



 **Maxi-Cash**
MAXI-CASH FINANCIAL SERVICES CORPORATION LTD

ANNUAL REPORT 2021

CORPORATE INFORMATION

BOARD OF DIRECTORS

Koh Wee Seng
(Non-Executive Chairman)

Ng Leok Cheng
(Chief Executive Officer)
(Had retired as the Chief Executive Officer and Executive Officer with effect from 31 March 2022)

Koh Lee Hwee
(Non-Executive Director)

Ko Lee Meng
(Non-Executive Director)

Tan Keh Yan, Peter
(Lead Independent Director)

Lee Sai Sing
(Independent Director)

Goh Bee Leong
(Independent Director)

Tan Soo Kiang
(Independent Director)

Ng Kean Seen
(Appointed as the Chief Executive Officer and Executive Officer with effect from 1 April 2022)

COMPANY SECRETARIES

Lim Swee Ann (CPA, ACIS)
Janet Tan, LLB (Hons)

REGISTERED OFFICE

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#32-01 UOB Plaza 1
Singapore 048624
Tel: +65 6225 2626
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SHARE REGISTRAR

B.A.C.S. Private Limited
77 Robinson Road
#06-03 Robinson 77
Singapore 068896

SPONSOR

SAC Capital Private Limited
1 Robinson Road
#21-00 AIA Tower
Singapore 048542

AUDITOR

Ernst & Young LLP
One Raffles Quay
North Tower Level 18
Singapore 048583
Partner-in-charge
Tan Peck Yen
(Chartered Accountant, a member of the Institute of Singapore Chartered Accountants)
(Since the financial year ended 31 December 2021)

PRINCIPAL BANKERS

United Overseas Bank Limited
DBS Bank Ltd.
CIMB Bank Berhad
Oversea-Chinese Banking Corporation Limited
Hong Leong Finance Limited



This annual report has been reviewed by the Company's sponsor, SAC Capital Private Limited (the "Sponsor"). This annual report has not been examined or approved by the Singapore Exchange Securities Trading Limited (the "SGX-ST") and the SGX-ST assumes no responsibility for the contents of this annual report, including the correctness of any of the statements or opinions made, or reports contained in this annual report.

The contact person for the Sponsor is Mr Ong Hwee Li, SAC Capital Private Limited, at 1 Robinson Road, #21-00 AIA Tower, Singapore 048542, telephone (65) 6232 3210.



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MESSAGE FROM NON-EXECUTIVE CHAIRMAN AND CHIEF EXECUTIVE OFFICER



DEAR SHAREHOLDERS

On behalf of the Board, we are pleased to present Maxi-Cash Financial Services Corporation Ltd's (the "**Company**" and together with its subsidiaries, the "**Group**", "**Maxi-Cash**") annual report for the financial year ended 31 December 2021 ("**FY2021**").

During the year, the world experienced new waves of infection caused by the more transmissible Omicron COVID-19 variant, leading to implementation of restriction measures and border controls by various governments. The global economy and businesses continue to be impacted by the pandemic, which dampened consumer sentiment and resulted in several protocols that hampered business operations.

Despite the uneven recovery across the economy in the retail segment,

more countries are gradually easing the restrictions to move towards endemic living. This was evident in the gradual resumption of activities through FY2021.

In view of the challenging business environment, the Group reported a 14.1% decrease in revenue to S\$225.7 million in the year under review, mainly due to lower revenue contribution from the trading of jewellery and branded merchandise. This was partially offset by higher contribution from retail sales and interest income from the pawnbroking business both locally and regionally.

Accordingly, our gross profit dipped by 2.1% to \$81.8 million as a result of reduced profit from the sales of unredeemed pledges and jewellery trading.

Where our expenses were concerned, operating expenses in FY2021 rose

by \$7.2 million to \$59.9 million as Singapore transitioned towards living with COVID-19 through the gradual ease of restrictions through 2021. The higher expenses were primarily due to higher staff costs, depreciation costs and promotional expenses injected for business expansion in the local and regional markets.

In view of the reduced gross profit, higher operating expenses and lower other income relating to government subsidies and rental rebates, the Group's profit before tax declined by 40.0% to \$17.6 million in FY2021 as compared to \$29.3 million in FY2020.

Correspondingly, our earnings per share decreased from 2.83 cents in the year before to 1.39 cents during the reporting year, while net asset value per ordinary share also dipped from 14.64 cents in FY2020 to 14.01 cents in FY2021.

MESSAGE FROM NON-EXECUTIVE CHAIRMAN AND CHIEF EXECUTIVE OFFICER

In appreciation for the staunch support displayed by our shareholders, the Board has paid a second interim tax exempt (one-tier) dividend of 0.60 Singapore cents per ordinary share for FY2021 on 24 March 2022. The total dividends declared by the Group for FY2021 will be 1.25 Singapore cents per ordinary share, taking into consideration an interim dividend of 0.65 Singapore cents per ordinary share that was paid on 26 August 2021.

KEY EVENTS IN FY2021

During the year, we did a placement of 32,000,000 new ordinary shares at the issue price of \$0.162 for each placement share, which was completed on 13 December 2021. The placement was mainly carried out to raise funds for working capital purposes, mainly to fund the expansion of our secured lending business.

RECOVERY TRENDS IN 2022

With the emergence of a more transmissible though less severe Omicron COVID-19 variant, the global economy is threading on a cautious recovery path.

As the infection wave peaks in many countries, various governments are gradually easing their pandemic-related measures to open up the economy. This augurs well for the revival of retail activities. The Group is cautiously optimistic that the retail industry will see a silver lining beyond the current COVID-19 wave.

We will continue to focus on building our brand presence in the various markets which we operate. As we optimise our branding, retail network, digital touchpoints and implement more staff training, we will work towards incorporating technology with innovation in our products and services offerings to strengthen our customer base.

COMMUNITY ENGAGEMENT

Reaching out to support the community remains one of our core social responsibilities. In view of the safe distancing measures that were in

place during the year, we were not able to conduct any physical community activities.

However, we remain committed to contributing to meaningful social causes and have continued to play a part through various means. With the gradual easing of pandemic-related restrictions, we hope to increase our social community activities in the coming year.

ACKNOWLEDGEMENTS

I would like to take this opportunity to extend my appreciation to Mr Ng Leok Cheng, who had retired from his position as the Chief Executive Officer and Executive Director on 31 March 2022. We are grateful for his significant contribution and insightful guidance towards the Group during his term. Upon his retirement, Leok Cheng will assume the role of Senior Advisor to assist the Group with a smooth leadership transition with effect from 1 April 2022.

On the same note, I would like to extend a warm welcome to Mr Ng Kean Seen, who will be succeeding Mr Ng Leok Cheng as Chief Executive Officer and Executive Director with effect from 1 April 2022. I look forward to Mr Ng's contribution as we navigate these challenging times.

On behalf of the Board, I would like to express my gratitude to our customers, business partners, associates and shareholders for their unwavering trust and support during this difficult period.

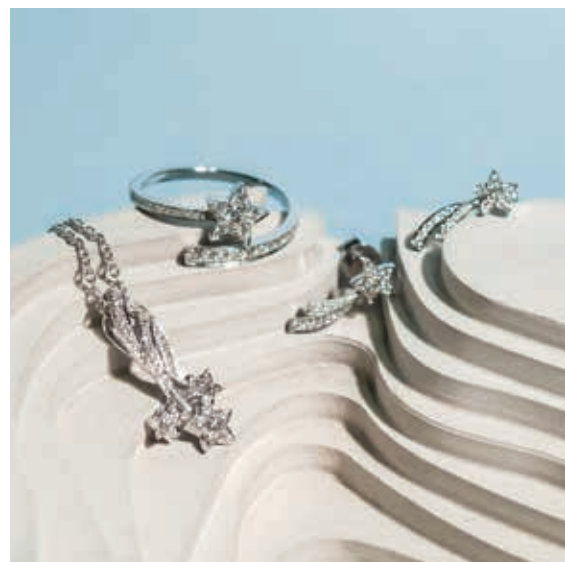
I would also like to thank our directors, management and staff for their dedication and commitment that have helped us to steer through many obstacles over the years. We will continue to strive for greater success in the near future, so as to create greater value for all our stakeholders.

KOH WEE SENG

Non-Executive Chairman

NG LEOK CHENG

Chief Executive Officer



BUSINESS REVIEW



PAWNBROKING BUSINESS

In FY2021, our pawnbroking segment revenue grew by 9.6% to \$46.0 million from \$42.0 million mainly due to contributions from our expanded loan book. With gold price remaining relatively stable in FY2021 as compared to the sudden surge in FY2020, the Group recorded lower profits from the sale of unredeemed pledges. As a result, profit before tax decreased to \$8.0 million during the year from \$15.0 million in FY2020.

Going forward, we will continue to grow our loan book as the situation improves, while focusing on enhancing our service offerings to our customers.

RETAIL AND TRADING OF JEWELLERY AND BRANDED MERCHANDISE

The retail segment delivered better performance in FY2021 as compared to FY2020. This was offset by a reduced volume in our trading segment as activity retreated to normal levels from a high in FY2020 that was previously supported by the surge in gold price.

Consequently, revenue for our retail and trading of jewellery and branded merchandise segment reduced from \$217.9 million to \$177.6 million in FY2021, which translated to a decrease of 18.5%. In line with the lower revenue, net profit before tax decreased by 25.9% to \$8.8 million.

BUSINESS REVIEW

MONEY LENDING

As more of our loans from the secured lending business matured in FY2021, its revenue slide by 27.8% to \$2.1 million, while profit before tax stood at \$0.8 million as compared to \$1.3 million in FY2020. The segment will continue to seek out more business opportunities as we forge ahead in our recovery trajectory to emerge strong from this pandemic.



BOARD OF DIRECTORS

KOH WEE SENG is our 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 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.

(Mr Ng Leok Cheng had retired as the Chief Executive Officer and Executive Director with effect from 31 March 2022)

NG KEAN SEEN was appointed as Deputy Chief Executive Officer of the Group 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.

(Mr Ng Kean Seen has been appointed as the Chief Executive Officer and Executive Director with effect from 1 April 2022)

KOH LEE HWEE was our 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 Company 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 was appointed as our 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 our Company 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.

BOARD OF DIRECTORS

TAN KEH YAN, PETER is our 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 is our 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, BNPParibas 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 was appointed as our 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 was appointed as our 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.

KEY MANAGEMENT

OH KWOK FON is the Group'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 Messrs 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.

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.

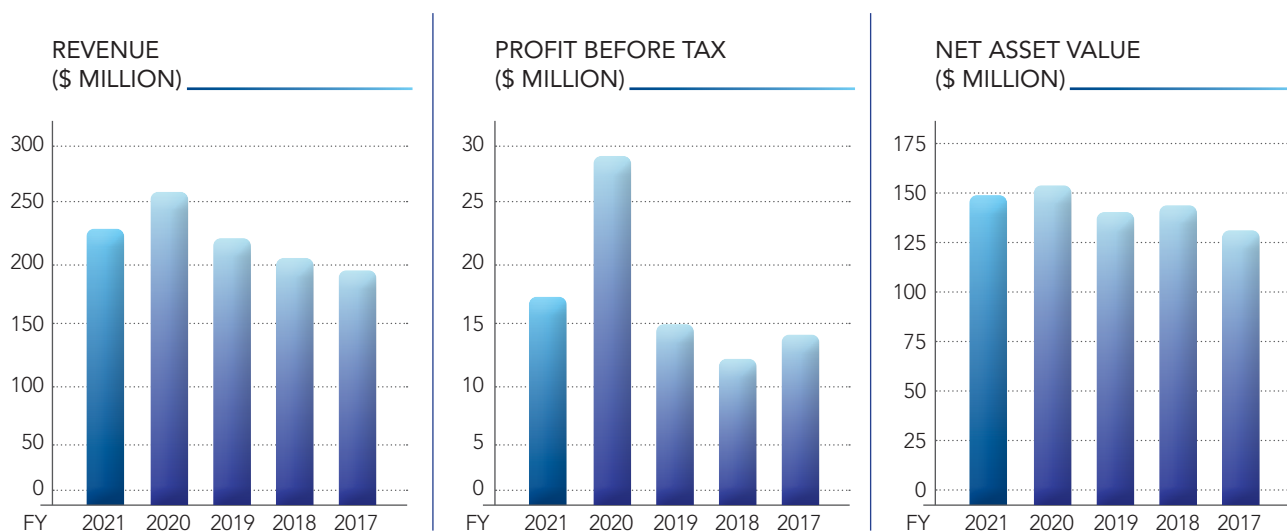
TOH YEN HOON is the Group's Retail & Marketing Director and oversees the marketing and visual merchandising departments for the Group's Singapore and regional businesses. Prior to joining the Group in July 2021, Ms Toh was the Business Director at Aspial. Ms Toh has held senior positions in education, 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).

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.





FINANCIAL HIGHLIGHTS



GROUP'S FINANCIAL HIGHLIGHTS

	2021	2020	2019	2018	2017
(\$'000)					
Revenue	225,703	262,821	218,478	203,651	192,872
Profit Before Tax	17,583	29,252	17,939	12,066	14,957
Profit After Tax	14,541	29,389	14,936	10,485	13,362
Total Equity	150,556	152,609	138,893	141,147	129,342
Net Asset Value	149,426	151,574	138,034	140,127	128,425
Earning Per Share (cents)	1.4	2.8	1.4	1.0	1.6





**CORPORATE
GOVERNANCE
REPORT**

CORPORATE GOVERNANCE REPORT

The Board of Directors (the “**Board**” or “**Directors**”) of Maxi-Cash Financial Services Corporation Ltd. (the “**Company**” and together with its subsidiaries, the “**Group**”) is committed to observing and maintaining high standards of corporate governance with specific reference made to the principles and guidelines as set out in the Code of Corporate Governance 2018 (the “**Code**”). This report describes the Group’s corporate governance practices with specific references to the Code and accompanying Practice Guidance pursuant to Rule 710 of the Listing Manual Section B: Rules of Catalist (the “**Catalist Rules**”) of the Singapore Exchange Securities Trading Limited (the “**SGX-ST**”).

