



MoneyMax Financial Services Ltd. And Its Subsidiaries

(Company Registration Number: 200819689Z)

Unaudited Interim Condensed Financial Statements For the Six-Month Financial Period Ended 30 June 2022

Table of Contents

	Page
Condensed Interim Consolidated Income Statement And Statement of Comprehensive Income	2
Condensed Interim Statements Of Financial Position.....	3
Condensed Interim Statements Of Changes In Equity	4
Condensed Interim Consolidated Statement Of Cash Flows	5
Notes To The Condensed Interim Consolidated Financial Statements.....	6
Other Information Required Under The SGX-ST Listing Manual Section B: Rules Of Catalyst.....	15

Condensed Interim Consolidated Income Statement And Statement of Comprehensive Income

	Notes	Group		
		Unaudited 1H-2022 ⁽¹⁾ S\$'000	Unaudited 1H-2021 ⁽²⁾ S\$'000	Change %
Revenue	6	135,453	92,389	46.6
Other Items of Income				
Other Gains	8	849	1,211	(29.9)
Other Items of Expense				
Material Costs		(90,708)	(59,812)	51.7
Employee Benefits Expenses		(11,248)	(9,079)	23.9
Depreciation and Amortisation Expenses	9	(6,578)	(5,480)	20.0
Finance Costs		(6,085)	(4,204)	44.7
Other Losses	8	(250)	(195)	28.2
Other Expenses		(4,335)	(3,516)	23.3
Profit Before Tax		17,098	11,314	51.1
Income Tax Expense	15	(3,193)	(2,119)	50.7
Profit Net of Tax		13,905	9,195	51.2
Other Comprehensive Income				
Items that may be reclassified subsequently to profit or loss:				
Exchange differences on translating foreign operations, net of tax		(507)	(98)	NM ⁽³⁾
Cash flow hedges, net of tax		1,050	186	NM ⁽³⁾
Other comprehensive income for the period, net of tax		543	88	NM⁽³⁾
Total Comprehensive Income		14,448	9,283	55.6
Attributable to:				
Owners of the Company		12,915	8,554	51.0
Non-controlling Interests		990	641	54.5
Profit Net of Tax		13,905	9,195	51.2
Attributable to:				
Owners of the Company		13,458	8,642	55.7
Non-controlling Interests		990	641	54.5
Total Comprehensive Income		14,448	9,283	55.6
Earnings Per Share:				
Basic and diluted (cents)		2.92	1.93	51.0

Notes:

- (1) "1H-2022" refers to the six-month financial period ended 30 June 2022.
 (2) "1H-2021" refers to the six-month financial period ended 30 June 2021.
 (3) "NM" denotes not meaningful.

Condensed Interim Statements Of Financial Position

	Notes	Group		Company	
		Unaudited 30 June 2022 S\$'000	Audited 31 December 2021 S\$'000	Unaudited 30 June 2022 S\$'000	Audited 31 December 2021 S\$'000
ASSETS					
Non-Current Assets					
Property, Plant and Equipment	10	21,088	20,386	-	-
Right-of-use Assets		15,398	17,933	-	-
Intangible Assets	11	4,379	4,488	-	-
Investment in Subsidiaries		-	-	82,552	65,376
Other Financial Assets	12	6,881	6,867	5,853	5,853
Trade and Other Receivables, Non-Current		125,919	108,102	-	-
Other Assets, Non-Current		2,737	2,316	-	-
Deferred Tax Assets		29	33	-	-
Total Non-Current Assets		176,431	160,125	88,405	71,229
Current Assets					
Inventories		78,441	73,242	-	-
Trade and Other Receivables, Current		279,865	260,617	19,358	37,941
Other Assets, Current		5,098	5,108	286	78
Cash and Cash Equivalents		17,029	19,772	261	1,347
Total Current Assets		380,433	358,739	19,905	39,366
Total Assets		556,864	518,864	108,310	110,595
EQUITY AND LIABILITIES					
Equity					
Share Capital	13	56,144	56,144	56,144	56,144
Retained Earnings		66,043	57,329	3,135	7,639
Reserves		445	(98)	-	-
Equity Attributable to Owners of the Company		122,632	113,375	59,279	63,783
Non-controlling Interests		8,890	7,900	-	-
Total Equity		131,522	121,275	59,279	63,783
Non-Current Liabilities					
Other Financial Liabilities, Non-Current	14	124,259	112,522	2,151	2,438
Lease Liabilities, Non-Current		7,184	8,936	-	-
Deferred Tax Liabilities		342	113	-	-
Total Non-Current Liabilities		131,785	121,571	2,151	2,438
Current Liabilities					
Income Tax Payable		3,546	4,182	-	-
Trade and Other Payables		45,364	39,488	43,309	40,812
Other Financial Liabilities, Current	14	231,901	218,679	3,571	3,562
Lease Liabilities, Current		9,925	10,373	-	-
Other Liabilities		2,821	3,296	-	-
Total Current Liabilities		293,557	276,018	46,880	44,374
Total Liabilities		425,342	397,589	49,031	46,812
Total Equity and Liabilities		556,864	518,864	108,310	110,595

