Proportion (%) of ownership interest	
				2020	2019
	Held by the Company				
(a)	Maxi-Cash Group Pte. Ltd.	Singapore	Investment holding and provision of management services	100	100
(a)	Maxi-Cash Jewellery Group Pte. Ltd.	Singapore	Trading and retailing of jewellery and branded merchandise	100	100
(a)	Maxi-Cash Property Pte. Ltd.	Singapore	Real estate activities	100	100
(a)	Maxi-Cash Investment Holding Pte. Ltd.	Singapore	Investment holding	100	100
(a)	Maxi-Cash Capital Management Pte. Ltd.	Singapore	Secured lending and investment holding	100	100
(a)	Maxi-Cash International Pte. Ltd.	Singapore	Investment holding and provision of management services	100	100
(a), (e)	Maxi-Cash Retail Pte. Ltd. (previously known as Citigems Pte. Ltd.)	Singapore	Jewellery retailing	100	100
(a), (d)	Aspial Property Investment Pte. Ltd.	Singapore	Real estate activities	100	100
	Held by Maxi-Cash Group Pte. Ltd.				
(a)	Maxi-Cash (North) Pte. Ltd.	Singapore	Pawn brokerage	100	100
(a)	Maxi-Cash (East) Pte. Ltd.	Singapore	Pawn brokerage	100	100
(a)	Maxi-Cash (Central) Pte. Ltd.	Singapore	Pawn brokerage	100	100
(a)	Maxi-Cash (West) Pte. Ltd.	Singapore	Pawn brokerage	100	100
(a)	Maxi-Cash (Clementi) Pte. Ltd.	Singapore	Pawn brokerage	70	70
(a)	Maxi-Cash Capital Pte. Ltd.	Singapore	Pawn brokerage	100	100
(a)	Maxi-Cash Assets Pte. Ltd.	Singapore	Pawn brokerage	100	100
(a)	Maxi-Cash Ventures Pte. Ltd.	Singapore	Pawn brokerage	100	100
(a)	Maxi-Cash (Central 2) Pte. Ltd.	Singapore	Pawn brokerage	100	100
(a)	Maxi-Cash (East 2) Pte. Ltd.	Singapore	Pawn brokerage	100	100
(a)	Maxi-Cash (North East) Pte. Ltd.	Singapore	Pawn brokerage	100	100
(a)	Maxi-Cash (North East 2) Pte. Ltd.	Singapore	Inactive	100	100
	Held by Maxi-Cash Capital Management Pte. Ltd.				
(a)	Maxi Financial Pte. Ltd.	Singapore	Inactive	100	100
	Held by Maxi-Cash International Pte. Ltd.				
(b)	Maxi Cash (Malaysia) Sdn. Bhd.	Malaysia	Investment holding and provision of management services	100	100
(c)	Maxi-Cash (Australia) Pty. Ltd.	Australia	Investment holding and provision of management services	100	100
(b)	Maxi-Cash (Hong Kong) Co. Ltd.	Hong Kong	Investment holding and provision of management services	100	100

13. Investment in subsidiaries (continued)

The Company had the following subsidiaries (continued):

	Name of Company	Country of incorporation and place of business	Principal activities	Proportion (%) of ownership interest	
				2020	2019
	Held by Maxi Cash (Malaysia) Sdn. Bhd.				
(b)	Maxi Cash (Penang) Sdn. Bhd.	Malaysia	Inactive	90	90
(b)	Maxi Cash (Southern) Sdn. Bhd.	Malaysia	Investment holding and provision of management services	100	100
(b)	LuxeSTYLE (Malaysia) Sdn. Bhd.	Malaysia	Trading and retailing of jewellery and branded merchandise	100	100
	Held by Maxi Cash (Penang) Sdn. Bhd.				
(b)	Max Cash (George Town) Sdn. Bhd.	Malaysia	Inactive	100	100
	Held by Maxi Cash (Southern) Sdn. Bhd.				
(b)	Maxi Cash (S1) Sdn. Bhd.	Malaysia	Pawn brokerage	99	99
(b)	Maxi Cash (S2) Sdn. Bhd.	Malaysia	Pawn brokerage	99	99
(b)	Maxi Cash (S3) Sdn. Bhd.	Malaysia	Pawn brokerage	99	99
(b)	Maxi Cash (KL1) Sdn. Bhd.	Malaysia	Inactive	99	99
(b)	Maxi Cash (KL2) Sdn. Bhd.	Malaysia	Inactive	99	99
	Held by Maxi-Cash (Australia) Pty. Ltd.				
(c)	Maxi-Cash Melbourne (VIC) Pty. Ltd.	Australia	Pawn brokerage	100	100
(c)	LuxeSTYLE (Australia) Pty. Ltd.	Australia	Trading and retailing of jewellery and branded merchandise	100	100
	Held by Maxi-Cash (Hong Kong) Co. Ltd.				
(b)	Maxi-Cash (HKI) Co. Ltd.	Hong Kong	Pawn brokerage	100	100
(b)	Maxi-Cash Retail (HKI) Co. Ltd.	Hong Kong	Trading and retailing of jewellery and branded merchandise	100	100

(a) Audited by Ernst & Young LLP, Singapore

(b) Audited by a member firm of EY Global

(c) Audited by The Field Group, Melbourne

(d) Acquired during the financial year ended 31 December 2019

(e) On 1 July 2019, Maxi-Cash Retail Pte. Ltd. (previously known as Citigems Pte. Ltd.) amalgamated with Gold N Gems Pte. Ltd. pursuant to Section 215A and Section 215D of the Companies Act (Chapter 50), with Maxi-Cash Retail Pte. Ltd. surviving as the amalgamated entity.

Acquisition of Aspial Property Investment Pte. Ltd. under common control

On 31 August 2019, the Company acquired 100% equity interest in Aspial Property Investment Pte. Ltd. ("**API**") for a cash consideration of $5,314,000 from Aspial Corporation Limited ("**ACL**"). Both the Company and ACL are ultimately controlled by the same party before and after the business combination within the MLHS Holdings Group. The Company is of the view that the acquisition is in line with the Group's strategic plans to acquire an asset which has the potential for capital gain, while being utilised (or potentially utilised) for the purposes of its existing pawnbroking and retail businesses.

The above acquisition is considered to be a business combination under common control and the acquired assets and liabilities transferred have been included in the consolidated financial statements at their carrying amounts. The consolidated financial statements include the financial position and financial performance of API from the date of acquisition.

13. Investment in subsidiaries (continued)

***Acquisition of Aspial Property Investment Pte. Ltd. under common control* (continued)**

The carrying value of the assets and liabilities of API as at the acquisition date were:

	Carrying value recognised on acquisition
	$'000
Property, plant and equipment	29,886
Trade and other receivables	161
Prepayments	2
Cash and bank balances	55
	30,104
Trade and other payables	(7,884)
Interest-bearing loans	(20,796)
Provision for taxation	(23)
Total net assets at carrying value	1,401
Cash paid, representing total consideration transferred	(5,314)
Reserve on acquisition of subsidiaries	(3,913)
Effect of the acquisition of API on cash flows	
Cash paid	(5,314)
Less: Cash and cash equivalents of subsidiary acquired	55
Net cash outflow on acquisition	(5,259)

From the acquisition date, API contributed a loss of $128,000 to the Group's profit for the financial year ended 31 December 2019. If the business combination had taken place at the beginning of the year, the Group's profit for 2019 would have been reduced by approximately $391,000.

14. Investment in joint venture

The Company has 50% (2019: 50%) interest in the ownership and voting rights in Aspial Capital (Ubi) Pte. Ltd. ("**ACUPL**") amounting to cost of investment of $2,000,000 (2019: $7,000,000).

On 31 August 2020, ACUPL reduced its issued and paid-up share capital from $14,000,000 to $4,000,000 pursuant to the Article 46 of Constitution of ACUPL and Section 78B of the Companies Act (Chapter 50). Consequently, the Company received $5,000,000 from the reduction and extinguishment of issued and paid-up share capital.

ACUPL is incorporated in Singapore and is a strategic venture in the business of investment holding. The Company jointly controls ACUPL with a subsidiary of the immediate holding company under the contractual agreement which provides the Company with rights to the net assets of the joint venture and requires unanimous consent for all major decisions over the relevant activities.