The Board is pleased to report that the Company has adhered to the principles and provisions as set out in the Code for the financial year ended 31 December 2021 (“**FY2021**”), except where otherwise explained. In areas where the Company’s practices vary from any of the provisions of the Code and the Practice Guidance, the Company has stated herein the provision of the Code and the Practice Guidance from which it has varied, and appropriate explanations are provided for the variations, and how the practices the Company had adopted are consistent with the intent, aim and philosophy of the relevant principles of the Code and the Practice Guidance. The Company will continue to assess its needs and implement appropriate practices accordingly.

BOARD MATTERS (Principles 1, 2 and 3)

Principle 1: The company is headed by an effective Board which is collectively responsible and works with the management of the company (the “Management”) for the long-term success of the company.

Principle 2: The Board has an appropriate level of independence and diversity of thought and background in its composition to enable it to make decisions in the best interests of the company.

Principle 3: There is a clear division of responsibilities between the leadership of the Board and Management, and no one individual has unfettered powers of decision-making.

THE BOARD’S CONDUCT OF AFFAIRS

The Board’s role is to:

- provide entrepreneurial leadership, set strategic directions, and ensure that the necessary financial and human resources are in place for the Group to meet its objectives;
- establish a framework of prudent and effective controls which enables risks to be assessed and managed, and to achieve an appropriate balance between risks and the Company’s performance;
- constructively challenge the Management and review the performance of the Management;
- set the Group’s corporate values and ensure that obligations to shareholders and other stakeholders are understood and met;
- instill an ethical corporate culture and ensure that the Company’s values, standards, policies and practices are consistent with the culture;
- ensure transparency and accountability to key stakeholder groups; and
- consider value creation, innovation and sustainability issues, e.g. environmental and social factors, as part of its strategic formulation.

The Directors are able to objectively raise issues and seek clarification as and when necessary, from the Board and the Management on matters pertaining to their area of responsibilities and actively help the Management in the development of strategic proposals and oversees the effective implementation by the Management to achieve the objectives set. All Directors are expected to exercise due diligence and independent judgment in dealing with the business affairs of the Group and are obliged to act in good faith and to take objective decisions in the interest of the Group.

CORPORATE GOVERNANCE
REPORT**THE BOARD'S CONDUCT OF AFFAIRS (CONTINUED)**

Each Director is required to promptly disclose any conflict or potential conflict of interest, whether direct or indirect, in relation to a transaction or proposed transaction with the Group as soon as is practicable. On an annual basis, each Director is also required to submit details of his/her associates for the purpose of monitoring interested person transactions. Where a Director has a conflict or potential conflict of interest in relation to any matter, he/she should immediately declare his/her interest when the conflict-related matter is discussed, unless the Board is of the opinion that his/her presence and participation is necessary to enhance the efficacy of such discussion. Nonetheless, he/she is to abstain from voting in relation to the conflict related matters.

The Company has adopted internal guidelines setting forth matters that require the Board's approval and clear directions have also been given to the Management that the following matters must be approved by the Board under such guidelines:

- Financial results announcements and financial statements;
- Declaration of interim dividends and proposal for final dividends;
- Interested person transactions;
- Sustainability report;
- Convening of shareholders' meetings;
- Authorisation of merger and acquisition transactions; and
- Authorisation of major transactions.

Upon appointment of a new Director, the Company will provide a formal letter to the Director setting out, amongst others, his roles, obligations, duties and responsibilities as a member of the Board. Newly appointed Directors will also be briefed on the Group's business, its strategic directions and corporate governance policies as well as industry-specific knowledge. Familiarisation visits can be organised, if necessary, to facilitate a better understanding of the Group's business operations. For newly appointed Directors who do not have prior experience as a director of a public listed company in Singapore, the Company will arrange for the SGX-ST's prescribed training courses organised by the Singapore Institute of Directors on the roles and responsibilities of a director of a listed company, or other training institutions in areas such as management, accounting, legal and industry-specific knowledge, where appropriate, in connection with their duties for the Directors.

Regular training, particularly on risk management, corporate governance and key changes in the relevant regulatory requirements and financial reporting standards, will be arranged and funded by the Company for all Directors, from time to time. During the period under review, Directors are provided with briefings and updates (i) on the developments in financial reporting and governance standards by the external auditors, Ernst & Young LLP ("**EY**"); and (ii) on changes in the relevant laws and regulations pertaining to the Group's business and changing commercial risks and business conditions of the Group by the Management during the Board Committee meetings, so as to enable them to make well-informed decisions and to properly discharge their duties as the Board or Board Committee members. All Directors were updated on the Code which applies to the Annual Report covering financial years commencing from 1 January 2019.

The Company Secretary briefed the Board on the Group's announcements preparation and circulation guidelines as well as the different types of announcements relevant to the Group, as part of a continued effort to update the Board on the Group's processes towards regulatory compliance.

All of the Directors have objectively discharged their duties and responsibilities at all times as fiduciaries in the interests of the Company. The Board has, without abdicating its responsibility, delegated certain matters to specialised committees of the Board. These committees include the Audit Committee (the "**AC**"), the Nominating

CORPORATE GOVERNANCE REPORT

THE BOARD'S CONDUCT OF AFFAIRS (CONTINUED)

Committee (the "NC") and the Remuneration Committee (the "RC") (collectively, the "Board Committees"). The Board Committees assist the Board in carrying out and discharging its duties and responsibilities efficiently and objectively. The majority of the members of the Board Committees, including the Chairman, are independent. The Board Committees function within clearly defined terms of references setting out their compositions, authorities and duties, including reporting back to the Board, and operating procedures. The effectiveness of the Board is also reviewed by the Board on an annual basis. Information on the Board Committees and their respective terms of reference can be found in the subsequent sections of this report.

For FY2021, the Board had met on a quarterly basis as warranted. Ad-hoc meetings were also convened to discuss and deliberate on urgent substantive matters or issues. The constitution of the Company (the "Constitution") provides for the Board to convene meetings via telephone conferencing and video conferencing. The details of the number of Board and Board Committees meetings held in FY2021 and the attendance of each Director at those meetings are disclosed below:

Name of Director	Board		Audit Committee		Nominating Committee		Remuneration Committee	
	No. of meeting held	No. of meeting attended	No. of meeting held	No. of meeting attended	No. of meeting held	No. of meeting attended	No. of meeting held	No. of meeting attended
Koh Wee Seng	5	5	2	2	2	2	1	1
Ng Leok Cheng ⁽¹⁾	5	5	2	2	2	2	1	1
Koh Lee Hwee	5	5	2	2	2	2	1	1
Ko Lee Meng	5	5	2	2	2	2	1	1
Tan Keh Yan, Peter	5	5	2	2	2	2	1	1
Lee Sai Sing	5	5	2	2	2	2	1	1
Goh Bee Leong	5	5	2	2	2	2	1	1
Tan Soo Kiang	5	5	2	2	2	2	1	1

Note:

(1) Mr Ng Leok Cheng had retired as the Chief Executive Officer and Executive Director with effect from 31 March 2022.

While the Board considers Directors' attendance at Board and Board Committee meetings important, it should not be the only criterion to measure their contributions. The Board also takes into account the contributions by the Directors in other forms, including periodical reviews and the provision of guidance and advice on various matters relating to the Group.

As the ability to commit sufficient time and attention to the Group's affairs is essential for the individual Director's contribution and performance, the Board has considered the number of listed directorships each of its Directors can hold after taking into consideration factors such as the expected and/or competing time commitments of the Directors, the size and composition of the Board as well as the nature and scope of the Group's operations and size. As a guide, Directors should not have more than six (6) listed company board representations. None of the Directors of the Company sit on the boards of more than six (6) listed companies.

The NC determines annually whether a Director with other listed company board representations is able to and has been adequately carrying out his or her duties as a Director of the Company. The NC has reviewed and is satisfied that in FY2021, where Directors had other listed company board representations, the Directors have been able to devote sufficient time and attention to the affairs of the Company to adequately carry out their duties as Directors of the Company.

All Directors have unrestricted access to the Company's records and information. To enable the Board to fulfill its responsibilities, the Management provides the Board with management reports on a regular and timely basis, with relevant and adequate information prior to the Board meetings. Prior to each Board meeting, the Board is

CORPORATE GOVERNANCE
REPORT

THE BOARD'S CONDUCT OF AFFAIRS (CONTINUED)

provided with the relevant background or explanatory information relating to the business of the meeting and information on major operational, financial and corporate issues. During each Board meeting, progress reports of the Group's business operations are also presented to the Board by the Management. The Board also has separate and independent access to the Company Secretary and the Company senior management.

The Company Secretary attends all Board meetings and ensures that Board procedures are followed. The Company Secretary also ensures that the requirements under the Singapore Companies Act 1967, Singapore Securities and Futures Act 2001 and all other regulations of the SGX-ST are complied with. The appointment and removal of the Company Secretary is a matter for consideration for the Board as a whole.

In the furtherance of its duties, the Board may obtain professional advice and assistance from the Company Secretary or independent external professionals if necessary, and the cost of such advice and assistance will be borne by the Company.

BOARD COMPOSITION AND GUIDANCE

As at 31 December 2021, the composition of the Board is as follows:

Name and Age of Director	Appointment Position	Date of first appointment as a Director	Date of last re-election as a Director	Length of Service as a Director (as at 31 December 2021)	Board Committee(s) Served on	Present Directorships in other Listed Companies	Past Directorships in listed companies held over the preceding three years (from 1 January 2019 to 31 December 2021)	Major Appointments (other than Directorship)	Academic and Professional Qualifications
Koh Wee Seng ⁽¹⁾ , 53	Chairman and Non-Executive Director	10 April 2008	30 April 2021	13 years 8 months	Nil	Aspial Corporation Limited AF Global Limited	World Class Global Limited (Delisted with effect from 30 July 2021)	Nil	Bachelor of Business Administration, National University of Singapore
Ng Leok Cheng ⁽²⁾⁽³⁾ , 61	Chief Executive Officer and Executive Director	5 January 2015	30 April 2021	7 years	Nil	TT International Limited	Nil	Nil	Bachelor of Business Administration (Honours), National University of Singapore
Koh Lee Hwee ⁽¹⁾ , 55	Non-Executive and Non-Independent Director	10 April 2008	26 April 2019	13 years 8 months	Nominating Committee (Member)	Aspial Corporation Limited	World Class Global Limited (Delisted with effect from 30 July 2021)	Nil	Bachelor of Arts, National University of Singapore
Ko Lee Meng ⁽¹⁾ , 60	Non-Executive and Non-Independent Director	28 July 2008	10 June 2020	13 years 5 months	Audit Committee (Member) Remuneration Committee (Member)	Aspial Corporation Limited	Nil	Nil	Bachelor of Arts, National University of Singapore
Tan Keh Yan, Peter, 73	Non-Executive and Lead Independent Director	16 April 2012	30 April 2021	9 years 8 months	Audit Committee (Chairman) Remuneration Committee (Member) Nominating Committee (Member)	Asia Enterprises Holding Limited	Sin Heng Heavy Machinery Limited	Nil	Bachelor of Science (Honours), University of Singapore Master of Business Administration, University of California, Los Angeles
Lee Sai Sing, 50	Non-Executive and Independent Director	16 April 2012	10 June 2020	9 years 8 months	Remuneration Committee (Chairman) Audit Committee (Member) Nominating Committee (Member)	Transit-Mixed Concrete Ltd	Nil	Nil	Bachelor of Applied Science (Computer Engineering), Nanyang Technological University, Singapore

CORPORATE GOVERNANCE REPORT

BOARD COMPOSITION AND GUIDANCE (CONTINUED)

Name and Age of Director	Appointment Position	Date of first appointment as a Director	Date of last re-election as a Director	Length of Service as a Director (as at 31 December 2021)	Board Committee(s) Served on	Present Directorships in other Listed Companies	Past Directorships in listed companies held over the preceding three years (from 1 January 2019 to 31 December 2021)	Major Appointments (other than Directorship)	Academic and Professional Qualifications
Goh Bee Leong, 67	Non-Executive and Independent Director	19 October 2015	10 June 2020	6 years 2 months	Nominating Committee (Chairman) Remuneration Committee (Member) Audit Committee (Member)	Nil	Nil	Nil	Bachelor of Science (Pharmacy), University of Singapore
Tan Soo Kiang, 71	Non-Executive and Independent Director	12 July 2016	30 April 2021	5 years 5 months	Audit Committee (Member) Remuneration Committee (Member) Nominating Committee (Member)	Nil	Nil	Institutional Discipline Advisory Committee under Prisons Regulations (Chairman) St. Andrew's Mission Hospital (Board Member) St. Andrew's Autism Centre and Autism School (Chairman) St. Andrew's Junior College Board of Governors (Chairman) St. Andrew's School Board of Governors (Deputy Chairman) St. Andrew's Mission School Management Committee (Chairman)	Bachelor of Law (Honours), University of Singapore

Notes:

- (1) Mr Koh Wee Seng, Ms Koh Lee Hwee and Ms Ko Lee Meng are siblings.
- (2) Mr Ng Leok Cheng had retired as the Chief Executive Officer and Executive Director with effect from 31 March 2022.
- (3) Mr Ng Kean Seen has been appointed as the Chief Executive Officer and Executive Director with effect from 1 April 2022.

The Board currently comprises eight (8) Directors, four (4) of whom are Independent Directors. Under Provision 2.2 of the Code, it provides that independent directors make up a majority of the board where the chairman is not independent. The Company notes that the current Board composition is not in compliance with Provision 2.2 of the Code. However, the Board is of the opinion that based on the Group's current size and operations, it is not necessary nor cost effective to have Independent Directors make up a majority of the Board. The NC is of the view that the current Board composition is of an appropriate size, and comprises Directors who as a group, provide the appropriate level of independence, balance and mix of skills, knowledge, experience, and are sufficiently diverse so as to foster constructive debate. No individual or small group of individuals dominates the Board's decision making. Further, the Chairman of the Board will abstain from exercising his casting vote as provided for in the Company's Constitution. As at the date of this report, the Board comprises seven (7) Non-Executive Directors which make up a majority of the Board.