Condensed Interim Statements Of Changes In Equity

<u>Group</u>	Attributable to Owners of the Company				Non-controlling Interests S\$'000	Total Equity S\$'000
	Share Capital S\$'000	Retained Earnings S\$'000	Reserves S\$'000	Sub-total S\$'000		
Current Year:						
Opening balance at 1 January 2022	56,144	57,329	(98)	113,375	7,900	121,275
Total comprehensive income for the period	-	12,915	543	13,458	990	14,448
Dividends paid (Note 16)	-	(4,201)	-	(4,201)	-	(4,201)
Closing balance at 30 June 2022	56,144	66,043	445	122,632	8,890	131,522
Previous Year:						
Opening balance at 1 January 2021	56,144	41,699	(263)	97,580	6,579	104,159
Total comprehensive income for the period	-	8,554	88	8,642	641	9,283
Dividends paid (Note 16)	-	(4,175)	-	(4,175)	-	(4,175)
Closing balance at 30 June 2021	56,144	46,078	(175)	102,047	7,220	109,267

<u>Company</u>	Share Capital S\$'000	Retained Earnings S\$'000	Total Equity S\$'000
Current Year:			
Opening balance at 1 January 2022	56,144	7,639	63,783
Total comprehensive loss for the year	-	(303)	(303)
Dividends paid (Note 16)	-	(4,201)	(4,201)
Closing balance at 30 June 2022	56,144	3,135	59,279
Previous Year:			
Opening balance at 1 January 2021	56,144	8,092	64,236
Total comprehensive income for the year	-	305	305
Dividends paid (Note 16)	-	(4,175)	(4,175)
Closing balance at 30 June 2021	56,144	4,222	60,366

Condensed Interim Consolidated Statement Of Cash Flows

	Unaudited 1H-2022 S\$'000	Unaudited 1H-2021 S\$'000
<u>Cash Flows From Operating Activities</u>		
Profit Before Tax	17,098	11,314
Adjustments for:		
Amortisation of Intangible Assets	8	68
Depreciation of Property, Plant and Equipment	1,127	914
Depreciation of Right-of-use Assets	5,443	4,498
Finance Costs	6,085	4,204
Foreign Currency Translation	167	88
Operating Cash Flows before Changes in Working Capital	29,928	21,086
Inventories	(5,199)	(17,396)
Trade and Other Receivables	(37,065)	(42,131)
Other Assets	(411)	(1,456)
Trade and Other Payables	5,871	4,950
Other Liabilities	(475)	716
Net Cash Flows Used In Operations	(7,351)	(34,231)
Income Taxes Paid	(3,838)	(2,405)
Net Cash Flows Used In Operating Activities	(11,189)	(36,636)
<u>Cash Flows From Investing Activities</u>		
Purchase of Property, Plant and Equipment	(1,814)	(1,154)
Proceeds from disposal of Property, Plant and Equipment	2	-
Net Cash Flows Used in Investing Activities	(1,812)	(1,154)
<u>Cash Flows From Financing Activities</u>		
Dividends Paid	(4,201)	(4,175)
Interest Paid	(6,085)	(4,204)
Repayments of Lease Liabilities - principal portion paid	(5,137)	(4,396)
Proceeds from Bank Loans	70,981	62,352
Repayments of Bank Loans	(47,866)	(12,105)
Finance Lease Repayments	(1)	(5)
Net Cash Flows From Financing Activities	7,691	37,467
Net Decrease in Cash and Cash Equivalents	(5,310)	(323)
Cash and Cash Equivalents, Statement of Cash Flows, Beginning Balance	17,864	14,372
Effects of Exchange Rate on Cash and Cash Equivalents	(82)	(4)
Cash and Cash Equivalents, Statement of Cash Flows, Ending Balance	12,472	14,045

Note 1: As at 30 June 2022, cash and cash equivalents in the statement of cash flows comprise cash and cash equivalents in the statement of financial position of S\$17.0 million (30 June 2021: S\$14.0 million) less bank overdraft of S\$4.5 million (30 June 2021: Nil).

Notes To The Condensed Interim Consolidated Financial Statements

1. Corporate information

MoneyMax Financial Services Ltd. (the “**Company**”) is incorporated and domiciled in Singapore with limited liability. The Company is listed on the Catalist Board of the Singapore Exchange Securities Trading Limited (“**SGX-ST**”). These condensed interim financial statements for 1H-2022 comprise the Company and its subsidiaries (together referred to as the “**Group**”).

The principal activity of the Company is that of investment holding. The principal activities of the Company’s subsidiaries comprise pawnbroking, retail and trading, secured lending, auction and general insurance.

2. Basis of preparation

These condensed interim financial statements for 1H-2022 have been prepared in accordance with Singapore Financial Reporting Standards (International) (“**SFRS(I)**”) 1-34 Interim Financial Reporting issued by the Accounting Standards Council Singapore. The condensed 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 (“**FY**”) 2021.

The condensed financial statements are presented in Singapore dollars (“**S\$**”).

3. Accounting convention

The Group has adopted all applicable SFRS(I) that are mandatory for financial years beginning on or after 1 January 2022. The adoption of the new standards has no significant impact on the financial statements for 1H-2022.

4. Use of judgements and estimates

In preparing the condensed 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 2021. 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.

5. Related party relationships and transactions

The financial reporting standard on related party disclosures requires the reporting entity to disclose: (a) transactions with its related parties; and (b) relationships between parents and subsidiaries irrespective of whether there have been transactions between those related parties. A party is related to a party if the party controls, or is controlled by, or can significantly influence or is significantly influenced by the other party.