Details of the joint venture are as follow:

Name of Company		**Country of incorporation and place of business**	**Principal activities**	**Proportion (%) of ownership interest**	
				2020	**2019**
(a)	Aspial Capital (Ubi) Pte. Ltd.	Singapore	Investment holding	50	50

(a) Audited by Ernst & Young LLP, Singapore

14. Investment in joint venture (continued)

The summarised financial information in respect of ACUPL based on its financial statements prepared in accordance with SFRS(I) and reconciliation with the carrying amount of the investment in the consolidated financial statements are as follows:

Summarised statement of financial position

	ACUPL	
	2020	**2019**
	$'000	$'000
Cash and cash equivalents	1,377	100
Other current assets	168	456
Current assets	1,545	556
Investment properties	49,407	51,441
Right-of-use assets	7,402	7,611
Total assets	58,354	59,608
Other payables and provisions	3,011	4,572
Other current liabilities	439	5,280
Interest-bearing loans	16,000	1,788
Lease liabilities	100	96
Current liabilities	19,550	11,736
Interest-bearing loans	28,445	27,403
Lease liabilities	7,540	7,640
Total liabilities	55,535	46,779
Net assets	2,819	12,829
Proportion of Group's ownership	50%	50%
Group's share of net assets and carrying amount of the investment	1,409	6,415

Summarised statement of comprehensive income

	ACUPL	
	2020	**2019**
	$'000	$'000
Revenue	4,650	–
Other operating expenses	(3,091)	(339)
Finance costs	(1,107)	(112)
Loss before tax	452	(451)
Income tax expense	(463)	–
Loss for the year, representing other comprehensive income	(11)	(451)
Proportion of Group's ownership	50%	50%
Group's share of results of joint venture	(6)	(226)

15. Derivative financial instruments

	Group			
	2020	2020	2019	2019
	$'000	$'000	$'000	$'000
	Contract notional amount	Assets/ (liabilities)	Contract notional amount	Assets/ (liabilities)
Forward currency contracts				
- Assets	–	–	36,174	602
- Liabilities	11,370	(25)	–	–
		(25)		602

The Group entered into foreign currency forward contracts mainly in Euro (2019: Australian Dollar and Euro), maturing within the next 12 months (2019: 12 months) to reduce its exposure to foreign currency risks from Australian Dollar and Euro receivables.

16. Investment securities

	Group	
	2020	2019
	$'000	$'000
Current:		
At fair value through other comprehensive income		
- Debt securities (quoted)	738	1,253
Add:		
Non-current:		
At fair value through other comprehensive income		
- Debt securities (quoted)	–	747
- Equity securities (quoted)	2,424	2,481
	2,424	3,228
Total financial assets measured at fair value through other comprehensive income	3,162	4,481

16. Investment securities (continued)

Investments in equity instruments designated at fair value through other comprehensive income

The fair value of each of the investments in equity instruments designated at fair value through other comprehensive income at the end of the reporting period is as follows:

	Group	
	2020	**2019**
	$'000	$'000
At fair value through other comprehensive income		
- Equity securities (quoted)		
Lippo Malls Indonesia Retail Trust	2,424	2,481

The Group elected to measure these equity securities at FVOCI due to the Group's intention to hold these equity instruments for long-term appreciation.

In the financial year ended 31 December 2020, the Group derecognised debt securities held at fair value through other comprehensive income upon their maturity for proceeds of $1,248,000 (2019: $11,954,000). The cumulative gain arising from disposal amounted to $1,000 (2019: loss of $240,000) and was recognised in profit or loss for the year.

In the financial year ended 31 December 2019, the fair value of equity instruments designated at fair value through other comprehensive income at the date of derecognition amounted to $10,941,000. The cumulative losses arising from disposal amounted to $345,000 and were transferred from fair value adjustment reserve to retained earnings. The reason for disposal is to fund new investment opportunities in secured lending. There were no additional equity instruments designated at fair value through other comprehensive income in during the financial year ended 31 December 2020.

Investment pledged as securities

A floating charge has been placed on investment securities with a carrying value of $3,162,000 (2019: $4,481,000) as security for bank borrowings (Note 22).

17. Inventories

	Group	
	2020	**2019**
	$'000	$'000
Consolidated statement of financial position:		
Finished goods, at cost or net realisable value	74,656	74,461
Consolidated statement of comprehensive income:		
Inventories recognised as an expense:		
- Material costs	179,220	139,200
- Inventories written-down	536	100

A floating charge has been placed on inventories with a carrying value of $66,923,000 (2019: $67,720,000) as security for bank borrowings (Note 22).

18. Trade and other receivables

	Note	Group 2020	Group 2019	Company 2020	Company 2019
		$'000	$'000	$'000	$'000
Trade and other receivables (current):					
Trade receivables		292,057	312,921	–	–
Other receivables		509	40	21	11
Security deposits		753	1,164	–	16
Non-refundable deposits		–	1,158	–	–
		293,319	315,283	21	27
Trade and other receivables (non-current):					
Unquoted debt securities at fair value through profit or loss		–	9,430	–	–
Security deposits		2,526	2,306	–	–
Non-refundable deposits		1,563	–	–	–
		4,089	11,736	–	–
Total trade and other receivables (current and non-current)		297,408	327,019	21	27
Add:					
Due from subsidiaries (non-trade)	19	–	–	134,494	157,473
Due from a related company (trade)	19	–	394	–	–
Due from a related company (non-trade)	19	–	67	–	–
Due from joint venture (non-trade)	19	263	–	263	–
Cash and bank balances	20	23,816	16,041	8,058	1,532
Less:					
Unquoted debt securities at fair value through profit or loss		–	(9,430)	–	–
GST receivable, net		(305)	(188)	–	–
Grant receivable		(375)	–	–	–
Non-refundable deposits		(1,563)	(1,158)	–	–
Total financial assets carried at amortised cost		319,244	332,745	142,836	159,032
Financial assets at fair value through profit or loss					
Unquoted debt securities at fair value through profit or loss		–	9,430	–	–
Derivative financial instruments	15	–	602	–	–
Due from joint venture (non-trade)	19	–	2,640	–	2,640
Total financial assets at fair value through profit or loss		–	12,672	–	2,640

Trade receivables comprise pawnshop loans, interest receivables on pawnshop loans, secured lending receivables, interest and distribution receivables on secured lending receivables and trade receivables from retail and trading of jewellery and branded merchandise.

Pawnshop loans are loans to customers extended under pawnbroking business which are interest-bearing, ranging between 1.0% to 1.5% for the first month and 1.5% for the subsequent 6 months (2019: 1.0% to 1.5% for the first month and 1.5% for the subsequent 6 months). The quantum of loans granted to customers is based on a portion of the value of the collaterals pledged to the Group.

18. Trade and other receivables (continued)

Secured lending receivables are measured at amortised cost using the effective interest rate method which are interest bearing at 15% (2019: ranging between 5.0% to 22.5%) per annum and are secured by way of debenture over properties (2019: debenture over properties and collateralised real estate held by the investment trustee). These loans and receivables have remaining maturities of 7 months (2019: ranging between 1 to 6 months).

As at 31 December 2020, included in non-current financial assets held at fair value through profit or loss was an amount of Nil (2019: $9,430,000), extended through a fund which extends interest-bearing loans to borrowers and had provided a return of approximately 8% (2019: 9%) per annum. As at 31 December 2019, this financial asset was secured by way of collateralised real estate held by the fund, and had a remaining maturity of 17 months, including an option by the fund to extend the maturity by a further 12 months. The amount was fully settled during the financial year ended 31 December 2020.

Other receivables comprise mainly accrued interest receivable from investment in quoted debt securities and grant receivables.

Trade receivables from retail and trading of jewellery and branded merchandise are non-interest-bearing and are on cash or generally 30 days' terms. They are recognised at their original invoice amounts which represent their fair values on initial recognition.

Non-refundable deposits comprises deposits and stamp duties for the acquisition of properties.

A floating charge has been placed on trade and other receivables with a carrying value of $279,326,000 (2019: $287,645,000) as security for bank borrowings (Note 22).

Trade and other receivables denominated in foreign currencies are as follows:

	Group		Company	
	2020	2019	2020	2019
	$'000	$'000	$'000	$'000
United States Dollar	49	323	–	–
Australian Dollar	–	26,034	–	–
Euro	10,885	10,143	–	–

Expected credit losses

The movement in allowance for expected credit losses of trade receivables computed based on lifetime ECL are as follows:

	Group	
	2020	2019
	$'000	$'000
Movement in allowance accounts:		
At 1 January	–	–
Charge for the year	(2,913)	(3,946)
Written off	2,913	3,946
At 31 December	–	–

When customer default occurs, the Group has no reasonable expectation of recovering the interest receivable and therefore, the Group writes off the interest receivable portion of the financial assets. However, this loss is expected to be recoverable when the forfeited pledges are subsequently sold to customers under the Group's retailing and trading of jewellery and branded merchandise business segment (Note 29).

19. Due from subsidiaries (non-trade)
Due from a related company (trade)
Due from a related company (non-trade)
Due from a joint venture (non-trade)
Due to immediate holding company (non-trade)
Due to related companies (non-trade)

The amounts due from subsidiaries are non-trade related, unsecured, receivable on demand and are to be settled in cash. These amounts are interest-free except for amounts due from subsidiaries of $30,584,000 (2019: $55,974,000) which bear interest at rates ranging from 1.87% to 7.35% (2019: 3.24% to 6.39%) per annum.

The amounts due from related companies and joint venture are unsecured, interest-free, receivable on demand and are to be settled in cash.

The amount due to immediate holding company is unsecured, interest-bearing at 6.35%, repayable on demand and is to be settled in cash. The amount was fully repaid during the financial year ended 31 December 2020.

The amounts due to related companies are unsecured, interest-free, repayable on demand and are to be settled in cash.