CORPORATE GOVERNANCE
REPORT**BOARD COMPOSITION AND GUIDANCE (CONTINUED)**

The independence of each Director will be assessed and reviewed annually by the NC. The NC adopts the Code's definition of what constitutes an Independent Director in its review. Following the recent revision to the Code, the Catalist Rules has been amended to be consistent with the Code. In relation to the assessment of the independence of the Directors, specific tests of Directors' independence have been codified into the Catalist Rules to clarify that these circumstances which deemed Directors not to be independent should be applied without any exceptions. Under Rules 406(3)(d)(i) and 406(3)(d)(ii) of the Catalist Rules, it stipulates that a Director will not be considered as independent if he is employed by the issuer or any of its related corporations for the current or any of the past three (3) financial years; or if he has an immediate family member who is employed or has been employed by the issuer or any of its related corporation for the past three (3) financial years, and whose remuneration is determined by the remuneration committee of the issuer. In this regard, the Independent Directors have confirmed that they and their respective associates do not have any employment relationships with the Company or any of its related corporations for the current or any of the past three (3) financial years.

Under Rule 406(3)(d)(iii) of the Catalist Rules which has come into force on 1 January 2022, it stipulates that a Director will not be considered independent if he/she has been a director for an aggregate period of more than nine (9) years (whether before or after listing) and his/her continued appointment as an independent director has not been sought and approved in separate resolutions by (A) all shareholders; and (B) shareholders, excluding the directors and the chief executive officer of the issuer, and associates of such directors and chief executive officer. The Board notes that the SGX-ST has stated that to ensure that the independence designation of a director who has served for more than nine (9) years as at and from 1 January 2022 is not affected, a listed issuer should seek and obtain approvals for his continued appointment as an independent director prior to 1 January 2022.

As at the date of this report, Mr Tan Keh Yan, Peter and Mr Lee Sai Sing have served on the Board for a period exceeding nine (9) years from the date of their appointments. Mr Tan Keh Yan, Peter and Mr Lee Sai Sing continued appointment as an independent director have been sought and approved via a two-tier shareholders vote on 30 April 2021. The said approval will remain in force until the earlier of the following: (i) the retirement or resignation of the director; or (ii) the conclusion of the third annual general meeting upon passing of the resolutions. As Mr Lee Sai Sing is due for retirement pursuant to Regulation 89 of the Company's Constitution, he will be subject to re-election as an independent director via the two-tier shareholders vote pursuant to Rule 406(3)(d)(iii) of the Catalist Rules as well at the forthcoming annual general meeting ("AGM").

The Independent Directors have confirmed that they do not have any relationship with the Company, its related corporations, its substantial shareholders or its officers that could interfere, or be reasonably perceived to interfere, with the exercise of the Directors' independent business judgement with a view to the best interests of the Company.

The Board has considered the present Board size and is satisfied that the current size facilitates effective decision-making and is appropriate for the nature and scope of the Group's operations. In identifying the need for new directors, the Board's primary consideration is to ensure that the Board consists of an appropriate mix of members with complementary skills, core competencies and experience that could contribute effectively to the Group, regardless of gender.

The Board has a diversity policy which requires the NC to review the Board's diversity in skills, industry, business experience, gender, age, ethnicity and other attributes among the Directors, with the objective of bringing to the Board different perspectives, experiences and competencies. To maintain or enhance the balance and diversity of the Board, the Board's composition is reviewed by the NC to ensure that the Board has the appropriate mix of expertise and experience. The NC is of the view that the current Board comprises persons whose diverse skills, experience and knowledge to the Company and provides a diversity of gender with five (5) male Directors and three (3) female Directors. The Board members also collectively possess the necessary core competencies such as accounting, finance, investment, business and management experience, corporate governance, industry knowledge and strategic planning experience for the effective functioning of the Board and an informed decision-making process.

CORPORATE GOVERNANCE REPORT

BOARD COMPOSITION AND GUIDANCE (CONTINUED)

The Independent Directors have the necessary experience and expertise to assist the Board in decision-making and provide greater balance to the Board as they do not participate in the day-to-day running of the Group. The Non-Executive Directors may challenge and help develop proposals on strategy, review the performance of the Management and extend guidance to the Management. Non-Executive Directors have been actively participating in discussions and decision-making at the Board and Board Committees meetings, and had open discussions with the Management. Where necessary, the Non-Executive Directors, led by the Lead Independent Director, meet and discuss on the Group's affairs without the presence of the Management and the Chairman of the Board. The feedback and views expressed by the Non-Executive Directors were communicated by the Lead Independent Director to the Board and/or Chairman of the Board after the meeting, as appropriate.

CHAIRMAN AND CHIEF EXECUTIVE OFFICER ("CEO")

The roles of the Chairman and the CEO are separate and distinct, each having their own areas of responsibilities. The responsibilities of the Chairman include:

- leading the Board to ensure its effectiveness;
- setting agenda for Board meetings and ensuring adequate time for discussion;
- promoting openness and discussion during Board meetings;
- ensuring that Directors receive complete, adequate and timely information;
- ensuring effective communication with the shareholders and other stakeholders;
- encouraging constructive relations within the Board and between the Board and the Management;
- facilitating effective contributions of the Non-Executive Directors; and
- promoting high standards of corporate governance.

The key responsibilities of the CEO include overseeing the day-to-day management of the Group, leading and implementing all major initiatives (such as expansion related strategies, acquisitions and capital investments) of the Group, and playing an instrumental role in the sustainable development and growth of the Group's business.

The Company believes that a distinctive separation of responsibilities between the Chairman and the CEO will ensure an appropriate balance of power, increased accountability and greater capacity for the Board to exercise independent decision-making. For FY2021, the positions of the Chairman and the CEO are held by Mr Koh Wee Seng and Mr Ng Leok Cheng respectively.

Mr Ng Leok Cheng had retired as the CEO and Executive Director with effect from 31 March 2022 and will assume the role of Senior Advisor to facilitate a smooth transition. Upon Mr Ng Leok Cheng's retirement, Mr Ng Kean Seen, who was the Group's Deputy CEO, has been appointed as the CEO and Executive Director with effect from 1 April 2022.

The Board is of the view that there are sufficient safeguards and checks to ensure that the process of decision-making by the Board is independent and based on collective decisions without any individual or small group of individuals exercising any considerable concentration of power or influence.

For good corporate governance, the Board has appointed Mr Tan Keh Yan, Peter as the Lead Independent Director of the Company. He is available to address the concerns of the shareholders and employees in the event that interactions with the Non-Executive Chairman, CEO or Assistant Finance Director cannot satisfactorily resolve their concerns or where such channel of communications is considered inappropriate or inadequate. No queries or requests on any matters were received in FY2021 which required the Lead Independent Director's attention.

CORPORATE GOVERNANCE
REPORT**BOARD MEMBERSHIP & PERFORMANCE (Principles 4 and 5)**

Principle 4: The Board has a formal and transparent process for the appointment and re-appointment of directors, taking into account the need for progressive renewal of the Board.

Principle 5: The Board undertakes a formal annual assessment of its effectiveness as a whole, and that of each of its board committees and individual directors.

NOMINATING COMMITTEE

The NC comprises five (5) Directors, all of whom are Non-Executive Directors, and a majority of whom, including the NC Chairman, are independent. The members of the NC are as follows:

Goh Bee Leong	Chairman	Independent Director
Tan Keh Yan, Peter	Member	Lead Independent Director
Lee Sai Sing	Member	Independent Director
Tan Soo Kiang	Member	Independent Director
Koh Lee Hwee	Member	Non-Executive Director

The NC will meet once a year. The NC carries out its duties in accordance with a set of terms of reference which includes, mainly, the following:

- reviewing and recommending to the Board on all Board appointments, including the nomination or re-nomination of Directors having regard to the Directors' contribution and performance;
- reviewing the succession plans for the Chairman of the Board, Directors, CEO and key management personnel of the Company;
- developing a process for the selection, appointment and re-appointment of Directors to the Board;
- reviewing induction programs for new Directors, as well as the training and professional development programs for the continuing training of the Directors;
- determining on an annual basis whether or not a Director is independent bearing in mind the salient factors set out in the Code;
- deciding whether or not a Director is able to and has been adequately carrying out his duties as a director, having regard to the competing time commitments that are faced by the Director has multiple listed company board representations;
- assessing the effectiveness of the Board as a whole and the contribution of each individual Director to the effectiveness of the Board;
- recommending to the Board the development of a performance evaluation framework and deciding how the performance of the Board may be evaluated and proposing objective performance criteria. The NC Chairman should act on the results of the performance evaluation, recommend areas that need improvement and, where appropriate, propose new members be appointed to the Board or seek the resignation of Directors, in consultation with the NC;
- reviewing the structure, size and composition (including the skills, gender, age, qualification, experience and diversity) of the Board and Board Committees (taking in account Rule 406(3)(c) of the Catalyst Rules and Provisions 2.1 to 2.4 of the Code) and make recommendations to the Board with regard to any changes; and
- reviewing and ensuring that there is a clear division of responsibilities between the Chairman and CEO of the Company in place.

CORPORATE GOVERNANCE REPORT

NOMINATING COMMITTEE (CONTINUED)

In its selection of new Directors, the NC reviews the composition of the Board and identifies the skill sets which will enhance the Board's overall effectiveness. Potential candidates are identified from various sources. The Board conducts an initial assessment to review the candidate's qualifications, attributes and past experience followed by interviewing short-listed candidates. The proposed candidate's independence, expertise, background and right skills will be considered before the Board makes its final decision on the appointment. For re-appointment of Directors to the Board, the Board will take into consideration, amongst others, the Director's integrity, competencies, independence, commitment, contribution and performance (such as attendance, participation, preparedness and candour).

The NC ensures that new directors are aware of their duties and obligations. Information in respect of the academic and professional qualification and present and past directorships is set out in the "Board Composition and Guidance" section of this report. For FY2021, the Board is of the view that all Directors have been able to and have adequately carried out their duties as Directors notwithstanding their other listed company board representations and other principal commitments. Having reviewed each Director's attendance, participation, contribution, expertise and competing time commitments, the Board (with the NC's concurrence) is of the view that none of the Directors hold a significant number of directorships and other principal commitments that may impede his/her ability to discharge his/her duties. The Board further notes that none of the Directors hold six (6) or more listed company directorships. Further information on multiple directorships can be found under "The Board's Conduct of Affairs" of this report.

The NC determines the criteria on which Board performance is to be evaluated and, subject to the approval of the Board, proposes objective performance criteria which address how the Board has enhanced long-term shareholders' value.

The Board has implemented a formal annual process to be carried out by the NC to assess the effectiveness of the Board as a whole, its Board Committees, the Chairman of the Board and the individual Director's performance. For FY2021, the Directors participated in the evaluation by providing feedback to the NC in the form of completing a Board Performance Evaluation checklist which covers several parameters such as Board composition, conduct of meetings, Board process, Board accountability, risk management and internal control, measuring and monitoring performance as well as communication with shareholders. The assessment of the Chairman of the Board is based on his ability to lead, whether he established proper procedures to ensure the effective functioning of the Board and that the time devoted to Board meetings were appropriate and Board meetings are conducted in a manner that facilitate open communication and meaningful participation for effective discussion and decision-making by the Board. The performance criteria taken into account by the NC in relation to an individual Director include, *inter alia*, the Director's interactive skills, industry knowledge, contribution and workload requirements, sense of independence and preparation at the Board and Board Committees meetings. To ensure confidentiality, the evaluation checklists completed by the Directors were submitted to the Company Secretary for collation. The consolidated responses were presented to the NC for review before submitting to the Board for discussion and determining areas for improvement and enhancement of the Board effectiveness. Following the review in FY2021, the Board is of the view that the Board and its Board Committees operate effectively and each Director is contributing to the overall effectiveness of the Board. There was no external consultant involved in the Board evaluation process in FY2021.

The NC will continue to review formal assessment processes for evaluating Board performance, as well as the contribution of individual Directors to the effectiveness of the Board. Each member of the NC and the Board shall abstain from voting on any resolutions in respect of the assessment of his performance or re-nomination as Director.

All Directors submit themselves for re-nomination and re-appointment at regular intervals of at least once every three (3) years. The Company's Constitution provides that at least one-third of the Board shall retire from office by rotation and are subject to re-election at every AGM. The NC has reviewed and is satisfied that the Directors who are retiring in accordance with the Company's Constitution at the forthcoming AGM are properly qualified for re-appointment by virtue of their skills, experience and contributions.

CORPORATE GOVERNANCE
REPORT**NOMINATING COMMITTEE (CONTINUED)**

The NC recommended to the Board that Ms Koh Lee Hwee, Mr Lee Sai Sing and Ms Goh Bee Leong who are retiring pursuant to Regulation 89 of the Company's Constitution and where applicable, Rule 720(4) of the Catalist Rules of the SGX-ST, and Mr Ng Kean Seen who is retiring pursuant to Regulation 88 of the Company's Constitution, be nominated for re-election as Directors at the Company's forthcoming AGM. The Board has accepted the recommendation of the NC. Please refer to pages 15 to 16 of this Annual Report for more information on Ms Koh Lee Hwee, Mr Lee Sai Sing and Ms Goh Bee Leong. The re-appointments of Ms Koh Lee Hwee, Mr Lee Sai Sing, Ms Goh Bee Leong and Mr Ng Kean Seen shall be subject to shareholders' approval at the forthcoming AGM.

The NC also determines, on an annual basis, the independence of the Directors. For FY2021, the NC has assessed and affirmed the status of each Director as follows:

Koh Wee Seng	Non-Independent
Ng Leok Cheng	Non-Independent
Koh Lee Hwee	Non-Independent
Ko Lee Meng	Non-Independent
Tan Keh Yan, Peter	Independent
Lee Sai Sing	Independent
Goh Bee Leong	Independent
Tan Soo Kiang	Independent

The Company has complied with Rule 720(5) of the Catalist Rules as the information relating to the retiring Directors who are submitting themselves for re-election, including their appointment dates, directorships held in other listed companies presently and in the past five (5) years, as well as their principal commitments, are set out on pages 33 to 38 of this Annual Report. Negative disclosures as set out on pages 38 to 42 were provided by the retiring Directors who are submitting themselves for re-election on each item in Appendix 7F (a) to (k) of the Catalist Rules.

The Company does not have any alternate Directors.

REMUNERATION MATTERS (Principle 6, 7 and 8)

Principle 6: The Board has a formal and transparent procedure for developing policies on director and executive remuneration, and for fixing the remuneration packages of individual directors and key management personnel. No director is involved in deciding his or her own remuneration.

Principle 7: The level and structure of remuneration of the Board and key management personnel are appropriate and proportionate to the sustained performance and value creation of the company, taking into account the strategic objectives of the company.