5A. Members of a group

<u>Name</u>	<u>Relationship</u>	<u>Country of incorporation</u>
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Money Farm Pte. Ltd.	Immediate and ultimate parent company	Singapore
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Related companies in these financial statements include the above company.

The ultimate controlling parties are Lim Yong Guan and Lim Yong Sheng, who are directors and controlling shareholders of the Company, and Lim Liang Eng, who is a controlling shareholder of the Company.

5B. Related party transactions

There are transactions and arrangements between the reporting entity and related parties and the effects of these on the basis determined between the parties are reflected in these financial statements. The related party balances and transfer of resources, services or obligations if any are unsecured, without fixed repayment terms and interest or charge unless stated otherwise.

Intragroup transactions and balances that have been eliminated in these condensed interim financial statements are not disclosed as related party transactions and balances below.

In addition to transactions and balances disclosed elsewhere in the notes to these condensed interim financial statements, this item includes the following:

Significant related party transactions:

	Group	
	Unaudited 1H-2022 S\$'000	Unaudited 1H-2021 S\$'000
<u>Parent Company</u>		
Interest Expense	(40)	(24)
<u>Other related parties</u>		
Sales of pre-owned luxury items	-	2
Purchase of pre-owned luxury items	(77)	(11)
Rental expense	(1,164)	(1,162)
Central support services	(156)	(156)
Interest expense	(156)	-
Outsourced payroll services	(8)	(8)
<u>Directors</u>		
Interest expense	(393)	(203)

The related parties and the Group have some common directors.

6. Disaggregation of Revenue

(a) Classification of type of goods or services

	<u>Group</u>	
	<u>Unaudited</u> <u>1H-2022</u> S\$'000	<u>Unaudited</u> <u>1H-2021</u> S\$'000
Interest income – collateral loan services	19,287	16,544
Interest income – motor loans	6,467	4,039
Retail and trading of pre-owned luxury items	108,157	70,707
Others	1,542	1,099
	<u>135,453</u>	<u>92,389</u>

(b) Classification of timing of revenue recognition

	<u>Group</u>	
	<u>Unaudited</u> <u>1H-2022</u> S\$'000	<u>Unaudited</u> <u>1H-2021</u> S\$'000
Point in time	109,555	71,676
Over time	25,898	20,713
	<u>135,453</u>	<u>92,389</u>

7. Financial information by operating segments

Information about reportable segment profit or loss, assets, and liabilities

Disclosure of information about operating segments, products and services, the geographical areas, and the major customers are made as required by SFRS(I) 8 Operating Segments. This disclosure standard has no impact on the reported financial performance or financial position of the group.

For management monitoring and financial reporting purposes, the Group is organised into three major operating segments, namely:

- i) Pawnbroking
- ii) Retail and trading of gold and luxury items; and
- iii) Secured lending

Other operations include provision of other support services.

Such a structural organisation is determined by the nature of risks and returns associated with each business segment and it defines the management structure as well as the internal reporting system. It represents the basis on which the management reports the primary segment information that is available and that is evaluated regularly by the chief operating decision maker in deciding how to allocate resources and in assessing the performance. They are managed separately because each business requires different strategies.

Inter-segment sales are measured on the basis that the entity used to price the transfers. Internal transfer pricing policies of the group are as far as practicable based on market prices. The accounting policies of the operating segments are the same as those described in the summary of significant accounting policies.

Segment results, assets and liabilities include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Unallocated items comprise mainly income tax recoverable, provision for taxation, deferred tax liabilities and deferred tax assets.

Capital expenditure comprises additions to property, plant, and equipment.

7. Financial information by operating segments (cont'd)

1H-2022	Pawn- broking S\$'000	Retail and trading of gold and luxury items S\$'000	Secured lending S\$'000	Others S\$'000	Elimination S\$'000	Group S\$'000
Revenue by segment						
Revenue from external customers	24,483	102,962	7,756	252	-	135,453
Inter-segment sales	14,202	2,770	3	2	(16,977)	-
Results						
Segment results	9,574	8,304	6,118	(147)	(666)	23,183
Finance costs	(2,755)	(448)	(2,548)	(925)	591	(6,085)
Profit before tax	6,819	7,856	3,570	(1,072)	(75)	17,098
Income tax expenses	(1,344)	(1,319)	(588)	58	-	(3,193)
Profit net of tax	5,475	6,537	2,982	(1,014)	(75)	13,905
Segment assets	315,267	98,076	164,009	51,486	(72,003)	556,835
Unallocated assets						29
Total group assets						556,864
Segment liabilities	209,154	59,144	143,997	69,517	(60,358)	421,454
Unallocated liabilities						3,888
Total group liabilities						425,342
Capital expenditure	796	1,021	23	-	-	1,840
Depreciation and amortisation expenses ⁽¹⁾	3,242	3,045	8	283	-	6,578
Loss on collateral loan services	2	-	-	-	-	2