20. Cash and bank balances

For the purpose of the consolidated statement of cash flows, cash and cash equivalents comprise the following:

	Group		Company	
	2020	**2019**	**2020**	**2019**
	$'000	$'000	$'000	$'000
Cash at banks and on hand	23,816	16,041	8,058	1,532

A floating charge has been placed on cash and bank balances with a carrying value of $5,281,000 (2019: $6,168,000) as security for bank borrowings (Note 22).

Cash and bank balances denominated in foreign currency are as follows:

	Group		Company	
	2020	**2019**	**2020**	**2019**
	$'000	$'000	$'000	$'000
Australian Dollar	22	114	–	–

21. Trade and other payables

	Note	Group 2020	Group 2019	Company 2020	Company 2019
		$'000	$'000	$'000	$'000
Trade and other payables (current):					
Trade payables		874	540	271	42
Other payables		877	1,109	47	55
Accrued operating expenses					
- Payroll related		3,972	3,355	715	940
- Others		2,702	3,560	1,679	2,129
Deposits received		4,328	2,194	–	–
		12,753	10,758	2,712	3,166
Other payables (non-current):					
Other payables		68	109	–	–
Total trade and other payables (current and non-current)		12,821	10,867	2,712	3,166
Add:					
Due to immediate holding company (non-trade)		–	2,696	–	–
Due to related companies (non-trade)		84	764	26	–
Interest-bearing loans	22	265,520	249,682	–	–
Term notes	23	45,250	75,500	45,250	75,500
Lease liabilities	24(b)	34,941	34,483	–	–
Less:					
Accrued operating expenses					
- Payroll related		(130)	(313)	(4)	(72)
- Provision for reinstatement cost		(353)	(353)	(4)	(4)
- GST payable, net		(714)	(498)	(271)	(42)
- Deferred grant income		(596)	–	–	–
- Others		–	(16)	–	(16)
Total financial liabilities carried at amortised cost		356,823	372,812	47,709	78,532

Trade and other payables are unsecured, non-interest bearing and repayment is based on agreed payment terms and conditions.

Trade and other payables denominated in foreign currencies are as follows:

	Group 2020	Group 2019	Company 2020	Company 2019
	$'000	$'000	$'000	$'000
Hong Kong Dollar	10	3	–	–
Australian Dollar	–	188	–	–
United States Dollar	–	78	–	29

22. Interest-bearing loans

	Note	Group 2020	Group 2019	Company 2020	Company 2019
		$'000	$'000	$'000	$'000
Secured borrowings					
Current					
Short-term bank borrowings		196,379	216,602	–	–
Term loans		3,738	1,528	–	–
		200,117	218,130	–	–
Non-current					
Term loans		65,403	31,552	–	–
		265,520	249,682	–	–
Add:					
Term notes	23	45,250	75,500	45,250	75,500
Total loans and borrowings		310,770	325,182	45,250	75,500

(a) ***Details of securities granted for the secured borrowings are as follows:***

Short-term bank borrowings of $192,231,000 (2019: $216,602,000) are secured by way of a fixed and floating charge on all assets of certain subsidiaries and corporate guarantee by the Company.

Short-term bank borrowings of $4,148,000 (2019: Nil) are secured by way of by way of legal mortgage over the freehold and leasehold properties (Note 11) and investment properties (Note 12) and corporate guarantee by the Company.

Term loans of $54,224,000 (2019: $33,080,000) bear interest at rates ranging from 1.60% to 2.40% (2019: 2.08% to 4.40%) per annum, are secured by way of legal mortgage over the freehold and leasehold properties (Note 11) and investment properties (Note 12) and corporate guarantee by the Company and/or the immediate holding Company. These loans are repayable in instalments and are expected to be fully repaid between years 2032 to 2041 (2019: 2032 to 2041).

Term loans of $14,917,000 (2019: Nil) bear interest at rates of 2.00% (2019: Nil) per annum and are secured by way of corporate guarantee by the Company. These loans are repayable in instalments and are expected to be fully repaid by 2025. (2019: Nil).

(b) ***Effective interest rate***

Weighted average effective interest rates per annum of total borrowings at the end of the financial year are as follows:

	Group 2020	Group 2019
Short-term bank borrowings	2.36%	3.37%
Term loans	2.68%	3.04%

23. Term notes

			Aggregate principal amount outstanding			
			Group		Company	
Date issued	Interest rate	Maturity dates	2020	2019	2020	2019
	%		$'000	$'000	$'000	$'000
Current						
27 April 2017	5.50	27 April 2020	–	5,500	–	5,500
9 October 2017	5.50	27 April 2020	–	20,000	–	20,000
			–	25,500	–	25,500
Non-current						
22 July 2019	6.35	22 July 2022	45,250	50,000	45,250	50,000
Total term notes			45,250	75,500	45,250	75,500

In 2017, the Company established a Multicurrency Medium Term Note programme ("**MTN Programme**"), under which the Company may issue notes from time to time. As at 31 December 2020, unsecured term notes issued by the Company under the MTN Programme amounted to $45,250,000 (2019: $75,500,000) at Group level.

As at 1 January 2019, 5.50% term notes issued due 2020 amounting to $69,000,000 as $1,000,000 term notes were purchased and held by a subsidiary of the Group. During the year, an additional $3,000,000 of term notes were purchased by the subsidiary. Subsequently, the Company purchased $4,000,000 of term notes from its subsidiary.

On 1 July 2019, the Company issued an updated Information Memorandum in relation to the MTN Programme. On the same day, the Company issued a Notice of Tender and Exchange Offer Exercise to note holders on the Series 001 notes.

Upon completion of the Tender Offer, $14,000,000 principal amount of its Series 001 notes were offered for sale and accepted by the Company. $26,500,000 principal amount of Series 001 notes were offered for exchange for Series 002 New Notes. Following the cancellation of Tender Offer notes, the aggregate outstanding Series 001 notes is $25,500,000. In addition to the $26,500,000 principal amount of Exchange Offer Notes, the Company received interest from investors for additional notes (Series 002) of $23,500,000. The Company issued $50,000,000 6.35% term notes due 2022 on 22 July 2019. As at 31 December 2019, outstanding 5.50% term notes (Series 001) due 2020 issued in 2017, amounted to $25,500,000, and 6.35% term notes (Series 002) due 2022 issued in 2019, amounted to $50,000,000.

In April 2020, the Company fully redeemed $25,500,000 of 5.5% term notes (Series 001) due on 27 April 2020. The Company redeemed $1,000,000 and $3,750,000 of 6.35% term notes (Series 002) in September 2020 and December 2020 respectively. As at 31 December 2020, the Group has $45,250,000 of 6.35% term notes (Series 002) outstanding due 2022.

Unless previously redeemed or purchased and cancelled, the term notes are redeemable at the principal amounts on the maturity date and interest is payable semi-annually.

A reconciliation of liabilities arising from financing activities is as follows:

			Non-cash changes		
	1 January 2020	Cash flows	Amortisation of premium on term notes	Gain on purchase of term notes	31 December 2020
	$'000	$'000	$'000	$'000	$'000
Trade and other payables – premium on term notes	16	–	(16)	–	–
Term notes	75,500	(30,236)	–	(14)	45,250
Short-term bank borrowings	216,602	(20,223)	–	–	196,379
Term loans	33,080	36,061	–	–	69,141
Total	325,198	(14,398)	(16)	(14)	310,770

23. Term notes (continued)

A reconciliation of liabilities arising from financing activities is as follows (continued):

				Non-cash changes		
	1 January 2019	**Cash flows**	**Changes arising from obtaining control of a subsidiary**	**Amortisation of premium on term notes**	**Gain on purchase of term notes**	**31 December 2019**
	$'000	$'000	$'000	$'000	$'000	$'000
Trade and other payables – premium on term notes	73	–	–	(57)	–	16
Term notes	69,000	6,512	–	–	(12)	75,500
Short-term bank borrowings	222,180	(5,578)	–	–	–	216,602
Term loans	13,132	(848)	20,796	–	–	33,080
Total	304,385	86	20,796	(57)	(12)	325,198

24. Leases

Group as a lessee

The Group has lease contracts for retail stores used in its operations. Leases of retail stores generally have lease terms between 2 and 7 years and one of the retail stores with a lease term of 10 years. The Group's obligations under its leases are secured by the lessor's title to the leased assets. There are several lease contracts that include extension and termination options and variable lease payments, which are further discussed below.

The Group also has certain leases of retail stores with lease terms of 12 months or less. The Group applies the 'short-term lease' recognition exemption for these leases.