Principle 8: The company is transparent on its remuneration policies, level and mix of remuneration, the procedure for setting remuneration, and the relationships between remuneration, performance and value creation.

REMUNERATION MATTERS

The RC comprises five (5) Directors, all of whom are Non-Executive Directors, and a majority of whom, including the RC Chairman, are independent. The members of the RC are as follows:

Lee Sai Sing	Chairman Independent Director
Tan Keh Yan, Peter	Member Lead Independent Director
Goh Bee Leong	Member Independent Director
Tan Soo Kiang	Member Independent Director
Ko Lee Meng	Member Non-Executive Director

CORPORATE GOVERNANCE REPORT

REMUNERATION MATTERS (CONTINUED)

The RC will meet at least once a year. The RC carries out its duties in accordance with a set of terms of reference which includes, mainly, the following:

- reviewing and recommending to the Board a framework of remuneration policies to determine the specific remuneration packages and terms of employment for each of the Directors and key management personnel which are appropriate and proportionate to the sustained performance and value creation of the Company, taking into account the strategic objectives of the Company;
- setting performance measures and determine targets for any performance-related pay schemes, as necessary, that are operated by the Company;
- ensuring that a significant and appropriate proportion of the Executive Director's and key management personnel's remuneration is structured so as to link rewards to corporate and individual performance, and that the performance-related remuneration is aligned with the interests of shareholders and other stakeholders and promotes the long-term success of the Company;
- ensuring that the remuneration of the Non-Executive Directors is appropriate to the level of contribution, taking into account factors such as effort, time spent, and responsibilities;
- reviewing the remuneration of employees related to the Directors, CEO or substantial shareholders, if any, to ensure that their remuneration packages are in line with staff remuneration guidelines and commensurate with their respective job scopes and level of responsibilities;
- reviewing the ongoing appropriateness and relevance of the Company's remuneration policy (including but not limited to Directors' fees, salaries, allowances, bonuses, options, share-based incentives and awards and benefits-in-kind are covered) and other benefit programmes (where appropriate);
- reviewing and administering the award of shares to Directors and employees under the employee performance share plan adopted by the Company; and
- reviewing and determining the contents of any service contracts for any Directors or key management executives, and ensuring that the termination clauses in the service contracts, if any, are fair and reasonable, and not overly generous.

The RC ensures that a formal and transparent procedure is in place for determining the remuneration packages of individual Directors and key management personnel. All aspects of remuneration, including but not limited to Directors' fees, salaries, allowances, bonuses and other benefits-in-kind are reviewed by the RC. The recommendations of the RC are submitted for endorsement by the Board. Each member of the RC abstains from voting on any resolutions in respect of his remuneration package.

The remuneration of related employees will be reviewed annually by the RC to ensure that their remuneration packages are in line with the staff remuneration guidelines and commensurate with their respective job scopes and level of responsibilities. Any bonuses, pay increments and/or promotions for these related employees will also be subject to the review and approval of the RC. In the event that a member of the RC is related to the employee under review, he/she will abstain from participating in the review.

No remuneration consultants were engaged by the Company in FY2021. The RC will engage professional advice in relation to remuneration matters as and when the need arises. The RC will ensure that existing relationships between the Company and its appointed remuneration consultants, if any, will not affect the independence and objectivity of the remuneration consultants. Where remuneration consultants are appointed, the Company will disclose the names and firms of the remuneration consultants in the annual remuneration report, and include a statement on whether the remuneration consultants have any such relationships with the Company.

CORPORATE GOVERNANCE
REPORT**REMUNERATION MATTERS (CONTINUED)**

The Company's remuneration policy is to ensure that the remuneration offered is competitive and sufficient to attract, retain and motivate Directors and key management personnel of the required experience and expertise. Having reviewed and considered the variable components of the Executive Directors and key management personnel, which are moderate, the RC is of the view that there is no requirement to institute contractual provisions to allow the Company to reclaim incentive components of remuneration from the Executive Director and key management personnel in exceptional circumstances of misstatement of financial results, or of misconduct resulting in financial loss to the Company.

Executive Directors do not receive Directors' fees but are remunerated as members of the Management. The remuneration package of the Executive Directors and the key management personnel comprises a basic salary component and a variable component (which is the annual bonus), based on the performance of the Group as a whole and their individual performance. The performance-related component of the remuneration package is designed to align the interests of the Executive Director with those of the shareholders and link rewards to the Group's financial performance. Service agreements for the Executive Director are for a fixed appointment period and do not contain onerous removal clauses.

The Non-Executive Directors do not have service agreements with the Company. They are paid fixed Directors' fees appropriate to their level of contribution, taking into account factors such as effort and time spent, and their responsibilities on the Board and Board Committees. The Independent Directors have not been over-compensated to the extent that their independence is compromised.

In addition, the Company has implemented an employee performance share plan as part of a compensation plan to motivate Directors and employees of the Group of dedication, loyalty and higher standards of performance. The Maxi-Cash Performance Share Plan (the "**Share Plan**") was approved and adopted by the shareholders of the Company at an extraordinary general meeting ("**EGM**") held on 11 April 2012. The Share Plan had expired on 10 April 2022 and the Company intends to seek shareholders' approval for the adoption of a new Share Plan at the forthcoming EGM.

The Share Plan is administered by the RC. The names of the members of the RC are as stated above.

A participant's award under the Share Plan will be determined at the sole discretion of the RC. In considering the grant of an award to a participant, the RC may take into account, amongst others, the participant's capability, creativity, entrepreneurship, innovativeness, scope of responsibility and skill set.

Awards granted under the Share Plan will be performance based, with performance targets set over a designated performance period. Performance targets set are intended to be premised on medium-term corporate objectives covering market competitiveness, quality of returns, business growth and productivity growth. Awards are granted when and after pre-determined performance or service conditions are accomplished.

The aggregate number of shares which may be issued or transferred pursuant to the awards granted under the Share Plan, when added to (i) the number of shares issued and issuable and/or transferred or transferable in respect of all awards granted under the Share Plan; and (ii) all shares issued and issuable and/or transferred or transferable in respect of all options granted or awards granted under any other share incentive schemes or share plans adopted by the Company for the time being in force, shall not exceed fifteen per cent (15%) of the issued share capital (excluding treasury shares) of the Company on the day preceding the relevant date of the award.

During FY2021, 889,500 shares have been granted under the Share Plan. For further details of the Share Plan, please refer to the Company's offer document dated 12 June 2012.

CORPORATE GOVERNANCE REPORT

REMUNERATION MATTERS (CONTINUED)

Disclosure on Directors' Fees and Remuneration

A breakdown showing the level and mix of the remuneration of each individual Director for FY2021 is set out below:

Remuneration bands	Salary ⁽¹⁾ (%)	Benefits	Variable or performance bonus (%)	Directors' Fees ⁽²⁾ (%)	Total (%)
Directors					
<u>S\$750,000 to S\$1,000,000</u>					
Ng Leok Cheng ⁽³⁾	49.92	--	50.08	--	100.00
<u>Below S\$250,000</u>					
Koh Lee Hwee	--	--	--	100.00	100.00
Koh Wee Seng	--	--	--	100.00	100.00
Ko Lee Meng	--	--	--	100.00	100.00
Tan Keh Yan, Peter	--	--	--	100.00	100.00
Lee Sai Sing	--	--	--	100.00	100.00
Goh Bee Leong	--	--	--	100.00	100.00
Tan Soo Kiang	--	--	--	100.00	100.00

Notes:

(1) Salary is inclusive of salary, allowances and Central Provident Fund contributions.

(2) Directors' fees are subject to the approval of the shareholders of the Company at the forthcoming AGM.

(3) Mr Ng Leok Cheng had retired as the Executive Director and Chief Executive Officer with effect from 31 March 2022.

The Remuneration of Key Management Personnel (who are not Directors or the CEO)

The Group has five (5) key management personnel. The remuneration of the top five (5) key management personnel comprises of fixed component and variable component. Fixed component is in the form of fixed salary whereas variable component is linked to the performance of the Group's business and individual performance.

A breakdown of the level and mix of the remuneration payable to each top five (5) key management personnel for FY2021 are as follows:

Remuneration Bands	FY2021			
	No. of key management personnel	Salary (including Central Provident Fund) %	Bonus, profit sharing %	Other Benefits %
S\$250,000 to below S\$500,000	1	45.13	54.87	--
Below S\$250,000	4	77.77	22.23	--

The Board has reviewed the disclosure of the remuneration of the Directors and key management personnel and has decided not to fully disclose their remuneration and the names of the key management personnel. In view of the confidentiality and sensitivity on remuneration matters as well as the competitive business environment the Company operates in, the Board believes that such disclosure may be prejudicial to its businesses and harm its commercial interests.

The total remuneration paid to the top five (5) key management personnel was S\$806,345 for FY2021.

CORPORATE GOVERNANCE
REPORT**REMUNERATION MATTERS (CONTINUED)**

Save for Mr Koh Wee Seng (Non-Executive Chairman), Ms Koh Lee Hwee (Non-Executive Director) and Ms Ko Lee Meng (Non- Executive Director) who are siblings, there was no employee of the Group who is a substantial shareholder of the Company, or is an immediate family member of a Director, the CEO or a substantial shareholder of the Company and was paid more than S\$100,000 during FY2021.

RISK MANAGEMENT AND INTERNAL CONTROLS (Principle 9)

Principle 9: The Board is responsible for the governance of risk and ensures that Management maintains a sound system of risk management and internal controls, to safeguard the interests of the Company and its shareholders.

The Board acknowledges that it is responsible for the governance of risk and ensures that the Management maintains a sound system of risk management and internal controls to safeguard the shareholders' interests and the Group's assets, and determines the nature and extent of the significant risks which the Board is willing to take in achieving its strategic objectives and value creation.

The Company's internal control systems serve as the key in identifying and managing risks that are significant to the achievement of its business objectives. The process of risk management has been integrated into the Group's business planning and monitoring process. The Board regularly reviews the Group's business and operational activities to identify areas of significant business risks. Appropriate measures are taken to assess, control and mitigate these risks.

The AC reviews with the external auditors, as part of their statutory audit, the adequacy and effectiveness of the Group's internal controls relevant to the preparation of financial statements. In its review of the financial statements for FY2021, the AC is of the view that the financial statements are fairly presented in conformity with the relevant Singapore Financial Reporting Standards (International) in all material aspects. In the review of the financial statements for FY2021, the AC had discussed with the management and the external auditors on significant issues and assumptions that impact the financial statements. Key audit matters ("KAM") were reported by the external auditors and is set out on pages 47 to 48 of this Annual Report. The AC reviewed the KAM and concurred and agreed with the external auditor and management on their assessment, judgements and estimates on the significant matters reported by the external auditor.

The internal audit function of the Group performs risk assessment and conducts review on the adequacy and effectiveness of the Group's material internal controls, that addresses the Group's financial, operational, compliance and information technology controls, and risk management systems. Any material non-compliance or failures in internal controls and recommendations for improvements are reported to the AC. The AC also reviews and endorses the internal audit plan and internal audit reports of the Group.

The internal control systems maintained by the Management throughout the year and up to the date of this report, provides reasonable, but not absolute, assurance against material financial misstatements or loss, and include the safeguarding of assets, the maintenance of proper accounting records, the reliability of financial information, compliance with appropriate legislation, regulation and best practice, and the identification and containment of business risk. The Board notes that no system of internal controls or risk management could provide absolute assurance against the occurrence of material errors, poor judgement in decision-making, human error, losses, fraud or other irregularities. The adequacy and effectiveness of the Group's risk management and internal control systems and procedures will be reviewed by the AC annually. No material internal control weaknesses had been raised by the internal auditor in the course of their audits for FY2021.

Based on the Group's framework of management controls in place, the internal control policies and procedures established and maintained by the Group, work performed by the internal and external auditors and reviews performed by the Management, the Board, with the concurrence of the AC, is of the opinion that the Group's internal controls, including financial, operational, compliance and information technology controls, and risk management systems are adequate and effective as at 31 December 2021.

CORPORATE GOVERNANCE REPORT

RISK MANAGEMENT AND INTERNAL CONTROLS (Principle 9) (CONTINUED)

The Board has also received the assurance from:

- (a) the CEO and the Assistant Finance Director that the financial records have been properly maintained and the financial statements give a true and fair view of the Company's operations and finances; and
- (b) the CEO and the key management personnel who are responsible that they have evaluated the adequacy and effectiveness of the Company's risk management and internal control systems and assessed the internal auditors' reports on the Group's operations and external auditors' report on the financial statements and management letter, and noted that the Group's risk management and internal controls systems in place were adequate and effective to address the financial, operational, compliance and information technology risks in the context of the current scope of the Group's business operations

AUDIT COMMITTEE (Principle 10)

Principle 10: The Board has an Audit Committee which discharges its duties objectively.

The AC comprises five (5) Directors, all of whom are Non-Executive Directors, and a majority of whom, including the AC Chairman, are independent and have accounting related or financial management experience. The members of the AC are as follows:

Tan Keh Yan, Peter	Chairman	Lead Independent Director
Lee Sai Seng	Member	Independent Director
Goh Bee Leong	Member	Independent Director
Tan Soo Kiang	Member	Independent Director
Ko Lee Meng	Member	Non-Executive Director

The AC meets at least on a half-yearly basis during the year. The AC carries out its duties in accordance with a set of terms of reference which includes, mainly, the following:

- reviewing with the external auditors, the audit plan and their evaluation of the system of internal accounting controls as part of their statutory audit and monitor Management's response and actions to correct noted deficiencies;
- reviewing with the internal auditors of the Company, the adequacy, effectiveness, independence, scope and results of the internal audit and monitor Management's response to their findings to ensure that appropriate follow-up measures are taken;
- reviewing the internal control systems and procedures and ensure coordination between the external auditors and Management;
- ensuring that the Company has programmes and policies in place to identify and prevent fraud;
- overseeing the establishment and operation of the whistleblowing process in the Company;
- reviewing the assurance provided by the CEO and the Assistant Finance Director that the financial records have been properly maintained, and that the financial statements give a true and fair view of the Company's operations and finances;
- reviewing the effectiveness and adequacy of the Company's administrative, operating internal accounting and financial control procedures, and ensuring compliance with accounting standards, Catalist Rules and statutory/regulatory requirements;
- ensuring that internal and external auditors have direct and unrestricted access to the AC Chairman and the Chairman of the Board;

CORPORATE GOVERNANCE
REPORT**AUDIT COMMITTEE (Principle 10) (CONTINUED)**

- reviewing the significant financial reporting issues and judgements so as to ensure the integrity of periodic financial results, financial statements, and any announcements on the Company's financial performance and recommend changes, if any, to the Board;
- reviewing and reporting to the Board at least annually the adequacy and effectiveness of the Company's risk management and internal controls systems in relation to financial reporting and other financial-related risk and controls (and to the extent delegated to it by the Board);
- reviewing the interested person transactions and related party transactions;
- review any potential conflicts of interests that may arise in respect of any directors and/or controlling shareholders of the Company for the time being;
- evaluating the independence of the external auditors annually and recommend to the Board the appointment, reappointment and removal of the external auditors, and its remuneration and terms of engagement; and
- reviewing the adequacy, effectiveness, scope and results of the external audit, and where external auditors provide non-audit services, to review the nature, extent and cost of such services and the independence and objectivity of the external auditors.