1H-2021	Pawn- broking S\$'000	Retail and trading of gold and luxury items S\$'000	Secured lending S\$'000	Others S\$'000	Elimination S\$'000	Group S\$'000
Revenue by segment						
Revenue from external customers	18,634	68,617	4,909	229	-	92,389
Inter-segment sales	14,413	-	2	4	(14,419)	-
Results						
Segment results	9,029	2,755	4,064	(330)	-	15,518
Finance costs	(2,069)	(238)	(1,524)	(373)		(4,204)
Profit before tax	6,960	2,517	2,540	(703)	-	11,314
Income tax expenses	(1,096)	(657)	(411)	45	-	(2,119)
Profit net of tax	5,864	1,860	2,129	(658)	-	9,195
Segment assets	272,660	72,636	113,029	37,141	(46,455)	449,011
Unallocated assets						53
Total group assets						449,064
Segment liabilities	159,596	51,380	106,998	70,680	(52,845)	335,809
Unallocated liabilities						3,988
Total group liabilities						339,797
Capital expenditure	320	897	6	15	-	1,238
Depreciation and amortisation expenses ⁽¹⁾	2,743	2,408	8	321	-	5,480
Loss on collateral loan services	2	-	-	-	-	2

⁽¹⁾ Includes depreciation of right-of-use assets.

7. Financial information by operating segments (cont'd)

(a) Geographical Segment Information

	Revenue		Non-Current Assets ⁽¹⁾	
	1H-2022 S\$'000	1H-2021 S\$'000	30 June 2022 S\$'000	30 June 2021 S\$'000
Singapore	125,819	87,155	170,205	136,097
Malaysia	9,634	5,234	6,197	5,149
Total	135,453	92,389	176,402	141,246

⁽¹⁾ Non-current assets presented in the table above exclude deferred tax assets.

8. Other gains and (other losses)

Other gains and other losses include the following:

	<u>Group</u>	
	<u>Unaudited</u> <u>1H-2022</u> S\$'000	<u>Unaudited</u> <u>1H-2021</u> S\$'000
Foreign exchange adjustments (loss)	(118)	(193)
Government grants	625	852
Rental income	61	269
Loss on collateral loan services	(2)	(2)
Miscellaneous income	117	59
Provision for doubtful debts	(130)	-
Other minor gain	46	31
Net	<u>599</u>	<u>1,016</u>
Presented in profit or loss as:		
Other gains	849	1,211
Other losses	(250)	(195)
Net	<u>599</u>	<u>1,016</u>

9. Depreciation and Amortisation Expenses

Depreciation and amortisation include the following:

	<u>Group</u>	
	<u>Unaudited</u> <u>1H-2022</u> S\$'000	<u>Unaudited</u> <u>1H-2021</u> S\$'000
Depreciation of property, plant and equipment	1,127	914
Depreciation of right-of-use assets	5,443	4,498
Amortisation of lease assignment fees	-	60
Amortisation of other intangible assets	8	8
Total	<u>6,578</u>	<u>5,480</u>

10. Property, plant and equipment

<u>Group:</u>	<u>Properties</u>	<u>Leasehold improvements</u>	<u>Plant, fixture and fittings</u>	<u>Total</u>
	S\$'000	S\$'000	S\$'000	S\$'000
<u>Cost:</u>				
At 1 January 2021	18,529	9,893	8,142	36,564
Foreign exchange adjustments	-	(31)	(20)	(51)
Additions	183	1,551	545	2,279
Disposals	-	(190)	(50)	(240)
At 31 December 2021	<u>18,712</u>	<u>11,223</u>	<u>8,617</u>	<u>38,552</u>
Foreign exchange adjustments	(5)	(57)	(39)	(101)
Additions	-	1,178	662	1,840
Disposals	-	-	(39)	(39)
At 30 June 2022	<u>18,707</u>	<u>12,344</u>	<u>9,201</u>	<u>40,252</u>
<u>Accumulated depreciation:</u>				
At 1 January 2021	390	9,030	7,100	16,520
Foreign exchange adjustments	-	(21)	(17)	(38)
Depreciation for the year	463	721	740	1,924
Disposals	-	(190)	(50)	(240)
At 31 December 2021	<u>853</u>	<u>9,540</u>	<u>7,773</u>	<u>18,166</u>
Foreign exchange adjustments	-	(55)	(37)	(92)
Depreciation for the period	232	542	353	1,127
Disposals	-	-	(37)	(37)
At 30 June 2022	<u>1,085</u>	<u>10,027</u>	<u>8,052</u>	<u>19,164</u>
<u>Carrying amount:</u>				
At 1 January 2021	<u>18,139</u>	<u>863</u>	<u>1,042</u>	<u>20,044</u>
At 31 December 2021	<u>17,859</u>	<u>1,683</u>	<u>844</u>	<u>20,386</u>
At 30 June 2022	<u>17,622</u>	<u>2,317</u>	<u>1,149</u>	<u>21,088</u>

11. Intangible assets

	<u>Group</u>	
	<u>Unaudited</u> <u>30 June</u> <u>2022</u> S\$'000	<u>Audited</u> <u>31 December</u> <u>2021</u> S\$'000
Goodwill (Note 11A)	3,881	3,982
License	480	480
Other intangible assets (Note 11B)	18	26
Total	<u>4,379</u>	<u>4,488</u>