(a) *Carrying amounts of right-of-use assets*

Set out below are the carrying amounts of right-of-use assets recognised and the movements during the period:

	Group	
	Retail stores	
	2020	**2019**
	$'000	$'000
As at 1 January	33,987	21,645
Additions	5,778	22,928
Depreciation	(10,663)	(9,181)
Changes arising from obtaining control of a subsidiary	–	(1,405)
Modification	5,736	–
Termination	(1,074)	–
Translation difference	282	–
As at 31 December	34,046	33,987

24. Leases (continued)

Group as a lessee (continued)

(b) *Lease liabilities*

Set out below are the carrying amounts of lease liabilities and the movements during the period:

	Group	
	2020	**2019**
	$'000	$'000
As at 1 January	34,483	21,645
Additions	5,778	22,928
Accretion of interest	1,023	816
Payments	(11,295)	(9,501)
Changes arising from obtaining control of a subsidiary	–	(1,405)
Modification	5,736	–
Termination	(1,080)	–
Translation difference	296	–
As at 31 December	34,941	34,483
Current portion	9,725	8,245
Non-current portion	25,216	26,238
	34,941	34,483

The maturity analysis of lease liabilities is disclosed in Note 31.

(c) *Amounts recognised in profit or loss*

The following are the amounts recognised in profit or loss:

		Group	
	Note	**2020**	**2019**
		$'000	$'000
Depreciation of right-of-use assets		10,663	9,181
Interest expense on lease liabilities	6	1,023	816
Lease expenses relating to short-term leases (included in other operating expenses)	8	1,649	2,277
Variable lease payments (included in other operating expenses)			
- Contingent rent	8	115	122
- COVID-19-related rent concessions	7	(3,159)	–
Total amount recognised in profit or loss		10,291	12,396

(d) *Total cash outflow*

The Group had total cash outflows for leases of $9,900,000 (2019: $11,900,000) in 2020.

(e) *Extension options*

The Group has several lease contracts that include extension and termination options. These options are negotiated by management to provide flexibility in managing the leased-asset portfolio and align with the Group's business needs.

24. Leases (continued)

Group as a lessor

The Group has entered into commercial property subleases of its existing lease agreements. These non-cancellable leases have remaining lease terms of less than three years.

Rental income recognised by the Group during the year is $649,000 (2019: $323,000).

Future minimum rentals receivable under non-cancellable operating leases contracted for as at 31 December are as follows:

	Group	
	2020	**2019**
	$'000	$'000
Not later than one year	715	633
Later than one year but not later than five years	278	409
	993	1,042

25. Share capital, treasury shares and other reserves

(a) ***Share capital***

	Group and Company			
	2020		**2019**	
	No. of shares	$'000	No. of shares	$'000
Issued and fully paid ordinary shares:				
Balance at 1 January and 31 December	1,035,252,356	137,286	1,035,252,356	137,286

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

(b) ***Treasury shares***

	Group and Company			
	2020		**2019**	
	No. of shares	$'000	No. of shares	$'000
At 1 January	66,122	9	96,300	15
Share buyback through open market (1)	–	–	911,000	117
Treasury shares reissued pursuant to Maxi-Cash Performance Share Plan (2)	–	–	(941,178)	(123)
Balance at 31 December	66,122	9	66,122	9

(1) On 22 August 2019, 23 August 2019 and 26 August 2019, the Company purchased an aggregate of 911,000 shares, which are held as treasury shares.

(2) On 30 August 2019, the Company issued 941,178 treasury shares to eligible employees under the Maxi-Cash Performance Share Plan.

25. Share capital, treasury shares and other reserves (continued)

(c) ***Other reserves***

	Group		Company	
	2020	**2019**	**2020**	**2019**
	$'000	$'000	$'000	$'000
Fair value adjustment reserve	(483)	(424)	–	–
Loss on reissuance of treasury shares	(26)	(26)	(26)	(26)
Foreign currency translation reserve	(120)	17	–	–
Reserve on acquisition of subsidiaries	(5,414)	(5,414)	–	–
Change in ownership interest in subsidiary without a change in control	(23)	(23)	–	–
	(6,066)	(5,870)	(26)	(26)

Fair value adjustment reserve

Fair value adjustment reserve represents the cumulative fair value changes, net of tax, of financial assets until they are disposed of or impaired.

Loss on reissuance of treasury shares

This represents the loss arising from purchase, sale, issue or cancellation of treasury shares.

Foreign currency translation reserve

The foreign currency translation reserve represents exchange differences arising from the translation of the financial statements of foreign operations whose functional currencies are different from that of the Group's presentation currency.

Reserve on acquisition of subsidiaries

This represents reserve on acquisition of subsidiaries under common control from ACL Group. $3,913,000 of the reserve relates to the acquisition of Aspial Property Investment Pte. Ltd. in 2019 and $1,501,000 of the reserve relates to the acquisition of Maxi-Cash Retail Pte. Ltd. (previously known as Citigems Pte. Ltd.) in 2018.

26. 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:

	Note	Group 2020	Group 2019
		$'000	$'000
Purchases from a related company		528	2,530
Sales to a related company		(1,576)	(6,470)
Corporate services charged by immediate holding company		2,577	1,425
Rental charged from a related company		–	558
Rental charged from a director related company		38	608
Rental charged from a joint venture		1,891	–
Interest expense on advances from immediate holding company	6	13	118
Acquisition of Aspial Property Investment Pte. Ltd. from immediate holding company	13	–	5,314
Acquisition of properties from a director related company		23,700	–
Bad debt recovered from immediate holding company		–	(141)

(b) *Compensation of key management personnel*

	Group 2020	Group 2019
	$'000	$'000
Short-term employee benefits	1,935	2,044
Central Provident Fund contributions	90	89
Total compensation paid to key management personnel	2,025	2,133
Comprise amounts paid to:		
Directors of the Company	1,147	1,224
Other key management personnel	878	909
	2,025	2,133

27. Commitments

Capital commitments

Capital expenditure contracted for but not recognised in the financial statements are as follows:

	Group 2020	Group 2019
	$'000	$'000
Capital commitments of a subsidiary in respect of acquisition of commercial properties	20,710	22,515

As at 31 December 2019, the Group has capital commitments of $22,515,000 in respect of acquisition of properties from 8G Investment Pte. Ltd., a director-related company. The transaction was completed on 23 January 2020.

As at 31 December 2020, the Group has capital commitments of $20,710,000 in respect of acquisition of three properties from external parties. The acquisition of two properties were completed on 18 January 2021 and 3 March 2021, in which are financed by mortgage loans from banks.

28. Contingencies

Guarantees

The Company has provided guarantee to banks for loans of the joint venture, to the extent of its interest, amounting to $22,222,000 (2019: $14,596,000) at the end of the financial year.

The Company has provided corporate guarantees to banks for an aggregate of $261,362,000 (2019: $243,748,000) in respect of bank borrowings drawn down by certain subsidiaries (Note 22). Subsequent to the financial year end, corporate guarantee of $4,158,000 in respect of bank borrowings drawn down by a subsidiary was transferred from the immediate holding company to the Company.

29. Segmental 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 respective products and services. 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 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.

Allocation basis and transfer pricing

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 provision for taxation, deferred tax liabilities and deferred tax assets.

Transfer prices between business segments are set on an arm's length basis in a manner similar to transactions with third parties. Segment revenue, expenses and results include transfers between business segments. These transfers are eliminated on consolidation.

Capital expenditure comprises additions to property, plant and equipment.

29. Segmental information (continued)

	Pawnbroking	Money lending	Retail and trading of jewellery and branded merchandise	Others	Elimination	Note	Total
	$'000	$'000	$'000	$'000	$'000		$'000
2020							
Revenue	41,995	2,883	217,943	–	–		262,821
Inter-segment revenue	37,547	–	–	–	(37,547)	A	–
Results							
Segment results	20,630	2,485	12,436	31,032	(26,373)		40,210
Share of result of 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 tax	14,992	1,285	11,816	27,532	(26,373)	B	29,252
Segment assets	364,824	11,155	91,448	261,093	(213,387)	C	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)	D	363,935
Unallocated liabilities	–	–	–	–	–		(2)
Total liabilities							363,933
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	–	–	E	788
2019							
Revenue	43,223	7,940	167,315	–	–		218,478
Inter-segment revenue	43,237	–	24	–	(43,261)	A	–
Results							
Segment results	18,592	6,578	4,848	12,847	(12,256)		30,609
Share of result of joint venture	–	–	–	(226)	–		(226)
Interest income	37	11	–	4,695	(4,318)		425
Dividend income from equity instruments	–	–	–	426	–		426
Finance costs	(7,491)	(3,698)	(1,091)	(5,333)	4,318		(13,295)
Profit before tax	11,138	2,891	3,757	12,409	(12,256)	B	17,939
Segment assets	353,319	37,195	83,168	220,539	(178,817)	C	515,404
Investment in joint venture	–	–	–	6,415	–		6,415
Total assets							521,819
Segment liabilities	310,101	37,778	68,857	148,168	(178,962)	D	385,942
Unallocated liabilities	–	–	–	–	–		(3,016)
Total liabilities							382,926
Capital expenditure	2,026	–	112	13	–		2,151
Depreciation and amortisation	10,670	–	464	421	–		11,555
Other significant non-cash expenses	184	–	170	–	–	E	354

29. Segmental information (continued)

Notes

A Inter-segment revenues are eliminated on consolidation.