The AC has authority to investigate any matter within its terms of reference and have been given full access to, and the co-operation of, the Management and reasonable resources to enable it to discharge its function properly. The AC has full discretion to invite any Director or key management personnel to attend its meetings.

The AC is guided by its terms of reference which stipulate its principal functions. In performing its functions, the AC meets regularly with the Management and the external auditors to review auditing and risk management matters and discuss accounting implications of any major transactions including significant financial reporting issues. It also reviews the internal audit function of the Group to ensure that an effective system of internal controls is maintained in the Group. The AC has full access to the external auditors and the internal auditors and has met with them at least once during FY2021 without the presence of the Management. On a half-yearly basis, the AC also reviews the interested person transactions before their submission to the Board for approval. The AC is kept abreast by the Management and the external auditors of changes to accounting standards, Catalist Rules and other regulations which could have an impact on the Group's business and financial statements.

The AC will review the independence of the external auditors annually. The AC undertook the review of the independence and objectivity of the external auditors, EY, through discussions with the external auditors as well as reviewing the non-audit services provided and the fees paid to them. A breakdown of the audit and non-audit fees paid to the external auditors can be found on page 75 of this Annual Report. Based on the review, the AC is of the opinion that EY is, and is perceived to be, independent for the purpose of the Group's statutory audit. In reviewing the nomination of EY for re-appointment for the financial year ending 31 December 2022, the AC has considered the adequacy of the resources, experience and competence of EY, and has taken into account the Audit Quality Indicators relating to EY at the firm level and on the audit engagement level. Consideration was also given to the experience of the engagement partner and key team members in handling the audit. The AC also considered the audit team's ability to work in a cooperative manner with Management whilst maintaining integrity and objectivity and to deliver their services professionally and within agreed timelines. On the basis of the above, the AC is satisfied with the standard and quality of work performed by EY. The AC has recommended to the Board that EY be nominated for re-appointment as the Company's external auditors at the forthcoming AGM.

The Company has complied with Rules 712 and 715 of the Catalist Rules in appointing the audit firms for the Group. No former partner or director of the Company's existing auditing firm is a member of the AC (a) within a period of two (2) years commencing on the date of their ceasing to be a partner or director of the audit firm; or (b) hold any financial interest in the audit firm.

CORPORATE GOVERNANCE REPORT

AUDIT COMMITTEE (Principle 10) (CONTINUED)

The Company has put in place a whistle-blowing policy, endorsed by the AC where employees of the Company may in confidence, raise concerns about wrongdoing or malpractice within the Company and its subsidiaries and ensure arrangements are in place for the independent investigations of such matters and for appropriate follow up actions. The Company is committed to ensuring that whistle-blowers will be treated fairly, and protected against detrimental or unfair treatment for raising concerns in good faith. Details of the whistle-blowing policies and arrangements have been made available to all employees. No such whistle-blowing letter was received during FY2021.

The internal audit function of the Group is conducted by the internal audit team of the Company. The internal audit team performs risk assessment and conducts the review of the effectiveness of the Group's internal controls, including financial, operational, compliance and information technology controls, and risk management systems. The internal auditors report primarily to the AC Chairman and has unrestricted access to the documents, records, properties and personnel of the Company and of the Group. The AC reviews and endorses the internal audit plan and internal audit reports of the Group. Any material non-compliance or failures in the internal audit function and recommendations for improvements are reported to the AC.

The internal audit function is independent of the activities it audits and carries out its activities in compliance with the Standards for the Professional Practice of Internal Auditing set by The Institute of Internal Auditors.

The Board and the AC are of the opinion that the internal audit function is sufficiently resourced and internal audits are performed by competent professional staff. The AC will review annually the adequacy and effectiveness of the internal audit function to ensure that resources are adequate and that the internal audits are performed effectively. The AC will also approve the appointment, removal, evaluation and compensation of the head of the internal audit function.

SHAREHOLDER RIGHTS AND ENGAGEMENT (Principles 11 and 12)

Principle 11: The Company treats all shareholders fairly and equitably in order to enable them to exercise shareholders' rights and have the opportunity to communicate their views on matters affecting the Company. The Company gives shareholders a balanced and understandable assessment of the Company's performance, position and prospects.

Principle 12: The Company communicates regularly with its shareholders and facilitates the participation of shareholders during general meetings and other dialogues to allow shareholders to communicate their views on various matters affecting the Company.

Shareholders are informed of shareholders' meetings through the notice of general meeting released through SGXNet, the Company's website and published in the Business Times, where necessary, within the same period. Reports and circulars are published on the Company's website and for those shareholders who opted for printed copies, they will also receive the reports and circular by post. The results of the general meetings are also released on SGXNet on the same day.

All registered shareholders are invited to attend the general meetings to put forth any questions they may have on the motions to be debated and decided upon. All shareholders are entitled to vote in accordance with the established voting rules and procedures at the AGM. Each share is entitled to one vote. Matters which require shareholders' approval were presented and proposed as a separate resolution. The resolutions are not bundled or made inter-conditional on each other, unless the issues are interdependent and linked so as to form one significant proposal. Where the resolutions are bundled, the Company will explain the reasons and material implications in the notice of meeting. The Company practices having separate resolutions at general meetings for each distinct issue. Each item of special business in the notice of general meeting is accompanied by an explanatory note, where appropriate. Shareholders can download a copy of the proxy form from the SGXNet and the Company's website.

CORPORATE GOVERNANCE
REPORT**SHAREHOLDER RIGHTS AND ENGAGEMENT (Principles 11 and 12) (CONTINUED)**

All Directors, the Management, the Company Secretary, external auditors and legal advisors (if necessary) attend the general meetings of the Company. The procedures of the general meetings provide shareholders the opportunity to ask questions relating to each resolution tabled for approval. Shareholders are encouraged to provide their views on matters relating to the Company. All Directors attended the AGM held on 30 April 2021. The Company's external auditors, EY, were also present at the AGM and were available to assist the Directors in addressing any relevant queries by the shareholders relating to the conduct of the audit and the preparation and content of the auditors' report.

Voting in absentia such as voting via mail, electronic mail or facsimile at the general meetings may only be possible following careful study to ensure that integrity of the information and authentication of the identity of shareholders through the web is not compromised.

As a precautionary measure due to the current COVID-19 situation in Singapore, shareholders will not be able to attend the forthcoming AGM ("**2022 AGM**") in person. Instead, the 2022 AGM to be held in respect of FY2021 will be convened and held by electronic means on 29 April 2022 and shareholders are invited to participate at the virtual 2022 AGM by (a) observing and/or listening to the 2022 AGM proceedings via "live" audio-visual webcast or "live" audio-only stream; (b) submitting questions in advance; and (c) voting at the AGM by appointing the Chairman of the AGM as proxy to vote on their behalf at the 2022 AGM. Details of the steps for pre-registration, submission of questions and voting at the 2022 AGM by shareholders, including CPF and SRS investors, are set out in the Notice of AGM. In view of the constantly evolving COVID-19 situation in Singapore, we may be required to change our arrangements for the AGM at short notice and shareholders should check SGXNet for the latest updates on the status of the 2022 AGM.

The Company Secretary prepares detailed minutes of the general meetings which include substantial and relevant comments or queries from shareholders relating to the agendas of the meetings, and responses from the Board and Management. These minutes are subsequently approved by the Board and made available to shareholders during office hours at the registered office. The minutes will be posted on the Group's website as soon as practicable. All material information relating to the Group is disclosed in an accurate and timely manner through publication on SGXNet and is made available to everyone, including the shareholders.

For greater transparency, the Company will put all resolutions to vote by poll at general meetings and an announcement of the detailed results of the number of votes cast for and against each resolution and the respective percentages will be made on the same day.

The Company currently does not have a fixed dividend policy. The form, frequency and amount of declaration and payment of future dividends on our shares that the Directors may recommend or declare in respect of any particular financial year or period will take into consideration the Group's retained earnings and expected future earnings, operations, cash flow, capital requirements and general financing condition, as well as general business conditions and other factors which the Directors may deem appropriate. The Company may declare dividends by way of an ordinary resolution of the shareholders at a general meeting, but may not pay dividends in excess of the amount recommended by the Directors. The declaration and payment of dividends will be determined at the sole discretion of the Directors, subject to the approval of the shareholders. The Directors may also declare an interim dividend without the approval of the shareholders. Future dividends will be paid by the Company as and when approved by the Directors and the shareholders (if necessary). Any dividend payments are clearly communicated to shareholders via announcements on SGXNet.

The Board is mindful of the obligation to provide timely and fair disclosure of material information. The Board is accountable to the shareholders while the Management is accountable to the Board. The Management currently provides the Board with management accounts of the Group's position, performance and prospects on a quarterly basis and as and when deemed necessary, and the Board provides shareholders with an assessment of the Company's performance, position and prospects periodically via announcements of financial results and other ad-hoc announcements as required by the SGX-ST. The Board has taken adequate steps to ensure that there is compliance towards the legislative and regulatory requirements. The Board seeks the confirmation of the Company's legal advisors, if necessary, before deciding on significant matters.

CORPORATE GOVERNANCE REPORT

SHAREHOLDER RIGHTS AND ENGAGEMENT (Principles 11 and 12) (CONTINUED)

Results and other material information are released through SGXNet on a timely basis for the dissemination to shareholders and public in accordance with the requirements of the SGX-ST.

The Company does not have a dedicated investor relations team. The CEO and Assistant Finance Director are responsible for the Company's communication with shareholders. The public can provide feedback to the Company Secretary via electronic mail address or registered address.

MANAGING STAKEHOLDERS RELATIONSHIPS (Principle 13)

Principle 13: The Board adopts an inclusive approach by considering and balancing the needs and interests of material stakeholders, as part of its overall responsibility to ensure that the best interests of the Company are served.

The Group takes a strategic and pragmatic approach in managing stakeholders' expectations to support its long-term strategy. The Group has regularly engaged its stakeholders through various medium and channels to ensure that the business interests are aligned with those of the stakeholders, to understand and address the concerns so as to improve services and products' standards, as well as to sustain business operations for long-term growth. The stakeholders have been identified as those who are impacted by the Group's business and operations and those who similarly are able to impact the Group's business and operations. Four (4) stakeholders groups have been identified through an assessment of their significance to the business operations. The Group has undertaken a process to determine the environmental, social and governance issues which are important to these stakeholders. These issues form the materiality matrix upon which targets, performance and progress are reviewed and endorsed by the Board annually. Having identified the stakeholders and the material issues, the Company has mapped out the key areas of focus in relation to the management of the respective stakeholder relationships. Please refer to the Group's Sustainability Report for further details.

The Group maintains a website at www.maxi-cash.com to communicate and engage with stakeholders. All material information on the performance and development of the Group and of the Company is disclosed in a timely, accurate and comprehensive manner through SGXNet, press releases and the Company's website. The Company does not practice selective disclosure of material information. The Company's website, which is updated regularly, contains various information on the Group and the Company which serves as an important resource for investors and all stakeholders.

OTHER CORPORATE GOVERNANCE

MATTERS DEALING IN SECURITIES

In compliance with Rule 1204(19) of the Catalist Rules, the Group has adopted an internal securities code of compliance to provide to the Directors and all employees of the Group with regard to dealing in the Company's securities. During the financial year, the Company issues memos to its Directors, officers and employees prohibiting dealing in its shares during the period commencing one (1) month before the announcement of the Company's half year and full-year financial results and ending on the date of announcement of the relevant results. Directors and employees are also advised against dealing in the Company's securities when they are in possession of any unpublished material price-sensitive information of the Group at all times. In addition, the Company discourages the Directors and employees from dealing in the Company's securities on short-term considerations. All Directors are required to notify the Company Secretary of any change in his interest in the Company's shares within two (2) business days of the change. The Group confirms that it has adhered to its internal securities code of compliance for FY2021.

INTERESTED PERSON TRANSACTIONS

The Company has adopted an internal policy in respect of any transactions with interested persons and has set out the procedures for review and approval of the Company's interested person transactions. All interested person transactions are reported in a timely manner to the AC and are subject to the review of the AC when a potential conflict of interest arises. The Director concerned does not participate in discussions and decisions involving the issues of conflict and refrains from exercising any influence over other members of the Board.

CORPORATE GOVERNANCE
REPORT**INTERESTED PERSON TRANSACTIONS (CONTINUED)**

The Group does not have a general mandate from shareholders for interested person transactions pursuant to Rule 920(1)(a)(i) of the Catalyst Rules.