11A. Goodwill

	<u>Group</u>	
	<u>Unaudited</u> <u>30 June</u> <u>2022</u> S\$'000	<u>Audited</u> <u>31 December</u> <u>2021</u> S\$'000
<u>Cost:</u>		
Balance at beginning of the year	3,982	4,035
Foreign currency translation adjustments	(101)	(53)
Balance at end of the period/year	<u>3,881</u>	<u>3,982</u>

11B. Other intangible assets

	Lease assignment fees	Customer lists	Total
	S\$'000	S\$'000	S\$'000
Group:			
<u>Cost:</u>			
At 1 January 2021	1,500	785	2,285
Foreign exchange adjustments	–	(11)	(11)
At 31 December 2021	<u>1,500</u>	<u>774</u>	<u>2,274</u>
Foreign exchange adjustments	–	(3)	(3)
At 30 June 2022	<u>1,500</u>	<u>771</u>	<u>2,271</u>
<u>Accumulated amortisation:</u>			
At 1 January 2021	1,431	742	2,173
Amortisation for the year	69	17	86
Foreign exchange adjustments	–	(11)	(11)
At 31 December 2021	<u>1,500</u>	<u>748</u>	<u>2,248</u>
Amortisation for the period	–	8	8
Foreign exchange adjustments	–	(3)	(3)
At 30 June 2022	<u>1,500</u>	<u>753</u>	<u>2,253</u>
<u>Carrying amount:</u>			
At 1 January 2021	69	43	112
At 31 December 2021	<u>-</u>	<u>26</u>	<u>26</u>
At 30 June 2022	<u>-</u>	<u>18</u>	<u>18</u>

12. Other financial assets

	Group		Company	
	Unaudited 30 June 2022	Audited 31 December 2021	Unaudited As at 30 June 2022	Audited 31 December 2021
	S\$'000	S\$'000	S\$'000	S\$'000
<u>Unquoted equity shares</u>				
Investment at fair value through profit or loss	6,881	6,867	5,853	5,853
<u>Movements during the period/year:</u>				
Fair value at beginning of the period/year	6,867	6,500	5,853	5,471
Additions	–	–	–	–
Increase in fair value through profit or loss	–	382	–	382
Exchange differences	14	(15)	–	–
Fair value at end of the period/year	<u>6,881</u>	<u>6,867</u>	<u>5,853</u>	<u>5,853</u>

The Group measured investment in unquoted equity shares at fair value through profit or loss. The fair value of the financial assets was previously determined by an independent external valuer based on the adjusted net asset approach. There is no indication of impairment noted during 1H-2022.

13. Share capital

	Group and Company			
	No. of shares		Share Capital	
	Unaudited	Audited	Unaudited	Audited
	30 June	31 December	30 June	31 December
2022	2021	2022	2021	
'000	'000	S\$'000	S\$'000	
Ordinary shares of no par value:				
Balance at beginning of the period/year	442,250	353,800	56,144	56,144
Issuance of new ordinary shares *	-	88,450	-	-
Balance at end of the period/year	442,250	442,250	56,144	56,144

* On 13 October 2021, 88,449,999 new ordinary shares in the capital of the Company ("**Bonus Shares**") were allotted and issued by the Company pursuant to a bonus issue.

The Company did not have any outstanding convertibles, treasury shares and subsidiary holdings as at 30 June 2022 and 30 June 2021.

14. Aggregate amount of the Group's borrowings and debt securities

	Group		Company	
	Unaudited	Audited	Unaudited	Audited
	30 June	31 December	30 June	31 December
2022	2021	2022	2021	
S\$'000	S\$'000	S\$'000	S\$'000	
<u>Amount repayable by the Group in one year or less, or on demand:</u>				
- Secured	231,901	218,679	3,571	3,562
<u>Amount repayable by the Group after one year:</u>				
- Secured	124,259	112,522	2,151	2,438
Total	356,160	331,201	5,722	6,000

The Group's borrowings and debt securities are secured by the following:

- i) Deeds of debentures, a charge on all sums in the current account of certain subsidiaries and a fixed and floating charge over all present and future assets of certain subsidiaries;
- ii) Corporate guarantee by the Company and certain subsidiaries;
- iii) Deeds of assignment of all rights, interests and benefits from insurance policies for pledged articles;
- iv) All monies charged on the facility agreement of a subsidiary;
- v) Subordination of advances from a subsidiary and a director of certain subsidiaries;
- vi) Personal guarantee by directors of certain subsidiaries;
- vii) Master and recourse block discounting agreement and assignment of hire purchase agreements; and
- viii) Mortgage over properties and assignment of rental proceeds.

15. Income tax expense

(a) Major components of income tax expense

The Group calculates the period income tax expense using the tax rate that would be applicable to the expected total annual earnings. The major components of income tax expense in the condensed interim consolidated statement of profit or loss are:

	Group	
	Unaudited	Unaudited
	1H-2022	1H-2021
S\$'000	S\$'000	
Current income taxation	3,207	2,124
Deferred income taxation	(14)	(5)
Income tax expenses recognised in profit or loss	3,193	2,119

16. Dividends on equity shares

	Rate per share (cents)		Group and Company	
	<u>1H-2022</u>	<u>1H-2021</u>	<u>1H-2022</u> S\$'000	<u>1H-2021</u> S\$'000
<i>Declared and paid during the financial period:</i>				
Dividends on ordinary shares				
First and final tax exempt dividend	0.95	1.18	4,201	4,175

17. Fair value measurement
Fair value hierarchy

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

Level 1 – Quoted prices (unadjusted) in active market for identical assets or liabilities that the Group can access at the measurement date,

Level 2 – Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly, and

Level 3 – Unobservable inputs for the asset or liability.