B The following items are deducted from segment profit to arrive at "profit before tax" presented in the consolidated statements of comprehensive income:

	Group	
	2020	**2019**
	$'000	$'000
Profit from inter-segment sales	(26,373)	(12,256)

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

	Group	
	2020	**2019**
	$'000	$'000
Inter-segment assets	(213,387)	(178,817)

D The following items are deducted from segment liabilities to arrive at total liabilities reported in the consolidated statements of financial position:

	Group	
	2020	**2019**
	$'000	$'000
Inter-segment liabilities	(213,559)	(178,962)

E Other non-cash expenses consist of the following items, as presented in the respective notes to the financial statements:

	Group	
	2020	**2019**
	$'000	$'000
Loss on disposal of property, plant and equipment	119	222
Write-down of inventories	536	100
Financial losses on pledged items not fully covered by insurance	133	32
	788	354

Geographical segments

Revenue and non-current assets information based on the geographical location of customers and assets respectively are as follows:

	Group			
	Revenue		Non-current assets	
	2020	**2019**	**2020**	**2019**
	$'000	$'000	$'000	$'000
Singapore	254,266	209,514	103,865	86,160
Australia	2,828	7,577	4,400	4,683
Ireland	1,821	1,308	–	–
Malaysia	1,172	79	1,808	397
Hong Kong	2,734	–	1,666	1,697
	262,821	218,478	111,739	92,937

Non-current assets information presented above comprise property, plant and equipment, investment properties, right-of-use assets and investment in joint venture as presented in the consolidated statement of financial position.

30. Dividends

	Group and Company	
	2020	2019
	$'000	$'000
Dividends on ordinary shares declared and payable/paid during the year		
Final exempt (one-tier) dividend in respect of profits for 2019: 0.35 (2018: 0.35) cent per share	3,623	3,623
Interim exempt (one-tier) dividend in respect of profits for 2020: 1.15 (2019: 1.00) cent per share based on 1,035,186,234 shares (2019: based on 1,035,186,234 shares after rights issue)	11,905	10,352
	15,528	13,975
Proposed but not recognised as a liability as at 31 December:		
Dividend on ordinary shares, subject to shareholders' approval at the Annual General Meeting:		
Final exempt (one-tier) dividend in respect of profits for 2019: 0.35 cent per share	–	3,623

On 23 February 2021, the Company has proposed an one-tier interim exempt dividend of $15,010,000 (1.45 cent per share) for the financial year ended 31 December 2020. The interim dividend was approved by the Board of Directors on 1 March 2021. The dividends were paid on 25 March 2021.

31. Financial risk management objectives and policies

The Group and the Company are exposed to financial risks arising from its operations and the use of financial instruments. The key financial risks include liquidity risk, interest rate risk, foreign currency risk and credit risk. The board of directors reviews and agrees policies and procedures for the management of these risks, which are executed by the Assistant Finance Director. The Audit Committee provides independent oversight to the effectiveness of the risk management process. It is, and has been throughout the current and previous financial year, the Group's policy that no derivatives shall be undertaken except for use as hedging instruments where appropriate and cost-efficient. The Group and the Company do not apply hedge accounting.

The following sections provide details regarding the Group's and Company's exposure to the above-mentioned financial risks and the objectives, policies and processes for the management of these risks.

(a) ***Liquidity risk***

Liquidity risk is the risk that the Group or the Company will encounter difficulty in meeting financial obligations due to shortage of funds. The Group's and the Company's exposure to liquidity risk arises primarily from mismatches of the maturities of financial assets and liabilities for its business. The Group's and the Company's objective is to maintain a balance between continuity of funding and flexibility through the use of stand-by credit facilities.

The Group and the Company monitor and maintain a level of cash and cash equivalents deemed adequate by the management to finance the Group's and the Company's operations and mitigate the effect of fluctuations in cash flows.

31. Financial risk management objectives and policies (continued)

(a) ***Liquidity risk (continued)***

Analysis of financial instruments by remaining contractual maturities

The table below summarises the maturity profile of the Group's and the Company's financial assets and liabilities at the end of the financial year based on contractual undiscounted repayment obligations.

	1 year or less	1 to 5 years	Over 5 years	Total
	$'000	$'000	$'000	$'000
Group				
2020				
Financial assets:				
Trade and other receivables	293,563	2,526	–	296,089
Due from a joint venture (non-trade)	263	–	–	263
Investment securities	738	–	2,424	3,162
Cash and bank balances	23,816	–	–	23,816
Total undiscounted financial assets	318,380	2,526	2,424	323,330
Financial liabilities:				
Trade and other payables	10,960	68	–	11,028
Due to related companies (non-trade)	84	–	–	84
Derivative financial instruments	25	–	–	25
Interest-bearing loans	201,900	28,139	49,445	279,484
Term notes	3,175	48,425	–	51,600
Lease liabilities	10,559	24,324	2,225	37,108
Total undiscounted financial liabilities	226,703	100,956	51,670	379,329
Total net undiscounted financial assets/(liabilities)	91,677	(98,430)	(49,246)	(55,999)
2019				
Financial assets:				
Trade and other receivables	315,263	11,736	–	326,999
Due from a related company (trade)	394	–	–	394
Due from a related company (non-trade)	67	–	–	67
Due from a joint venture (non-trade)	2,640	–	–	2,640
Investment securities	1,253	747	2,481	4,481
Derivative financial instruments	602	–	–	602
Cash and bank balances	16,041	–	–	16,041
Total undiscounted financial assets	336,260	12,483	2,481	351,224
Financial liabilities:				
Trade and other payables	9,652	109	–	9,761
Due to immediate holding company (non-trade)	2,696	–	–	2,696
Due to related companies (non-trade)	764	–	–	764
Interest-bearing loans	219,556	9,355	29,828	258,739
Term notes	29,235	56,350	–	85,585
Lease liabilities	9,012	23,257	4,446	36,715
Total undiscounted financial liabilities	270,915	89,071	34,274	394,260
Total net undiscounted financial assets/(liabilities)	65,345	(76,588)	(31,793)	(43,036)

31. Financial risk management objectives and policies (continued)

(a) ***Liquidity risk (continued)***

	1 year or less	1 to 5 years	Total
	$'000	$'000	$'000
Company			
2020			
Financial assets:			
Trade and other receivables	21	–	21
Due from subsidiaries (non-trade)	135,365	–	135,365
Due from a joint venture (non-trade)	263	–	263
Cash and bank balances	8,058	–	8,058
Total undiscounted financial assets	143,707	–	143,707
Financial liabilities:			
Trade and other payables	2,433	–	2,433
Term notes	3,175	48,425	51,600
Due to related companies (non-trade)	26	–	26
Total undiscounted financial liabilities	5,634	48,425	54,059
Total net undiscounted financial assets/(liabilities)	138,073	(48,425)	89,648
2019			
Financial assets:			
Trade and other receivables	27	–	27
Due from subsidiaries (non-trade)	160,366	–	160,366
Due from a joint venture (non-trade)	2,640	–	2,640
Cash and bank balances	1,532	–	1,532
Total undiscounted financial assets	164,565	–	164,565
Financial liabilities:			
Trade and other payables	3,032	–	3,023
Term notes	29,235	56,350	85,585
Total undiscounted financial liabilities	32,267	56,350	88,608
Total net undiscounted financial assets/(liabilities)	132,298	(56,350)	75,948

(b) ***Interest rate risk***

Interest rate risk is the risk that the fair value or future cash flows of the Group's and the Company's financial instruments will fluctuate because of changes in market interest rates. The Group's and the Company's exposure to interest rate risk arises primarily from its term loans. Other than the term notes which are at fixed rates, the Group's loans are at floating rates which are contractually repriced at intervals of less than 6 months from the end of the reporting period.

The Group's policy is to manage interest cost by using a mix of fixed and floating rate debts. At the end of the reporting period, term notes of $45,250,000 (2019: $75,500,000) are at fixed rates of interest.

Sensitivity analysis for interest rate risk

At the end of the reporting period, if SGD interest rates had been 50 (2019: 50) basis points lower/higher with all other variables held constant, the Group's profit net of tax would have been $225,000 (2019: $137,000) higher/lower, arising mainly as a result of lower/higher interest expense on floating rate term loans.

31. Financial risk management objectives and policies (continued)

(c) ***Foreign currency risk***

The Group's money lending business has transactional currency exposures arising from investments that are denominated in a currency other than the respective functional currencies of the Group's entities. The foreign currencies in which these transactions are denominated are mainly Australian Dollars ("**AUD**") and Euro ("**EUR**").

The Group also holds cash and bank balances denominated in foreign currencies for working capital purposes.

As disclosed in Note 15, the Group entered into forward currency contracts during the financial year to reduce its exposure to foreign currency risks on Australian Dollar and Euro.

Sensitivity analysis for foreign currency risk

The following table demonstrates the sensitivity of the Group's profit before tax to a reasonably possible change in AUD exchange rates (against SGD), with all other variables held constant.