The aggregate value of interested person transactions above S\$100,000 entered into during FY2021 is as follows:

<u>Name of interested person</u>	<u>Nature of Relationship</u>	<u>Aggregate value of all interested person transactions during FY2021 (excluding transactions less than S\$100,000 and transactions conducted under shareholders' mandate pursuant to Rule 920)</u>	<u>Aggregate value of all interested person transactions conducted under shareholders' mandate pursuant to Rule 920 (excluding transactions less than S\$100,000)</u>	
		(\$'000)	(\$'000)	
Aspial Corporation Limited ("Aspial")	A controlling shareholder of the Company	Provision of Interest Bearing Loan from Aspial Capital (Ubi) Pte. Ltd.	1,207	N/A
		Provision of management services	83	N/A
Aspial Corporation Services Pte Ltd	An associate of the Company's controlling shareholder*, Aspial	Corporate service fees paid	2,877	N/A
Aspial-Lee Hwa Jewellery Singapore Pte. Ltd.	An associate of the Company's controlling shareholder*, Aspial	Sales and purchase of jewellery	805	N/A
		Provision of management services	308	N/A
		Lease of premises	1,835	N/A
Aspial Capital (Ubi) Pte. Ltd.	An associate of the Directors, Mr Koh Wee Seng, Ms Koh Lee Hwee and Ms Ko Lee Meng	Lease of premises	2,019	N/A
Dynamic Project Management Service Pte. Ltd.	An associate of the Directors, Mr Koh Wee Seng, Ms Koh Lee Hwee and Ms Ko Lee Meng	Lease of premises	176	N/A
World Class Global Pte. Ltd.	An associate of the Directors, Mr Koh Wee Seng, Ms Koh Lee Hwee and Ms Ko Lee Meng	Lease of premises	469	N/A
AF Global Limited	An associate of a Director, Mr Koh Wee Seng and his family member	Lease of premises	180	N/A

* The term "controlling shareholder" and "associate" shall have the meaning ascribed to in the SGX-ST Listing Manual.

CORPORATE GOVERNANCE REPORT

INTERESTED PERSON TRANSACTIONS (CONTINUED)

MATERIAL CONTRACTS

Save as disclosed above in the section entitled "Interested Person Transactions", there were no material contracts of the Company or its subsidiaries involving the interest of any Director or controlling shareholder, either still subsisting at the end of FY2021 or if not then subsisting, entered into since the end of the financial year ended 31 December 2021.

NON-SPONSOR FEES

During the year, non-sponsor fees of \$113,456 was paid to the Sponsor. The non-sponsor fees paid was in relation to the placement agent fees for the placement conducted by the Company on 13 December 2021.

USE OF PROCEEDS

As disclosed in the announcement dated 4 March 2022, the net proceeds raised from the placement conducted by the Company on 13 December 2021, after deducting the fees and expenses (including listing and application fees, the commission payable to the Placement Agent, professional fees and other miscellaneous expenses of approximately S\$129,000) is approximately S\$5,055,000 (the "**Net Proceeds**").

Utilisation of Net Proceeds from the Placement	Amount utilised S\$'000
Working Capital*	5,055
*Funding in relation to secured lending business	

The Net Proceeds has been fully utilised. The use of the Net Proceeds is in accordance with the intended use of proceeds as disclosed in the announcement dated 6 December 2021.

CORPORATE GOVERNANCE
REPORT**ADDITIONAL INFORMATION ON DIRECTORS NOMINATED FOR RE-ELECTION – APPENDIX 7F OF THE CATALIST RULES**

Pursuant to Rule 720(5) of the Catalist Rules, the information as set out in Appendix 7F of the Catalist Rules relating to Ms Koh Lee Hwee, Mr Lee Sai Sing, Ms Goh Bee Leong and Mr Ng Kean Seen being the Directors who are retiring in accordance with the Company's Constitution at the forthcoming AGM, is set out below:

Name of Directors	Koh Lee Hwee	Lee Sai Sing	Goh Bee Leong	Ng Kean Seen
Date of appointment	10 April 2008	16 April 2012	19 October 2015	1 April 2022
Date of last re-appointment (if applicable)	26 April 2019	10 June 2020	10 June 2020	N.A.
Age	55	50	67	50
Country of principal residence	Singapore	Singapore	Singapore	Singapore
The Board's comments on this appointment (including rationale, selection criteria, and the search and nomination process)	The re-election of Ms Koh Lee Hwee as a Director of the Company was recommended by the NC and the Board has accepted the recommendation, after taking into consideration Ms Koh Lee Hwee's qualifications, skills, expertise, past experiences and overall contribution since she was appointed as a Director of the Company.	The re-election of Mr Lee Sai Sing as a Director of the Company was recommended by the NC and the Board has accepted the recommendation, after taking into consideration Mr Lee Sai Sing's qualifications, skills, expertise, past experiences and overall contribution since he was appointed as a Director of the Company.	The re-election of Ms Goh Bee Leong as a Director of the Company was recommended by the NC and the Board has accepted the recommendation, after taking into consideration Ms Goh Bee Leong's qualifications, skills, expertise, past experiences and overall contribution since she was appointed as a Director of the Company.	The re-election of Mr Ng Kean Seen as a Director of the Company was recommended by the NC and the Board has accepted the recommendation, after taking into consideration Mr Ng Kean Seen's qualifications, skills, expertise, past experiences and overall contribution since he was appointed as a Director of the Company.
Whether appointment is executive, and if so, the area of responsibility	Non-Executive	Non-Executive	Non-Executive	Executive
Job Title	Non-Executive and Non-Independent Director	Non-Executive and Independent Director	Non-Executive and Independent Director	Chief Executive Officer and Executive Director
Professional qualifications	Bachelor of Arts, National University of Singapore	Bachelor of Applied Science (Computer Engineering), Nanyang Technological University, Singapore	Bachelor of Science (Pharmacy), University of Singapore	Master of Science in Marketing from The City University of New York (US) Bachelor of Engineering with Management (Hons) from University of Leeds (UK)

CORPORATE GOVERNANCE REPORT

ADDITIONAL INFORMATION ON DIRECTORS NOMINATED FOR RE-ELECTION – APPENDIX 7F OF THE CATALIST RULES (CONTINUED)

Name of Directors	Koh Lee Hwee	Lee Sai Sing	Goh Bee Leong	Ng Kean Seen
Working experience and occupation(s) during the past 10 years	<p>August 2015 to present: Aspial Corporation Limited – Executive Director</p> <p>January 2015 to August 2015: Maxi-Cash Financial Services Corporation Ltd – Executive Director</p> <p>November 2011 to January 2015: Maxi-Cash Financial Services Corporation Ltd – Chief Executive Officer and Executive Director</p> <p>January 2005 to October 2011: Aspial Corporation Limited – Executive Director and Vice President (Manufacturing)</p>	<p>February 2012 to present: Maxi-Harvest Group</p>	<p>April 2003 to present: Haw Par Healthcare Limited – General Manager (Manufacturing)</p>	<p>July 2021 – 31 March 2022: Maxi-Cash Financial Services Corporation Ltd Deputy Chief Executive Officer</p> <p>December 2000 – June 2021: Aspial-Lee Hwa Jewellery Singapore Pte Ltd Senior Director, Jewellery Business (2018 – June 2021)</p>
Shareholding interest in the listed issuer and its subsidiaries	<p>The Company <u>Direct Interest</u> 28,196,664 shares</p> <p><u>Indirect Interest</u> 674,828,251 shares</p> <p><u>Subsidiaries of the Group</u> Nil</p>	<p>The Company <u>Director Interest</u> 1,200,550 shares</p>	Nil	Nil
Any relationship (including immediate family relationships) with any existing director, existing executive officer, the issuer and/or substantial shareholder of the listed issuer or of any of its principal subsidiaries	Mr Koh Wee Seng, Ms Koh Lee Hwee and Ms Ko Lee Meng are siblings.	No.	No.	Nil
Conflict of interest (including any competing business)	Nil	Nil	Nil	Nil
Undertaking (in the format set out in Appendix 7H) under Rule 720(1) of the Catalist Rules has been submitted to the listed issuer	Yes	Yes	Yes	Yes

CORPORATE GOVERNANCE
REPORT**ADDITIONAL INFORMATION ON DIRECTORS NOMINATED FOR RE-ELECTION – APPENDIX 7F OF THE CATALIST RULES (CONTINUED)**

Name of Directors	Koh Lee Hwee	Lee Sai Sing	Goh Bee Leong	Ng Kean Seen
Other Directorships				
Past (for the last 5 years)	Koda's Café Pte. Ltd. Aspial Property Investment Pte. Ltd. Belgium-Singapore Diamond Corporation Pte. Ltd. Gold N Gems Pte. Ltd. L & N Jewellery Pte. Ltd. World Class Investments Pte. Ltd. World Class Property (Central) Pte. Ltd. World Class Property (Dunearn) Pte. Ltd. World Class Property (East Coast) Pte. Ltd. World Class Property (North) Pte. Ltd. World Class Property (Telok Kurau) Pte. Ltd.	GS Holdings Limited	Nil	Nil
Present	ACL International Services Sdn. Bhd. Advance Property Pte. Ltd. Aspial Capital (Ubi) Pte. Ltd. Aspial Capital Investment Pte. Ltd. Aspial Corporate Services Pte. Ltd. Aspial Corporation Limited* Aspial International Pte. Ltd. Aspial Investment Holding Pte. Ltd. Aspial Treasury Pte. Ltd. Aspial-Lee Hwa Jewellery Pte. Ltd. Aspial-Lee Hwa Jewellery Singapore Pte. Ltd. Bienvn (M) Sdn. Bhd. BU2 Services Pte. Ltd. DN Global Pte. Ltd. Dijaz Investment Pte. Ltd. DN Holdings Pte. Ltd. DN Property Investments Pte. Ltd. Dynamic Ideas Pty. Ltd. Dynamic Project Management Services Pte. Ltd.	Crescent Concrete Sdn Bhd Harvest Media Capital Pte. Ltd. Maxi-Harvest Group Pte. Ltd. TMC Concrete Pumping Services Pte. Ltd. TMC Pumping System Pte. Ltd. TMC Waste Management Pte. Ltd. Transit-Mixed Concrete Ltd* Transit-Mixed Concrete (M) Sdn. Bhd.	PT. Haw Par Healthcare Limited Haw Par (India) Private Limited Xiamen Tiger Medicals Co. Ltd Tiger Balm (Malaysia) Sdn Bhd Haw Par Tiger Balm (Thailand) Limited Tiger Medicals (Taiwan) Limited PT. Haw Par Healthcare	Goldheart Bullion Pte. Ltd. LuxeSTYLE (Australia) Pty. Ltd. LuxeSTYLE (Malaysia) Sdn. Bhd. Maxi Cash (George Town) Sdn. Bhd. Maxi Cash (Malaysia) Sdn. Bhd. Maxi Cash (Penang) Sdn. Bhd. Maxi Cash (Southern) Sdn. Bhd. Maxi Financial Pte. Ltd. Maxi-Cash (Australia) Pty. Ltd. Maxi-Cash (Central 2) Pte. Ltd. Maxi-Cash (Central) Pte. Ltd. Maxi-Cash (Clementi) Pte. Ltd. Maxi-Cash (East 2) Pte. Ltd. Maxi-Cash (East) Pte. Ltd. Maxi-Cash (North East 2) Pte. Ltd. Maxi-Cash (North East) Pte. Ltd. Maxi-Cash (North) Pte. Ltd. Maxi-Cash (West) Pte. Ltd.

* Listed on the Singapore Stock Exchange

CORPORATE GOVERNANCE REPORT

ADDITIONAL INFORMATION ON DIRECTORS NOMINATED FOR RE-ELECTION – APPENDIX 7F OF THE CATALIST RULES (CONTINUED)

Name of Directors	Koh Lee Hwee	Lee Sai Sing	Goh Bee Leong	Ng Kean Seen
	Gold Purple Pte. Ltd.			Maxi-Cash Assets Pte. Ltd.
	Goldheart Jewelry Pte. Ltd.			Maxi-Cash Capital Management Pte. Ltd.
	Headway Construction Pte. Ltd.			Maxi-Cash Capital Pte. Ltd.
	LuxeSTYLE (Australia) Pty. Ltd.			Maxi-Cash Group Pte. Ltd.
	LuxeSTYLE (Malaysia) Sdn. Bhd.			Maxi-Cash International Pte. Ltd.
	Maxi Financial Pte. Ltd.			Maxi-Cash Investment Holding Pte. Ltd.
	Maxi-Cash (Australia) Pty. Ltd.			Maxi-Cash Jewellery Group Pte. Ltd.
	Maxi-Cash (Central 2) Pte. Ltd.			Maxi-Cash Melbourne (VIC) Pty. Ltd.
	Maxi-Cash (Central) Pte. Ltd.			Maxi-Cash Property Pte. Ltd.
	Maxi-Cash (Clementi) Pte. Ltd.			Maxi-Cash Retail Pte. Ltd.
	Maxi-Cash (East 2) Pte. Ltd.			Maxi-Cash Ventures Pte. Ltd.
	Maxi-Cash (East) Pte. Ltd.			Niessing Asia Pacific Pte. Ltd.
	Maxi-Cash (HKI) Co. Ltd.			Silver Bullion Pte. Ltd.
	Maxi-Cash (Hong Kong) Co. Ltd.			
	Maxi-Cash (North East 2) Pte. Ltd.			
	Maxi-Cash (North East) Pte. Ltd.			
	Maxi-Cash (North) Pte. Ltd.			
	Maxi-Cash (West) Pte. Ltd.			
	Maxi-Cash Assets Pte. Ltd.			
	Maxi-Cash Capital Management Pte. Ltd.			
	Maxi-Cash Capital Pte. Ltd.			
	Maxi Cash (George Town) Sdn. Bhd.			
	Maxi-Cash Group Pte. Ltd.			
	Maxi-Cash International Pte. Ltd.			
	Maxi-Cash Investment Holding Pte. Ltd.			
	Maxi-Cash Jewellery Group Pte. Ltd.			
	Maxi Cash (Malaysia) Sdn. Bhd.			
	Maxi-Cash Melbourne (VIC) Pty. Ltd.			
	Maxi Cash (Penang) Sdn. Bhd.			

CORPORATE GOVERNANCE
REPORT**ADDITIONAL INFORMATION ON DIRECTORS NOMINATED FOR RE-ELECTION – APPENDIX 7F OF THE CATALIST RULES (CONTINUED)**

Name of Directors	Koh Lee Hwee	Lee Sai Sing	Goh Bee Leong	Ng Kean Seen
	Maxi-Cash Property Pte. Ltd.			
	Maxi-Cash Retail Pte. Ltd.			
	Maxi-Cash Retail (HKL) Co. Ltd.			
	Maxi Cash (Southern) Sdn. Bhd.			
	Maxi Cash (S1) Sdn. Bhd.			
	Maxi Cash (S2) Sdn. Bhd.			
	Maxi Cash (S3) Sdn. Bhd.			
	Maxi Cash (KL1) Sdn. Bhd.			
	Maxi Cash (KL2) Sdn. Bhd.			
	Maxi-Cash Ventures Pte. Ltd.			
	MLHS Holdings Pte. Ltd.			
	Niessing Group Pte. Ltd.			
	Penang Parade Hotels Sdn. Bhd.			
	PHC Hotels Sdn. Bhd.			
	SBD 102 Pty. Ltd.			
	WCL (Bertam L) Sdn. Bhd.			
	WCL (Bertam R) Sdn. Bhd.			
	WCL (CNS) CBD Pty. Ltd.			
	WCL (Macallum) Sdn. Bhd.			
	WCL (Magazine) Sdn. Bhd.			
	WCL (Noordin St) Sdn. Bhd.			
	WCL (QLD) Albert St Pty. Ltd.			
	WCL (QLD) Holdings Pty. Ltd.			
	WCL (QLD) Margaret St Pty. Ltd.			
	WCL-A Beckett (VIC) Pty. Ltd.			
	WCL-Cairns (QLD) Pty. Ltd.			
	WCL-Central Park (QLD) Pty. Ltd.			
	WCL-Southbank (VIC) Pty. Ltd.			