Assets and liabilities measured at fair value

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

	Fair value measurements at the end of the reporting period using			Total
	Quoted prices in active markets for identical instruments (Level 1) S\$'000	Significant observable inputs other than quoted prices (Level 2) S\$'000	Significant unobservable inputs (Level 3) S\$'000	
Group				
30 June 2022				
Assets measured at fair value				
Financial assets:				
<u>At fair value through profit or loss</u>				
– Unquoted equity securities, representing total financial assets as at 30 June 2022	-	-	6,881	6,881

17. Fair value measurement (cont'd)

	Fair value measurements at the end of the reporting period using			
	Quoted prices in active markets for identical instruments (Level 1)	Significant observable inputs other than quoted prices (Level 2)	Significant unobservable inputs (Level 3)	Total
Group	S\$'000	S\$'000	S\$'000	S\$'000
31 December 2021				
Assets measured at fair value				
Financial assets:				
<u>At fair value through profit or loss</u>				
– Unquoted equity securities, representing total financial assets as at 31 December 2022	-	-	6,867	6,867

18. Subsequent events

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

Other Information Required Under the SGX-ST Listing Manual Section B: Rules of Catalyst
1(a) A statement showing all sales, transfers, cancellation and/or use of treasury shares as at the end of the current financial period reported on.

Not applicable as there were no treasury shares held by the Company.

1(b) A statement showing all sales, transfers, cancellation and/or use of subsidiary holdings as at the end of the current financial period reported on.

Not applicable as there were no subsidiary holdings.

2. Whether the figures have been audited or reviewed and in accordance with which auditing standard or practice.

The figures have not been audited or reviewed by the auditors of the Company.

3. Where the figures have been audited or reviewed, the auditors' report (including any qualifications or emphasis of a matter).

Not applicable.

3A. Where the latest financial statements are subject to an adverse opinion, qualified opinion or disclaimer of opinion:
(a) Updates on the efforts taken to resolve each outstanding audit issue.

The latest financial statements are not subject to an adverse opinion, qualified opinion or disclaimer of opinion.

(b) Confirmation from the Board that the impact of all outstanding audit issues on the financial statements have been adequately disclosed.

Not applicable.

4. **Whether the same accounting policies and methods of computation as in the issuer's most recently audited annual financial statements have been applied.**

Other than adoption of the new and revised SFRS(I) which took effect from the current financial year, the accounting policies have been consistently applied by the Group and are consistent with those applied in the previous financial year.

5. **If there are any changes in the accounting policies and methods of computation, including any required by an accounting standard, what has changed, as well as the reasons for, and the effect of, the change.**

There was no change in the Group's accounting policies and methods of computation including any required by an accounting standard. The adoption of the new and revised SFRS(I) is assessed to have no material impact on the results of the Group and of the Company for 1H-2022.

6. **Earnings per ordinary share of the Group for the current financial period reported on and the corresponding period of the immediately preceding financial year, after deducting any provision for preference dividends.**

	Group	
	1H-2022	1H-2021
Profit net of tax attributable to owners of the Company (S\$'000)	12,915	8,554
Weighted average number of ordinary shares for calculation of basic and diluted earnings per shares ('000)	442,250	442,250
Basic and diluted earnings per share (cents)	2.92	1.93

For purpose of comparison, the weighted average number of ordinary shares used for computing earnings per share ("EPS") for 1H-2021 has been adjusted retrospectively for the 88,449,999 Bonus Shares issued on 13 October 2021.

EPS is calculated by dividing the Group's profit attributable to owners of the Company by the weighted average number of ordinary shares during the period. The weighted average number of ordinary shares outstanding during the period is the number of ordinary shares outstanding at the beginning of the period, adjusted by the number of ordinary shares issued during the period multiplied by a time-weighting factor. The time-weighting factor is the number of days that the shares are outstanding as a proportion of the total number of days in the period.

The basic and diluted EPS for the respective financial period are the same as the Company does not have any outstanding dilutive instruments.

7. **Net asset value (for the issuer and group) per ordinary share based on the total number of issued shares excluding treasury shares of the issuer at the end of the**

- (a) **Current financial period reported on; and**
 (b) **Immediately preceding financial year.**

NET ASSET VALUE ("NAV")

	Group		Company	
	As at 30 June 2022	As at 31 December 2021	As at 30 June 2022	As at 31 December 2021
Number of issued shares ('000)	442,250	442,250	442,250	442,250
NAV per share (cents)	27.73	25.64	13.40	14.42

NAV per share as at 30 June 2022 and as at 31 December 2021 have been computed based on the issued share capital of 442,249,999 shares.

8. A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. It must include a discussion of the following:

- (a) any significant factors that affected the turnover, costs, and earnings of the group for the current financial period reported on, including (where applicable) seasonal or cyclical factors; and
- (b) any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on.

REVIEW OF THE GROUP'S FINANCIAL PERFORMANCE

Revenue

Revenue increased by S\$43.1 million or 46.6% from S\$92.4 million in 1H-2021 to S\$135.5 million in 1H-2022. The changes in revenue in 1H-2022 as compared to 1H-2021 was due to higher sales from the retail and trading of gold and luxury items segment and an increase in interest income from the pawnbroking and secured lending segments.