		2020	**2019**
		Profit before tax	**Profit before tax**
		$'000	$'000
		(lower)/ higher	(lower)/ higher
AUD	- strengthened 5% (2019: 5%)	1	77
	- weakened 5% (2019: 5%)	(1)	(77)

(d) ***Credit risk***

Credit risk is the risk of loss that may arise on outstanding financial instruments should a counterparty default on its obligations. The Group's exposure to credit risk arises primarily from trade receivables and quoted debt instruments. The Group minimises credit risk by requiring collateral and/or dealing with credit worthy counterparties.

The Group considers the probability of default upon initial recognition of asset and whether there has been a significant increase in credit risk on an ongoing basis throughout each reporting period.

The Group has determined the default event on a financial asset to be when the counterparty fails to make contractual payments.

The Group considers "low risk" to be an investment grade credit rating with at least one major rating agency for those investments with credit rating. To assess whether there is a significant increase in credit risk, the company compares the risk of a default occurring on the asset as at reporting date with the risk of default as at the date of initial recognition. The Group considers available reasonable and supportive forward-looking information which includes the following indicators:

- External credit rating;
- Actual or expected significant adverse changes in business, financial or economic conditions that are expected to cause a significant change to the borrower's ability to meet its obligations;
- Actual or expected significant changes in the operating results of the borrower;
- Significant increases in credit risk on other financial instruments of the same borrower;
- Significant changes in the value of the collateral supporting the obligation or in the quality of third-party guarantees or credit enhancements; and
- Significant changes in the expected performance and behaviour of the borrower, including changes in the payment status of borrowers in the Group and changes in the operating results of the borrower.

31. Financial risk management objectives and policies (continued)

(d) ***Credit risk (continued)***

Regardless of the analysis above, a significant increase in credit risk is presumed if a debtor is past due in making contractual payment.

The Group determined that its financial assets are credit-impaired when:

- There is significant difficulty of the issuer or the borrower;
- A breach of contract, such as a default or past due event;
- It is becoming probable that the borrower will enter bankruptcy or other financial reorganisation; and
- There is a disappearance of an active market for that financial asset because of financial difficulty.

Financial assets are written off when there is no reasonable expectation of recovery. Where loans and receivables have been written off, the company continues to engage enforcement activity to attempt to recover the receivable due, where legally enforceable or practicable. Where recoveries are made, these are recognised in profit or loss.

The following are classes of financial assets that are exposed to credit risk:

Secured lending receivables (Note 18)

Secured lending receivables are secured by way of collateralised real estate held by the investment trustee. Although the collateral does not influence whether the financial instrument has a low credit risk, the expected cash flows in the assessment of net lifetime expected credit losses will include cash flows from the sale of collateral held.

Pawnshop loans (Note 18)

Collateralised nature of the pawnshop loans whereby the quantum of loans granted to customers is based on a fraction of the value of the collaterals pledged to the Group. Although the collateral does not influence whether the financial instrument has a low credit risk, the expected cash flows in the assessment of net lifetime expected credit losses will include cash flows from the sale of collateral held.

Interest receivables on pawnshop loans (Note 18)

When customer default occurs, the Group has no reasonable expectations of recovering the interest receivable and therefore, the Group writes off the interest receivable portion of the financial assets. However, this loss is expected to be recoverable when the forfeited pledges are subsequently sold to customers under the Group's retail and trading of jewellery and branded merchandise business segment (Note 29).

Pawnshop loans and interest receivables on pawnshop loans expected credit losses

The Group uses a provision matrix to estimate the allowance for expected credit losses ("**ECLs**") on pawnshop loans and interest receivables on pawnshop loans. The key inputs of the Group's ECLs model are the probability of default and loss given default. The Group has estimated the probability of default being the forfeiture of the customers' pledges based on historical non-redemption data of its pawnshop outlets. The Group has estimated the loss given default as the amount of loss exposure at default after considering the expected realisable value of the customers' pledges.

Significant judgement and estimation is involved in using the historical non-redemption data to derive the probability of default as well as considering any forward-looking economic information.

Quoted debt instruments (Note 16)

For those quoted debt instruments that are assessed to be of low credit risk and externally rated, the Group applied the low credit operational simplification and determined that no significant increase in credit risk has occurred. There is no significant impact arising from estimation of loss allowance based on 12-month probability of default and loss given default, which would result in impairment losses to be recognised in profit or loss.

For those quoted debt instruments that are assessed to be of high credit risk and externally rated, the Group applied the lifetime ECLs approach and noted that there is no significant impact arising from estimation of loss allowance as the Group does not have a significant portion of quoted debt instruments with high credit risk.

31. Financial risk management objectives and policies (continued)

(d) ***Credit risk (continued)***

Exposure to credit risk

At the end of the reporting period, the Group's and the Company's maximum exposure to credit risk is represented by the carrying amount of each class of financial assets recognised in the balance sheets.

Credit risk concentration profile

The Group determines concentrations of credit risk by monitoring significant counterparties of its trade receivables on an ongoing basis. At the end of the financial year, 100% (2019: 100%) of the Group's trade receivables in the money lending business segment were due from 3 entities (2019: 6 entities).

32. Fair value of assets and liabilities

(a) ***Fair value hierarchy***

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 in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

(b) ***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 financial year:

	Quoted prices in active markets for identical assets (Level 1)	**Significant observable inputs other than quoted prices (Level 2)**	**Significant un-observable inputs (Level 3)**	**Total**
	$'000	$'000	$'000	$'000
Group				
2020				
Financial assets				
At fair value through other comprehensive income				
- Debt securities (quoted) (Note 16)	738	–	–	738
- Equity securities (quoted) (Note 16)	2,424	–	–	2,424
	3,162	–	–	3,162
Financial liabilities				
At fair value through profit or loss				
- Forward currency contracts (Note 15)	–	(25)	–	(25)

32. Fair value of assets and liabilities (continued)

(b) ***Assets and liabilities measured at fair value*** **(continued)**

	Quoted prices in active markets for identical assets (Level 1)	Significant observable inputs other than quoted prices (Level 2)	Significant un-observable inputs (Level 3)	Total
	$'000	$'000	$'000	$'000
Group				
2019				
Financial assets				
At fair value through other comprehensive income				
- Debt securities (quoted) (Note 16)	2,000	–	–	2,000
- Equity securities (quoted) (Note 16)	2,481	–	–	2,481
At fair value through profit or loss				
- Forward currency contracts (Note 15)	–	602	–	602
- Debt securities (unquoted) (Note 18)	–	–	9,430	9,430
- Due from a joint venture (non-trade) (Note 19)	–	–	2,640	2,640
	4,481	602	12,070	17,153

There are no transfers of assets or liabilities between Levels 1, 2 and 3.

(c) ***Level 2 fair value measurements***

The following is a description of the valuation techniques and inputs used in the fair value measurement for assets and liabilities that are categorised within Level 2 of the fair value hierarchy:

Forward currency contracts

Forward currency contracts are valued using a valuation technique with market observable inputs. The most frequently applied valuation techniques include forward pricing, using present value calculations. The models incorporate various inputs including the foreign exchange spot and forward rates, and forward rate curves.

(d) ***Level 3 fair value measurements***

(i) *Information about significant unobservable inputs used in Level 3 fair value measurements*

The following table shows the information about fair value measurements using significant unobservable inputs (Level 3).

Description	Fair value at 31 December 2019	Valuation techniques	Unobservable inputs	Range of unobservable inputs
	$'000			
Recurring fair value measurements				
Unquoted debt securities at fair value through profit or loss (Note 18)	9,430	Net asset valuation	Note 1	Not applicable
Due from a joint venture (non-trade) (Note 19)	2,640	Discounted cash flow	Note 2	Not applicable

32. Fair value of assets and liabilities (continued)

(d) Level 3 fair value measurements (continued)

(i) Information about significant unobservable inputs used in Level 3 fair value measurements (continued)

Note 1 - Unquoted debt securities at fair value through profit or loss

For secured lending extended through investment in a fund, the valuation of the units in the fund is performed on a monthly or quarterly basis by an independent professional investment manager. The investment manager provides management with quarterly investment reports, quarterly distribution statements, half yearly unaudited financial statements and annual audited accounts, audited by a reputable auditor.

The valuation of the investment by the fund in debt instruments, secured by real estate, is the responsibility of the investment manager. The net asset valuation, provided on a quarterly basis, is the value that approved transfers will be based on. The valuation based on reported net asset value of the fund (which comprise mainly monetary assets) is not publicly available as it is provided by the investment manager to the investors of the fund.

Note 2 - Due from a joint venture (non-trade)

The fair value is estimated by discounting expected future cash flows at market incremental lending rate for similar types of lending, borrowing or leasing arrangements at the end of the financial year.

(ii) Movements in Level 3 assets measured at fair value

	Group			
	Unquoted debt securities		**Due from a joint venture**	
	2020	**2019**	**2020**	**2019**
	$'000	$'000	$'000	$'000
At 1 January	9,430	9,625	2,640	5,215
Purchase	–	–	–	–
Exchange differences	384	(195)	–	–
Additions	–	–	–	2,640
Settlements	(9,814)	–	(2,640)	(5,215)
At 31 December	–	9,430	–	2,640

(iii) *Valuation policies and procedures*

The Group's Assistant Finance Director oversees the Group's financial reporting valuation process and is responsible for setting and documenting the Group's valuation policies and procedures.