CORPORATE GOVERNANCE REPORT

ADDITIONAL INFORMATION ON DIRECTORS NOMINATED FOR RE-ELECTION – APPENDIX 7F OF THE CATALIST RULES (CONTINUED)

Name of Directors	Koh Lee Hwee	Lee Sai Sing	Goh Bee Leong	Ng Kean Seen
	World Class Developments (Central) Pte. Ltd.			
	World Class Developments (City Central) Pte. Ltd.			
	World Class Developments (North) Pte. Ltd.			
	World Class Developments Pte. Ltd.			
	World Class Global Pte. Ltd.			
	World Class Land Pte. Ltd.			
	World Class Land (Australia) Pty. Ltd.			
	World Class Land (Georgetown) Sdn. Bhd.			
	World Class Land (Georgetown) Holdings Sdn. Bhd.			
	World Class Land (Malaysia) Sdn. Bhd.			
	World Class Land (Penang) Sdn. Bhd.			
	World Class Property Pte. Ltd.			
	* Listed on the Singapore Stock Exchange			

Disclose the following matters concerning an appointment of director, chief executive officer, chief financial officer, chief operating officer, general manager or other officer of equivalent rank. If the answer to any question is “yes”, full details must be given.

(a) Whether at any time during the last 10 years, an application or a petition under any bankruptcy law of any jurisdiction was filed against him or against a partnership of which he was a partner at the time when he was a partner or at any time within 2 years from the date he ceased to be a partner?	No.	No.	No.	No.
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CORPORATE GOVERNANCE
REPORT**ADDITIONAL INFORMATION ON DIRECTORS NOMINATED FOR RE-ELECTION – APPENDIX 7F OF THE CATALIST RULES (CONTINUED)**

Name of Directors	Koh Lee Hwee	Lee Sai Sing	Goh Bee Leong	Ng Kean Seen
(b) Whether at any time during the last 10 years, an application or a petition under any law of any jurisdiction was filed against an entity (not being a partnership) of which he was a director or an equivalent person or a key executive, at the time when he was a director or an equivalent person or a key executive of that entity or at any time within 2 years from the date he ceased to be a director or an equivalent person or a key executive of that entity, for the winding up or dissolution of that entity or, where that entity is the trustee of a business trust, that business trust, on the ground of insolvency?	No.	No.	No.	No.
(c) Whether there is any unsatisfied judgment against him?	No.	No.	No.	No.
(d) Whether he has ever been convicted of any offence, in Singapore or elsewhere, involving fraud or dishonesty which is punishable with imprisonment, or has been the subject of any criminal proceedings (including any pending criminal proceedings of which he is aware) for such purpose?	No.	No.	No.	No.
(e) Whether he has ever been convicted of any offence, in Singapore or elsewhere, involving a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, or has been the subject of any criminal proceedings (including any pending criminal proceedings of which he is aware) for such breach?	No.	No.	No.	No.

CORPORATE GOVERNANCE REPORT

ADDITIONAL INFORMATION ON DIRECTORS NOMINATED FOR RE-ELECTION – APPENDIX 7F OF THE CATALIST RULES (CONTINUED)

Name of Directors	Koh Lee Hwee	Lee Sai Sing	Goh Bee Leong	Ng Kean Seen
(f) Whether at any time during the last 10 years, judgment has been entered against him in any civil proceedings in Singapore or elsewhere involving a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, or a finding of fraud, misrepresentation or dishonesty on his part, or he has been the subject of any civil proceedings (including any pending civil proceedings of which he is aware) involving an allegation of fraud, misrepresentation or dishonesty on his part?	No.	No.	No.	No.
(g) Whether he has ever been convicted in Singapore or elsewhere of any offence in connection with the formation or management of any entity or business trust?	No.	No.	No.	No.
(h) Whether he has ever been disqualified from acting as a director or an equivalent person of any entity (including the trustee of a business trust), or from taking part directly or indirectly in the management of any entity or business trust?	No.	No.	No.	No.
(i) Whether he has ever been the subject of any order, judgment or ruling of any court, tribunal or governmental body, permanently or temporarily enjoining him from engaging in any type of business practice or activity?	No.	No.	No.	No.

CORPORATE GOVERNANCE
REPORT**ADDITIONAL INFORMATION ON DIRECTORS NOMINATED FOR RE-ELECTION – APPENDIX 7F OF THE CATALIST RULES (CONTINUED)**

Name of Directors	Koh Lee Hwee	Lee Sai Sing	Goh Bee Leong	Ng Kean Seen
(j) Whether he has ever, to his knowledge, been concerned with the management or conduct, in Singapore or elsewhere, of the affairs of:-				
(i) any corporation which has been investigated for a breach of any law or regulatory requirement governing corporations in Singapore or elsewhere; or	No.	No.	No.	No.
(ii) any entity (not being a corporation) which has been investigated for a breach of any law or regulatory requirement governing such entities in Singapore or elsewhere; or	No.	No.	No.	No.
(iii) any business trust which has been investigated for a breach of any law or regulatory requirement governing business trusts in Singapore or elsewhere; or	No.	No.	No.	No.
(iv) any entity or business trust which has been investigated for a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, in connection with any matter occurring or arising during that period when he was so concerned with the entity or business trust?	No.	No.	No.	No.
(k) Whether he has been the subject of any current or past investigation or disciplinary proceedings, or has been reprimanded or issued any warning, by the Monetary Authority of Singapore or any other regulatory authority, exchange, professional body or government agency, whether in Singapore or elsewhere?	No.	No.	No.	No.

CORPORATE GOVERNANCE REPORT

ADDITIONAL INFORMATION ON DIRECTORS NOMINATED FOR RE-ELECTION – APPENDIX 7F OF THE CATALIST RULES (CONTINUED)

Name of Directors	Koh Lee Hwee	Lee Sai Sing	Goh Bee Leong	Ng Kean Seen
Disclosure applicable to the appointment of Director only.				
Any prior experience as a director of an issuer listed on the Exchange?	This relates to re-appointment of Director.	This relates to re-appointment of Director.	This relates to re-appointment of Director.	This relates to re-appointment of Director.
If yes, please provide details of prior experience.	N.A.	N.A.	N.A.	N.A.
If no, please state if the director has attended or will be attending training on the roles and responsibilities of a director of a listed issuer as prescribed by the Exchange.	N.A.	N.A.	N.A.	N.A.
Please provide details of relevant experience and the nominating committee's reasons for not requiring the director to undergo training as prescribed by the Exchange (if applicable)	N.A.	N.A.	N.A.	N.A.

Other Principal Commitments* Including Directorships[#]

* "Principal Commitments" has the same meaning as defined in the Code.

[#] These fields are not applicable for announcements of appointments pursuant to Rule 704(8) of the Catalist Rules

A black and white photograph of two women standing side-by-side. The woman on the left has long, wavy dark hair and is wearing a white, long-sleeved, asymmetrical top with a necklace and a bracelet. The woman on the right has long, straight dark hair with bangs and is wearing a dark, sleeveless, ruffled dress with a necklace and a bracelet. Both women are smiling and looking towards the camera. A white rectangular box is overlaid on the bottom left of the image, containing the text for the financial report contents.

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DIRECTORS' STATEMENT

The directors are pleased to present their statement to the members together with the audited consolidated financial statements of Maxi-Cash Financial Services Corporation Ltd. (the "**Company**") and its subsidiaries (collectively, the "**Group**") and the statement of financial position and statement of changes in equity of the Company for the financial year ended 31 December 2021.

Opinion of the directors

In the opinion of the directors,

- (i) the consolidated financial statements of the Group and the statement of financial position and statement of changes in equity of the Company are drawn up so as to give a true and fair view of the financial position of the Group and of the Company as at 31 December 2021 and of the financial performance, changes in equity and cash flows of the Group and changes in equity of the Company for the year ended on that date; and
- (ii) at the date of this statement, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they fall due.

Directors

The directors of the Company in office at the date of this statement are:

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

In accordance with Regulation 89 of the Company's Constitution and/or Rule 720(5) of the Catalist Rules, Koh Lee Hwee, Lee Sai Sing, Goh Bee Leong retire and, being eligible, offer themselves for re-election.

Arrangements to enable directors to acquire shares or debentures

Neither at the end of nor at any time during the financial year was the Company a party to any arrangement whose objects are, or one of whose objects is, to enable the directors of the Company to acquire benefits by means of the acquisition of shares or debentures of the Company or any other body corporate.

DIRECTORS' STATEMENT

Directors' interests in shares or debentures

The following directors, who held office at the end of the financial year, had, according to the register of directors' shareholdings required to be kept under Section 164 of the Singapore Companies Act 1967, an interest in the shares of the Company and related corporations (other than wholly-owned subsidiaries) as stated below:

	Direct interest held by directors*			Other shareholdings in which directors are deemed to have an interest		
	1 January 2021	31 December 2021	21 January 2022	1 January 2021	31 December 2021	21 January 2022
The Company						
Maxi-Cash Financial Services Corporation Ltd.						
(Ordinary shares)						
Koh Wee Seng	121,198,396	111,434,121	111,434,121	670,219,420	667,724,757	667,724,757
Koh Lee Hwee	28,196,664	28,196,664	28,196,664	677,336,151	674,828,251	674,828,251
Ko Lee Meng	17,581,376	17,581,376	17,581,376	671,414,151	668,906,251	668,906,251
Ng Leok Cheng	1,883,985	2,714,685	2,714,685	–	–	–
Lee Sai Sing	1,200,550	1,200,550	1,200,550	–	–	–
Immediate holding company						
Aspial Corporation Limited						
(Ordinary shares)						
Koh Wee Seng	373,463,357	406,595,923	406,595,923	1,143,219,554	1,166,083,944	1,166,083,944
Koh Lee Hwee	30,890,888	30,890,888	30,890,888	1,156,999,571	1,204,402,032	1,204,402,032
Ko Lee Meng	33,639,865	33,639,865	33,639,865	1,138,979,974	1,161,736,475	1,161,736,475
Ng Leok Cheng	–	1,105,200	1,105,200	–	–	–
Tan Keh Yan, Peter	–	552,600	552,600	–	–	–
Goh Bee Leong	–	58,575	58,575	–	–	–
Ultimate holding company						
MLHS Holdings Pte. Ltd.						
(Ordinary shares)						
Koh Wee Seng	1,410,000	1,410,000	1,410,000	–	–	–
Koh Lee Hwee	727,500	727,500	727,500	–	–	–
Ko Lee Meng	772,500	772,500	772,500	–	–	–
Related companies						
World Class Land Pte. Ltd.						
(Ordinary shares)						
Koh Wee Seng	250,000	250,000	250,000	4,500,000	4,500,000	4,500,000
Koh Lee Hwee	–	–	–	4,500,000	4,500,000	4,500,000
Ko Lee Meng	–	–	–	4,500,000	4,500,000	4,500,000
World Class Global Pte. Ltd. (formerly known as World Class Global Limited)						
(Ordinary shares)						
Koh Wee Seng	22,750,000	–	–	742,828,700	915,874,500	915,874,500
Koh Lee Hwee	–	–	–	742,828,700	915,874,500	915,874,500
Ko Lee Meng	–	–	–	742,828,700	915,874,500	915,874,500
Ng Leok Cheng	1,000,000	–	–	–	–	–
Tan Keh Yan, Peter	500,000	–	–	–	–	–
Goh Bee Leong	53,000	–	–	–	–	–
WCL (QLD) Margaret St Pty. Ltd.						
(Ordinary shares)						
Koh Wee Seng	5,100,000	5,100,000	5,100,000	16,575,000	16,575,000	16,575,000
Koh Lee Hwee	–	–	–	19,125,000	19,125,000	19,125,000
Ko Lee Meng	1,275,000	1,275,000	1,275,000	16,575,000	16,575,000	16,575,000
AF Global Limited						
(Ordinary shares)						
Koh Wee Seng	8,629,075	8,629,075	8,629,075	441,857,365	441,857,365	441,857,365
Koh Lee Hwee	182,000	182,000	182,000	440,948,535	440,948,535	440,948,535
Ko Lee Meng	4,761,280	4,761,280	4,761,280	441,593,335	441,593,335	441,593,335

* including interest in nominee account

DIRECTORS' STATEMENT

Directors' interests in shares or debentures (continued)

By virtue of Section 7 of the Singapore Companies Act 1967, Koh Wee Seng, Koh Lee Hwee and Ko Lee Meng are deemed to have an interest in the shares of the Company and its subsidiaries to the extent held by Aspiat Corporation Limited and MLHS Holdings Pte Ltd.

At the beginning of the financial year, Koh Wee Seng, Koh Lee Hwee and Ko Lee Meng held term notes aggregating to \$750,000, \$250,000 and \$1,750,000, respectively. As at the end of the financial year, Koh Wee Seng, Koh Lee Hwee and Ko Lee Meng held term notes aggregating to Nil, \$250,000 and \$1,750,000 respectively. The term notes bear a fixed interest rate of 6.35% per annum and are due in 2022. There is no change in the term notes held by the directors as at 21 January 2022.

Except as disclosed in this statement, no director who held office at the end of the financial year had interests in shares, share options, warrants or debentures of the Company, or of related companies, either at the beginning of the financial year, or at the end of the financial year.

Options

No options were issued by the Company during the financial year. As at 31 December 2021, there are no options on the unissued shares of the Company or any other body corporate which were outstanding.