Other Gains

Other gains decreased by S\$0.4 million or 29.9% from S\$1.2 million in 1H-2021 to S\$0.8 million in 1H-2022. The decrease was mainly due to lower government grant received.

Material Costs

Material costs increased by S\$30.9 million or 51.7% from S\$59.8 million in 1H-2021 to S\$90.7 million in 1H-2022, in line with the higher sales from the retail and trading of gold and luxury items segment.

Employee Benefits Expenses

Employee benefits expenses increased by S\$2.1 million or 23.9% from S\$9.1 million in 1H-2021 to S\$11.2 million in 1H-2022. The increase was mainly due to increase in staff headcount to support the opening of new stores, expansion of the secured lending business and salary increments in 1H-2022.

Depreciation and Amortisation Expenses

Depreciation and amortisation expenses increased by S\$1.1 million or 20.0% from S\$5.5 million in 1H-2021 to S\$6.6 million in 1H-2022. The increase was mainly due to higher depreciation expenses arising from the addition of fixed and right-of-use assets from new store openings in 1H-2022.

Finance Costs

Finance costs increased by S\$1.9 million or 44.7% from S\$4.2 million in 1H-2021 to S\$6.1 million in 1H-2022 due to higher bank borrowings.

Other Losses

Other losses increased by S\$0.1 million or 28.2% from S\$0.2 million in 1H-2021 to S\$0.3 million in 1H-2022 due to provision of doubtful debts in 1H-2022.

Other Expenses

Other expenses increased by S\$0.8 million or 23.3% from S\$3.5 million in 1H-2021 to S\$4.3 million in 1H-2022 mainly due to higher promotional expenses and utilities expenses in 1H-2022.

Profit Before Tax

As a result of the above, profit before tax increased by S\$5.8 million or 51.1% from S\$11.3 million in 1H-2021 to S\$17.1 million in 1H-2022.

Income Tax Expense

Income tax expense increased by S\$1.1 million or 50.7% from S\$2.1 million in 1H-2021 to S\$3.2 million in 1H-2022 due to the increase in profit before tax.

REVIEW OF THE GROUP'S FINANCIAL POSITION

Non-Current Assets

Non-current assets increased by S\$16.3 million or 10.2% from S\$160.1 million as at 31 December 2021 to S\$176.4 million as at 30 June 2022. The increase was mainly attributable to an increase in (i) trade and other receivables, non-current of S\$17.8 million as a result of an increase in the secured lending business; (ii) other assets, non-current of S\$0.4 million; and (iii) property, plant and equipment of S\$0.7 million arising from new store openings, offset by an decrease in right-of-use assets of S\$2.5 million.

Current Assets

Current assets increased by S\$21.7 million or 6.1% from S\$358.7 million as at 31 December 2021 to S\$380.4 million as at 30 June 2022. This was mainly due to an increase in (i) inventories of S\$5.2 million mainly from the new retail store opened in Malaysia; and (ii) trade and other receivables, current of S\$19.2 million mainly as a result of an increase in pledged loan and lease payment receivables, offset by a decrease in cash and cash equivalents of S\$2.7 million.

Non-Current Liabilities

Non-current liabilities increased by S\$10.2 million or 8.4% from S\$121.6 million as at 31 December 2021 to S\$131.8 million as at 30 June 2022. This was mainly due to increased drawdown of bank facilities of S\$11.7 million to support the Group's businesses growth offset by a decrease in lease liabilities, non-current of S\$1.7 million.

Current Liabilities

Current liabilities increased by S\$17.5 million or 6.4% from S\$276.0 million as at 31 December 2021 to S\$293.6 million as at 30 June 2022. This was mainly due to an increase in (i) other financial liabilities, current of S\$13.2 million due to increased bank borrowings; and (ii) loans from related parties of S\$4.6 million, offset by a decrease in other liabilities of S\$0.4 million.

Equity Attributable to Owners of the Company

Equity attributable to owners of the Company increased by S\$9.2 million or 8.2% from S\$113.4 million as at 31 December 2021 to S\$122.6 million as at 30 June 2022. The increase was mainly due to total comprehensive income attributable to owners of the Company of S\$12.9 million in 1H-2022 and increase in net other comprehensive income of S\$0.5 million mainly from cash flow hedge gains recognized, offset by payment of the final dividend in respect of FY2021 of S\$4.2 million in 1H-2022.

REVIEW OF THE GROUP'S STATEMENT OF CASH FLOWS

Net cash generated from operating activities before changes in working capital in 1H-2022 was S\$29.9 million. Net cash used in working capital amounted to S\$37.3 million. This was mainly due to an increase in trade and other receivables of S\$37.1 million, an increase in inventories of S\$5.2 million; an increase in other assets of S\$0.4 million and a decrease in other liabilities of S\$0.5 million, partially offset by an increase in loans from related parties of S\$4.6 million and an increase in trade and other payables of S\$1.3 million. Net cash used in operating activities amounted to S\$11.2 million after deducting income tax paid of S\$3.8 million in 1H-2022.

Net cash used in investing activities in 1H-2022 amounted to S\$1.8 million, mainly due to the purchase of plant and equipment for new and existing stores.