For all significant financial reporting valuations using valuation models and significant unobservable inputs, it is the Group's policy to engage external valuation experts who possess the relevant credentials and knowledge on the subject of valuation, valuation methodologies and SFRS(I) 13 fair value measurement guidance to perform the valuation.

For valuations performed by external valuation experts, the appropriateness of the valuation methodologies and assumptions adopted are reviewed along with the appropriateness and reliability of the inputs (including those developed internally by the Group) used in the valuations.

In selecting the appropriate valuation models and inputs to be adopted for each valuation that uses significant non-observable inputs, management has considered the reports and representations provided by the investment manager.

Significant changes in fair value measurements from period to period are evaluated for reasonableness. Key drivers of the changes are identified and assessed for reasonableness against relevant information from independent sources, or internal sources if necessary and appropriate.

32. Fair value of assets and liabilities (continued)

(e) ***Assets and liabilities not carried at fair value but for which fair value is disclosed***

The following table shows an analysis of the Group's and the Company's assets and liabilities not measured at fair value, but for which fair value is disclosed:

	Fair value measurements at the end of the financial year using		
	Quoted prices in active markets for identical assets (Level 1)	**Significant unobservable inputs (Level 3)**	**Carrying amount**
	$'000	$'000	$'000
Group			
2020			
Assets:			
Non-current:			
Deposits	–	2,474	2,526
Investment properties (Note 12)	–	10,810	10,810
Financial liabilities:			
Non-current:			
Term notes	44,175	–	45,250
2019			
Assets:			
Non-current:			
Deposits	–	2,176	2,306
Financial liabilities:			
Non-current:			
Term notes	49,668	–	50,000
Company			
2020			
Financial liabilities:			
Non-current:			
Term notes	44,175	–	45,250
2019			
Financial liabilities:			
Non-current:			
Term notes	49,668	–	50,000

32. Fair value of assets and liabilities (continued)

(e) ***Assets and liabilities not carried at fair value but for which fair value is disclosed (continued)***

Determination of fair value

Trade and other receivables

The fair values as disclosed in the table above are estimated by discounting expected future cash flows at market incremental lending rate for similar types of lending, borrowing or leasing arrangements at the end of the financial year.

Investment properties

The fair values as disclosed in the table above are determined based on valuations performed by independent valuation experts with recognised and relevant professional qualifications and with recent experience in the location and category of the properties being valued. The appropriateness of the valuation methodologies and assumptions adopted are reviewed along with the appropriateness and reliability of the inputs (including those developed internally by the Group) used in the valuations.

Term notes

The fair values as disclosed in the table above are determined directly by reference to the bid price quotation of the term notes at the end of the financial year.

(f) ***Fair value of financial instruments by classes that are not carried at fair value and whose carrying amounts are not reasonable approximation of fair value***

The fair value of financial assets and liabilities by classes that are not carried at fair value and whose carrying amounts are not reasonable approximation of fair value are as follows:

	Carrying amount 2020	Fair value 2020	Carrying amount 2019	Fair value 2019
	$'000	$'000	$'000	$'000
Group				
Financial assets:				
Non-current:				
Trade receivables				
- Deposits	2,526	2,474	2,306	2,176
Financial liabilities:				
Non-current:				
Term notes	45,250	44,175	50,000	49,668
Company				
Financial liabilities:				
Non-current:				
Term notes	45,250	44,175	50,000	49,668

33. Capital management

The primary objective of the Group's capital management is to ensure that it maintains a strong credit rating and healthy capital ratios in order to support its business and maximise shareholder value.

The Group manages its capital structure and makes adjustments to it, in light of changes in economic conditions. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. No changes were made in the objectives, policies or processes during the years ended 31 December 2020 and 2019.

The Group monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt. The Group includes within net debt, trade and other payables, due to related companies (non-trade), due to immediate holding company (non-trade), dividends payables, derivative financial instruments, interest-bearing loans, term notes and lease liabilities, less cash and bank balances. Capital refers to equity attributable to owners of the Company.

		Group	
	Note	**2020**	**2019**
		$'000	$'000
Trade and other payables	21	12,821	10,867
Due to related companies (non-trade)	19	84	764
Due to immediate holding company (non-trade)	19	–	2,696
Dividends payable		–	5,176
Derivative financial instruments	15	25	–
Interest-bearing loans	22	265,520	249,682
Term notes	23	45,250	75,500
Lease liabilities	24(b)	34,941	34,483
Less: Cash and bank balances	20	(23,816)	(16,041)
Net debt		334,825	363,127
Equity attributable to owners of the Company		151,574	138,034
Capital and net debt		486,399	501,161
Gearing ratio		68.8%	72.5%

34. Authorisation of financial statements for issue

The financial statements for the financial year ended 31 December 2020 were authorised for issue in accordance with a directors' resolution dated 26 March 2021.

ANNOUNCEMENT OF THE UNAUDITED HALF YEARLY FINANCIAL STATEMENTS OF MAXI-CASH FINANCIAL SERVICES CORPORATION LTD. AND ITS SUBSIDIARIES FOR THE FINANCIAL HALF-YEAR ENDED 30 JUNE 2021

The information set forth in this Appendix IV has been extracted and reproduced from the announcement of the unaudited first half financial statements of Maxi-Cash Financial Services Corporation Ltd. and its subsidiaries for the financial half-year ended 30 June 2021 and has not been specifically prepared for inclusion in this Information Memorandum. Investors should read the consolidated financial data in conjunction with the related notes.

MAXI-CASH FINANCIAL SERVICES CORPORATION LTD

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

UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE SIX MONTHS ENDED 30 JUNE 2021

TABLE OF CONTENTS

A. CONDENSED INTERIM CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

B. CONDENSED INTERIM STATEMENTS OF FINANCIAL POSITION

C. CONDENSED INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS

D. CONDENSED INTERIM STATEMENTS OF CHANGES IN EQUITY

E. NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

F. OTHER INFORMATION REQUIRED BY CATALIST RULE APPENDIX 7C

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

A. CONDENSED INTERIM CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

1(i) Condensed Interim Consolidated Statement of Comprehensive Income For The Six Months Ended 30 June 2021 ("1H2021")

	Group		
	1H2021 $'000	1H2020 $'000	Change %
Revenue	**111,632**	**102,800**	**9%**
Material costs	(71,326)	(64,546)	**11%**
Employee benefits expenses	(11,999)	(10,807)	**11%**
Depreciation and amortisation	(7,177)	(6,189)	**16%**
Finance costs	(4,961)	(6,294)	**-21%**
Other operating expenses	(9,407)	(9,693)	**-3%**
Interest income	23	96	**-76%**
Dividend income from equity instruments	197	99	**99%**
Rental income	616	304	**103%**
Other income	2,206	6,089	**-64%**
Share of results of joint venture	(21)	250	**n.m.**
Profit before tax	**9,783**	**12,109**	**-19%**
Income tax expense	(1,725)	(1,971)	**-12%**
Profit for the year	**8,058**	**10,138**	**-21%**
Other comprehensive income			
Items that will not be reclassified to profit or loss (net of tax):			
Net fair value changes on equity instruments at fair value through other comprehensive income as at the end of the financial period	28	(43)	**n.m.**
Items that may be reclassified subsequently to profit or loss (net of tax):			
Net fair value changes on debt instruments at fair value through other comprehensive income	7	(27)	**n.m.**
Foreign currency translation	33	(45)	**n.m.**
Other comprehensive income for the period, net of tax	**68**	**(115)**	**n.m.**
Total comprehensive income for the period	**8,126**	**10,023**	**-19%**
Profit for the year attributable to:			
Owners of the Company	8,007	10,062	**-20%**
Non-controlling interests	51	76	**-33%**
	8,058	**10,138**	**-21%**
Total comprehensive income attributable to:			
Owners of the Company	8,075	9,947	**-19%**
Non-controlling interests	51	76	**-33%**
	8,126	**10,023**	**-19%**
Earnings per ordinary share (cents)			
-Basic and diluted	**0.77**	**0.97**	**-21%**

Other information :-

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

n.m. - not meaningful

NOTES:

1a - Depreciation of fixed assets in pawnshops and retail outlets is computed on a straight-line basis over 3 to 5 years.

1b - The Group recognises all inventory, including trade-in stock and sales return stock, at the lower of cost and net realisable value.

1c - The increase in material costs in 1H2021 was generally in line with the higher revenue.

1d - Higher employee benefits expenses for 1H2021 was mainly due to increase in headcount for both local and overseas.

1e - Higher depreciation and amortisation charges in 1H2021 were mainly due to newly acquired properties and additional recognition of right-of-use assets.

1f - Lower finance costs for 1H2021 was mainly due to lower interest rate charged on bank borrowings and lower interest costs from term notes.

1g - Lower other operating expenses for 1H2021 were mainly due to lower foreign exchange loss.

1h - Lower interest income for 1H2021 was mainly due to the reduction in investment securities.