Net cash generated from financing activities in 1H-2022 of S\$7.7 million was mainly due to drawdown of new bank borrowings of S\$71.0 million, partially offset by dividends paid, interest paid, repayment of lease liabilities and repayment of bank borrowings of S\$4.2 million, S\$6.1 million, S\$5.1 million and S\$47.9 million respectively.

As a result of the above, there was a net decrease of S\$5.3 million in cash and cash equivalents from a net cash balance of S\$17.9 million as at 31 December 2021 to S\$12.5 million as at 30 June 2022.

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

Under paragraph 10 of the Company's announcement dated 24 February 2022 in relation to the unaudited condensed financial statements for the financial year ended 31 December 2022, it was stated that "*Barring any unforeseen circumstances, the Group expects to be profitable for the current financial year ending 31 December 2022*" ("**Forecast Statement**").

Based on the Group's unaudited interim condensed financial statements for 1H-2022, the Company confirms that there is no variance between the Forecast Statement and the Group's performance in 1H-2022.

10. A commentary at the date of the announcement of the significant trends and competitive conditions of the industry in which the group operates and any known factors or event that may affect the group in the next reporting period and the next 12 months.

The Group expects global economic growth in 2022 to be slower due to, amongst other factors, surging inflation, aggressive interest rate hikes and the tense geopolitical relations.

Notwithstanding these macro-economic uncertainties, the Group remains cautiously optimistic of its future business opportunities as it notes the continued relaxation of domestic and border restrictions in South East Asia and the gradual resumption of international travel globally.

The Group continues to seek to strengthen its position as a market leader by expanding its regional pawnbroking and retail network across Singapore and Malaysia, as well as broadening its reach into different consumer segments by launching new products and services.

Barring any unforeseen circumstances, the Group expects to be profitable in 2H-2022, and for the current financial year ending 31 December 2022.

11. Dividend

(a) Whether an interim (final) ordinary dividend has been declared (recommended) and

Nil.

(b) (i) Amount per share

Nil.

(ii) Previous corresponding period

Nil.

(c) Whether the dividend is before tax, net of tax or tax exempt. If before tax or net of tax, state the tax rate and the country where the dividend is derived. (If the dividend is not taxable in the hands of shareholders, this must be stated).

Not applicable.

(d) The date the dividend is payable.

Not applicable.

(e) The date on which Registrable Transfers receive by the Company (up to 5.00pm) will be registered before entitlements to the dividend are determined.

Not applicable.

12. If no dividend has been declared/recommended, a statement to that effect and the reason(s) for the decision.

No dividend has been declared in respect of 1H-2022 as the Group continues to operate prudently and seeks to retain cash in the current economic environment. The board of directors of the Company (“**Board**”) will assess if a declaration of dividends is warranted based on the performance of the Group for FY2022.

13. If the Group has obtained a general mandate from shareholders for IPTs, the aggregate value of such transactions as required under Rule 920(1)(a)(ii). If no IPT mandate has been obtained, a statement to that effect.

The Group does not have a general mandate from shareholders for interested person transactions pursuant to Rule 920(1)(a)(ii) of the SGX-ST Listing Manual Section B: Rules of Catalist (“**Catalist Rules**”). The following interested person transactions were entered into by the Group in 1H-2022:

	Aggregate value of all interested person transactions during the year under review (excluding transactions less than S\$100,000 and transactions conducted under shareholders’ mandate pursuant to Rule 920 of the Catalist Rules)
Name of Interested Person	1H-2022 S\$’000
Purchase of products SK Jewellery Group Pte. Ltd. and its subsidiaries (the “ SK Group of Companies ”)	77
Central support and payroll services SK Group of Companies	231
Lease of premises SK Group of Companies SK Investment Pte. Ltd.	455 110
Loan interest SK Group of Companies Money Farm Pte. Ltd Lim Yong Guan Lim Yong Sheng	161 126 270 36
	1,466

14. Negative confirmation by the Board pursuant to Rule 705(5) of the Catalist Rules

The Board confirms that, to the best of its knowledge, nothing has come to the attention of the Board which may render the unaudited financial statements for 1H-2022 of the Group and the Company to be false or misleading in any material aspect.

15. Confirmation by the issuer pursuant to Rule 720(1) of the Catalist Rules

The Company confirms that it has procured undertakings from all of its directors and executive officers as required under Rule 720(1) of the Catalist Rules.

16. Disclosure pursuant to Rule 706(A) of the Catalist Rules

Save as disclosed in the Company's announcement dated 10 August 2022 entitled "Announcement pursuant to Rule 706A of the Listing Manual", there was no acquisition or sale of shares by the Company in 1H-2022 which requires disclosure pursuant to Rule 706A of the Catalist Rules.

BY ORDER OF THE BOARD

Lim Yong Guan
Executive Chairman and CEO

Lim Yong Sheng
Non-Executive Director

10 August 2022

This announcement has been prepared by MoneyMax Financial Services Ltd. (the "Company") and has been reviewed by the Company's sponsor, United Overseas Bank Limited (the "Sponsor"), for compliance with Rules 226(2)(b) and 753(2) of the Singapore Exchange Securities Trading Limited (the "SGX-ST") Listing Manual Section B: Rules of Catalist.

This announcement has not been examined or approved by the 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.

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