1i - Higher rental income for 1H2021 was mainly due to additional rental arising from newly acquired properties.

1j - Decrease in other income for 1H2021 was mainly due to lower rental rebates from landlords and cash grant under the job support scheme from the Government in relation to COVID-19 as compared to 1H2020.

B. CONDENSED INTERIM STATEMENTS OF FINANCIAL POSITION

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

B1. - Review of Financial Position

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

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

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

C. CONDENSED INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS

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

Cash and cash equivalents

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

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

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

C1. – Cashflow Analysis

1H2021

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

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

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

D. CONDENSED INTERIM STATEMENTS OF CHANGES IN EQUITY

	Attributable to owners of the Company				Non-controlling interests	Total
	Share capital $'000	Treasury shares $'000	Other reserves $'000	Revenue reserves $'000	$'000	$'000
Group						
Balance as at 1 January 2021	**137,286**	**(9)**	**(6,066)**	**20,363**	**1,035**	**152,609**
Profit for the period	-	-	-	8,007	51	**8,058**
Foreign currency translation	-	-	33	-	-	**33**
Net fair value changes in debt instruments at fair value though other comprehensive income ("**FVOCI**")	-	-	7	-	-	**7**
Net fair value changes in equity instruments at FVOCI	-	-	28	-	-	**28**
Dividends on ordinary shares - Cash	-	-	-	(15,010)	-	**(15,010)**
Treasury shares reissued pursuant to Maxi-Cash Performance Share Plan	-	159	4	-	-	**163**
Purchase of treasury shares	-	(209)	-	-	-	**(209)**
Balance as at 30 June 2021	**137,286**	**(59)**	**(5,994)**	**13,360**	**1,086**	**145,679**
Balance as at 1 January 2020	**137,286**	**(9)**	**(5,870)**	**6,627**	**859**	**138,893**
Profit for the period	-	-	-	10,062	76	**10,138**
Foreign currency translation	-	-	(45)	-	-	**(45)**
Net fair value changes in debt instruments at FVOCI	-	-	(27)	-	-	**(27)**
Net fair value changes in equity instruments at FVOCI	-	-	(43)	-	-	**(43)**
Dividends on ordinary shares-Cash	-	-	-	(3,623)	-	**(3,623)**
Change in ownership interests in subsidiaries without a change in control	-	-	-	-	26	**26**
Balance as at 30 June 2020	**137,286**	**(9)**	**(5,985)**	**13,066**	**961**	**145,319**
Company						
Balance as at 1 January 2021	**137,286**	**(9)**	**(26)**	**13,803**	**-**	**151,054**
Profit for the period	-	-	-	3,883	-	**3,883**
Purchase of treasury shares	-	(209)	-	-	-	**(209)**
Dividends on ordinary shares-Cash	-	-	-	(15,010)	-	**(15,010)**
Treasury shares reissued pursuant to Maxi-Cash Performance Share Plan	-	159	4	-	-	**163**
Balance as at 30 June 2021	**137,286**	**(59)**	**(22)**	**2,676**	**-**	**139,881**
Balance as at 1 January 2020	**137,286**	**(9)**	**(26)**	**2,490**	**-**	**139,741**
Profit for the period	-	-	-	1,556	-	**1,556**
Dividends on ordinary shares - Cash	-	-	-	(3,623)	-	**(3,623)**
Balance as at 30 June 2020	**137,286**	**(9)**	**(26)**	**423**	**-**	**137,674**

E. NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

E1. Corporate Information

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

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

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

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

E2. Basis of Preparation

The condensed interim financial statements for the six months ended 30 June 2021 have been prepared in accordance with SFRS(I) 1-34 *Interim Financial Reporting* issued by the Accounting Standards Council Singapore. The condensed interim financial statements do not include all the information required for a complete set of financial statements. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Group's financial position and performance of the Group since the last annual financial statements for the year ended 31 December 2020.

The accounting policies and method of computation adopted are consistent with those of the previous financial year except that in the current financial period, the Group has adopted all the new and amended standards which are relevant to the Group and are effective for annual financial periods beginning on or after 1 January 2021. The adoption of these standards did not have any material effect on the financial performance or position of the Group.

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

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

E2.1 New and amended standard adopted by the Group

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

E2.2 Use of Judgements and Estimates

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

The significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements as at and for the year ended 31 December 2020.

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

E3. Seasonal Operations

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

E4. Segment Information

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

The Group is organised into three main operating business segments, namely:
(a) Pawnbroking;
(b) Money lending; and
(c) Retail and trading of jewellery and branded merchandise.

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

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

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

E4. Segment Information

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

E5. Disaggregation of Revenue

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

E6. Related Party Transactions

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

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

E7. Financial assets and financial liabilities

Set out below is an overview of the financial assets and finacial liabilities of the Group as at 30 June 2021 and 31 December 2020:

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

* Excludes GST receivables (net), tax recoverable, grant receivable and non-refundable deposits
** Excludes GST payables (net), accrued operating expenses (provision of unutilised leave and provision for reinstatement cost), deferred revenue/income, witholding tax payable and dividend payables

E8. Taxation

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

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

E9. Dividends

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

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

E10. Net Asset Value

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

E11. Financial Assets At Fair Value Through Other Comprehensive Income

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

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

E11.1 Fair Value Measurement

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

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

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

Level 3 – Unobservable inputs for the asset or liability.

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

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

	Group 30-Jun-21			
	Quoted prices in active markets for identical assets (Level 1) S$'000	Significant observable inputs other than quoted prices (Level 2) S$'000	Significant unobservable inputs (Level 3) S$'000	Total S$'000
Assets measured at fair value				
Financial assets				
At fair value through other compresensive income				
- Debt securities (quoted)	246	-	-	246
- Equity securities (quoted)	2,457	-	-	2,457
	2,703	-	-	2,703
At fair value through profit or loss				
- Forward currency contracts	-	30	-	30
	-	30	-	30

	Group 31-Dec-20			
	Quoted prices in active markets for identical assets (Level 1) S$'000	Significant observable inputs other than quoted prices (Level 2) S$'000	Significant unobservable inputs (Level 3) S$'000	Total S$'000
Assets measured at fair value				
Financial assets				
At fair value through other compresensive income				
- Debt securities (quoted)	738	-	-	738
- Equity securities (quoted)	2,424	-	-	2,424
	3,162	-	-	3,162
Financial liabilities				
At fair value through profit or loss				
- Forward currency contracts	-	(25)	-	(25)
	-	(25)	-	(25)

E12. Property, Plant and Equipment

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

E13. Investment Properties

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

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

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

E13.1 Valuation

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

E14. Group Borrowings and Debt Securities

Amount repayable in one year or less, or on demand

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

Amount repayable after one year

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

Details of collateral

The Group's borrowings and debt securities are secured as follows:-
i) corporate guarantees by the Company; and
ii) fixed and floating charges on all assets of certain subsidiaries.

E15. Changes in Share Capital

	No. of ordinary shares (excluding treasury shares) '000	Issued and fully paid-up share capital $'000
Balance as at 1 January 2021	1,035,186	137,277
Share buyback *(Note 1)*	(1,149)	(209)
Treasury Shares reissued pursuant to Maxi-Cash Performance Share Plan *(Note 2)*	890	159
Balance as at 30 June 2021	1,034,927	137,227

Note 1 - On 09 June 2021, the Company purchased an aggregate of 1,148,500 shares, which are held as treasury shares.
Note 2 - On 25 June 2021, the Company transferred 889,500 treasury shares to eligible employees under the Maxi-Cash Performance Share Plan.

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

E16. Changes in Treasury Shares

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

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

E17. Changes in Subsidiary Holdings

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

E18. Subsequent Event

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

F. OTHER INFORMATION REQUIRED BY CATALIST RULE APPENDIX 7C

F1. Audit's Report

The condensed interim statements of financial position of Maxi-Cash Financial Services Corporation Ltd and its subsidiaries as at 30 June 2021 and the related condensed interim consolidated statement of comprehensive income, condensed interim statements of changes in equity and condensed interim consolidated statement of cash flows for the six-month period then ended and certain explanatory notes have not been audited or reviewed.

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

Not applicable. The Group's latest financial statements for the financial year ended 31 December 2020 was not subject to an adverse opinion, qualified opinion or disclaimer of opinion.

F3. Variance from Forecast Statement

No forecast for the financial period ended 30 June 2021 was previously provided.

F. OTHER INFORMATION REQUIRED BY CATALIST RULE APPENDIX 7C (CONTINUED)

F4. Earnings per Share

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

F5. Review of Corporate Performance

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

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

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

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

F6. Business Outlook

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

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

F7. Interested Person Transactions

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

F8. Dividend

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

Yes

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

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

Yes

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

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

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

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

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

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

On behalf of the Board of Directors of the Company, we hereby confirm to the best of our knowledge that nothing has come to the attention of the Board of Directors of the Company which may render the unaudited financial statements for the six months ended 30 June 2021 to be false or misleading in any material respect.

On behalf of the Board of Directors,

Ng Leok Cheng
CEO

Koh Wee Seng
Non-Executive Chairman

06 August 2021