Audit Committee

The Audit Committee performed the functions in accordance with Section 201B (5) of the Singapore Companies Act 1967. The functions performed are detailed in the Corporate Governance Report.

Auditor

Ernst & Young LLP have expressed their willingness to accept re-appointment as auditor.

On behalf of the Board of Directors:

Koh Wee Seng
Director

Ng Leok Cheng
Director

Singapore
25 March 2022

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF THE 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 2021, 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 1967 (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 2021 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, in particular pawnshop loans and interest receivables on pawnshop loans, are significant to the Group. 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 ECL 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.

INDEPENDENT AUDITOR'S REPORT

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

Key audit matters (continued)

Allowance for expected credit losses on pawnshop loans and interest receivables on pawnshop loans (continued)

Significant judgement and estimation are 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 ECL 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 ECL 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 ECL 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.

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, bank reconciliation reviews and movement of inventories. We obtained bank confirmation replies 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 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.

INDEPENDENT AUDITOR'S REPORT

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

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.

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.

INDEPENDENT AUDITOR'S REPORT

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

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

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 Tan Peck Yen.

Ernst & Young LLP
Public Accountants and
Chartered Accountants
Singapore
25 March 2022

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

	Note	2021 \$'000	2020 \$'000
Revenue	4	225,703	262,821
Material costs		(143,881)	(179,220)
Employee benefits expenses	5	(25,435)	(22,191)
Depreciation and amortisation		(14,509)	(13,601)
Finance costs	6	(10,162)	(11,199)
Other operating expenses		(19,986)	(16,923)
Interest income		28	148
Dividend income from equity securities		298	99
Rental income		1,329	649
Other income	7	4,141	8,675
Share of results of joint venture	14	57	(6)
Profit before tax	8	17,583	29,252
Income tax (expense)/credit	9(a)	(3,042)	137
Profit for the year		<u>14,541</u>	<u>29,389</u>
Other comprehensive income			
<i>Items that will not be reclassified to profit or loss (net of tax):</i>			
Net fair value changes on equity securities at fair value through other comprehensive income ("FVOCI")		28	(47)
<i>Items that may be reclassified subsequently to profit or loss (net of tax):</i>			
Net fair value changes on debt securities at fair value through other comprehensive income		4	(12)
Foreign currency translation		103	(137)
Other comprehensive income for the year, net of tax		<u>135</u>	<u>(196)</u>
Total comprehensive income for the year		<u>14,676</u>	<u>29,193</u>
Profit for the year attributable to:			
Owners of the Company		14,446	29,264
Non-controlling interests		95	125
		<u>14,541</u>	<u>29,389</u>
Total comprehensive income attributable to:			
Owners of the Company		14,581	29,068
Non-controlling interests		95	125
		<u>14,676</u>	<u>29,193</u>
Earnings per share (cents)			
Basic and diluted	10	<u>1.39</u>	<u>2.83</u>

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

STATEMENTS OF FINANCIAL POSITION

AS AT 31 DECEMBER 2021

	Note	Group		Company	
		2021	2020	2021	2020
		\$'000	\$'000	\$'000	\$'000
Non-current assets					
Property, plant and equipment	11	81,078	65,474	33	45
Investment properties	12	16,850	10,810	–	–
Right-of-use assets	24(a)	33,314	34,046	–	–
Other receivables	18	2,086	4,089	–	–
Investment in subsidiaries	13	–	–	54,242	54,242
Investment in joint venture	14	1,466	1,409	2,000	2,000
Investment securities	16	2,957	2,424	–	–
Prepaid rent		1	5	–	–
Deferred tax assets	9(c)	2,853	3,973	–	–
		<u>140,605</u>	<u>122,230</u>	<u>56,275</u>	<u>56,287</u>
Current assets					
Inventories	17	90,927	74,656	–	–
Trade and other receivables	18	329,488	293,319	11	21
Prepaid rent		3	3	–	–
Prepayments		967	1,517	157	407
Due from subsidiaries (non-trade)	19	–	–	135,604	134,494
Due from a joint venture (non-trade)	19	–	263	–	263
Investment securities	16	–	738	–	–
Derivative financial instruments	15	219	–	–	–
Cash and bank balances	20	19,735	23,816	4,712	8,058
		<u>441,339</u>	<u>394,312</u>	<u>140,484</u>	<u>143,243</u>
Total assets		<u>581,944</u>	<u>516,542</u>	<u>196,759</u>	<u>199,530</u>
Current liabilities					
Trade and other payables	21	12,192	12,753	2,448	2,712
Due to immediate holding company (non-trade)	19	6	–	6	–
Due to related companies (non-trade)	19	3	84	3	26
Derivative financial instruments	15	–	25	–	–
Provision for taxation		2,944	5,025	376	481
Interest-bearing loans	22	252,296	200,117	–	–
Lease liabilities	24(b)	10,304	9,725	–	–
Term notes	23	45,250	–	45,250	–
		<u>322,995</u>	<u>227,729</u>	<u>48,083</u>	<u>3,219</u>
Net current assets		<u>118,344</u>	<u>166,583</u>	<u>92,401</u>	<u>140,024</u>
Non-current liabilities					
Other payables	21	111	68	–	–
Interest-bearing loans	22	84,001	65,403	–	–
Term notes	23	–	45,250	–	45,250
Deferred tax liabilities	9(c)	175	267	4	7
Lease liabilities	24(b)	24,106	25,216	–	–
		<u>108,393</u>	<u>136,204</u>	<u>4</u>	<u>45,257</u>
Total liabilities		<u>431,388</u>	<u>363,933</u>	<u>48,087</u>	<u>48,476</u>
Net assets		<u>150,556</u>	<u>152,609</u>	<u>148,672</u>	<u>151,054</u>
Equity attributable to owners of the Company					
Share capital	25(a)	142,341	137,286	142,341	137,286
Treasury shares	25(b)	(59)	(9)	(59)	(9)
Other reserves	25(c)	(5,928)	(6,066)	(23)	(26)
Revenue reserve		13,072	20,363	6,413	13,803
		<u>149,426</u>	<u>151,574</u>	<u>148,672</u>	<u>151,054</u>
Non-controlling interests		1,130	1,035	–	–
Total equity		<u>150,556</u>	<u>152,609</u>	<u>148,672</u>	<u>151,054</u>
Total equity and liabilities		<u>581,944</u>	<u>516,542</u>	<u>196,759</u>	<u>199,530</u>

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 2021

Group	Note	Attributable to owners of the Company						Total equity \$'000
		Share capital	Treasury shares	Other reserves	Revenue reserve	Equity attributable to owners of the Company	Non-controlling interests	
		\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	
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 securities at FVOCI		–	–	(12)	–	(12)	–	(12)
Net fair value changes in equity securities 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	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
At 1 January 2021		137,286	(9)	(6,066)	20,363	151,574	1,035	152,609
Profit for the year		–	–	–	14,446	14,446	95	14,541
Other comprehensive income								
Foreign currency translation		–	–	103	–	103	–	103
Net fair value changes in debt securities at FVOCI		–	–	4	–	4	–	4
Net fair value changes in equity securities at FVOCI		–	–	28	–	28	–	28
Other comprehensive income for the year, net of tax		–	–	135	–	135	–	135
Total comprehensive income for the year		–	–	135	14,446	14,581	95	14,676
Contributions by and distributions to owners								
Dividends on ordinary shares	30	–	–	–	(21,737)	(21,737)	–	(21,737)
Issuance of ordinary shares	25(a)	5,184	–	–	–	5,184	–	5,184
Share issuance expense	25(a)	(129)	–	–	–	(129)	–	(129)
Purchase of treasury shares		–	(209)	–	–	(209)	–	(209)
Treasury shares reissued pursuant to Maxi-Cash Performance Share Plan		–	159	3	–	162	–	162
Total contributions by and distributions to owners		5,055	(50)	3	(21,737)	(16,729)	–	(16,729)
At 31 December 2021		142,341	(59)	(5,928)	13,072	149,426	1,130	150,556

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 2021

	Note	Share capital	Treasury shares	Other reserves	Revenue reserve	Total
		\$'000	\$'000	\$'000	\$'000	\$'000
Company						
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
<u>Contributions by and distributions to owners</u>						
Dividends on ordinary shares	30	–	–	–	(15,528)	(15,528)
Total contributions by and distributions to owners		–	–	–	(15,528)	(15,528)
At 31 December 2020		<u>137,286</u>	<u>(9)</u>	<u>(26)</u>	<u>13,803</u>	<u>151,054</u>
At 1 January 2021		137,286	(9)	(26)	13,803	151,054
Profit for the year		–	–	–	14,347	14,347
Total comprehensive income for the year		–	–	–	14,347	14,347
<u>Contributions by and distributions to owners</u>						
Dividends on ordinary shares	30	–	–	–	(21,737)	(21,737)
Issuance of ordinary shares	25(a)	5,184	–	–	–	5,184
Share issuance expense	25(a)	(129)	–	–	–	(129)
Purchase of treasury shares		–	(209)	–	–	(209)
Treasury shares reissued pursuant to Maxi-Cash Performance Share Plan		–	159	3	–	162
Total contributions by and distributions to owners		<u>5,055</u>	<u>(50)</u>	<u>3</u>	<u>(21,737)</u>	<u>(16,729)</u>
At 31 December 2021		<u>142,341</u>	<u>(59)</u>	<u>(23)</u>	<u>6,413</u>	<u>148,672</u>

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 2021

	Note	2021 \$'000	2020 \$'000
Operating activities			
Profit before tax		17,583	29,252
Adjustments for:			
Depreciation of property, plant and equipment	8	3,478	2,935
Fair value gain on investment properties	7	(40)	–
Depreciation of right-of-use assets	8	11,028	10,663
(Write-back of)/allowance for inventories	8	(14)	536
Interest expense	6	9,910	10,871
Interest income		(28)	(148)
Dividend income from equity securities		(298)	(99)
Amortisation of prepaid commitment fee	6	252	344
Amortisation of premium on term notes	6	–	(16)
Allowance for expected credit losses on interest receivables	8	3,852	2,913
Financial losses on pledged items not fully covered by insurance	8	108	133
Loss on disposal/write-off of property, plant and equipment	8	134	119
Gain on disposal of investment securities	7	(7)	(1)
Net fair value change on derivatives	7,8	(243)	627
Amortisation of prepaid rent	8	3	3
Gain on purchase of term notes		–	(14)
Unrealised foreign exchange differences		348	(1,010)
Share of results of joint venture	14	(57)	6
Gain on de-recognition of right-of-use assets	7	–	(6)
Operating cash flows before changes in working capital		46,009	57,108
<i>Changes in working capital</i>			
Increase in inventories		(16,257)	(730)
(Increase)/decrease in trade and other receivables		(38,331)	24,762
Decrease in prepayments		550	1,124
Decrease in due from a related company (trade)		–	394
(Decrease)/increase in trade and other payables		(608)	1,719
Total changes in working capital		(54,646)	27,269
Cash flows (used in)/from operations		(8,637)	84,377
Interest paid		(8,908)	(9,848)
Interest received		8	50
Income taxes refunded		–	289
Income taxes paid		(4,132)	(2,100)
Net cash flows (used in)/from operating activities		(21,669)	72,768
Investing activities			
Purchase of property, plant and equipment	11	(25,255)	(26,807)
Interest received		27	2,810
Dividends received		298	99
Purchase of investment securities		(500)	–
Proceeds from capital reduction in joint venture	14	–	5,000
Proceeds from disposal of property, plant and equipment		15	19
Decrease in amount due from a joint venture (non-trade)		263	2,640
Proceeds from disposal of investment securities	16	750	1,248
Net cash flows used in investing activities		(24,402)	(14,991)

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

	Note	<u>2021</u>	<u>2020</u>
		\$'000	\$'000
Financing activities			
Proceeds from issuance of ordinary shares	25(a)	5,184	–
Share issuance expense	25(a)	(129)	–
Redemption of term notes	23	–	(4,736)
Repayment of term notes	23	–	(25,500)
Proceeds from/(repayment of) short-term bank borrowings, net	23	47,520	(20,223)
Proceeds from term loans	23	29,039	37,053
Repayment of term loans	23	(5,770)	(992)
Purchase of treasury shares	25(b)	(209)	–
Proceeds from/(repayment of advances to) immediate holding company (non-trade), net		6	(2,697)
Proceeds from issuance of ordinary shares of subsidiaries to non-controlling interests		–	51
Repayment of advances to related companies (non-trade), net		(81)	(680)
Dividends paid on ordinary shares		(21,737)	(20,704)
Interest paid on lease liabilities	24(b)	(1,002)	(1,023)
Payment of principal portion of lease liabilities	24(b)	(10,803)	(10,272)
Increase in amount due from a related company (non-trade)		–	(195)
Net cash flows from/(used in) financing activities		<u>42,018</u>	<u>(49,918)</u>
Net (decrease)/increase in cash and cash equivalents		(4,053)	7,859
Effect of exchange rate changes on cash and cash equivalents		(28)	(84)
Cash and cash equivalents at the beginning of the financial year		<u>23,816</u>	<u>16,041</u>
Cash and cash equivalents at the end of the financial year	20	<u><u>19,735</u></u>	<u><u>23,816</u></u>

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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

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.

Related companies refer to entities belonging to the Aspial Corporation Limited group of companies.

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 2021 and voluntary change in accounting policy relating to investment properties. Except for the adoption of the Amendments to the SFRS(I) 16: *Covid-19-Related Rent Concession beyond 30 June 2021*, the adoption of these standards did not have any material effect on the financial performance or position of the Group.

Voluntary change in accounting policy relating to investment properties

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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.2 *Adoption of new and amended standards and interpretations (continued)*

Amendments to the SFRS(I) 16: Covid-19-Related Rent Concession beyond 30 June 2021

The Group early adopted Amendment to SFRS(I) 16: *Covid-19-Related Rent Concessions beyond 30 June 2021* and has applied the practical expedient applicable in this amendment that is effective for annual periods beginning on or after 1 April 2021.

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 consolidated 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 consolidated 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 2022; and
- There is no substantive change to other terms and conditions of the lease.

The amendment is applicable for annual reporting periods beginning on or after 1 April 2021 and earlier application is permitted. The Group has early adopted this amendment for the year ended 31 December 2021 and has applied the practical expedient available in the standard.

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: Reference to Conceptual Framework	1 January 2022
Amendments to SFRS(I) 1-16: <i>Property, Plant and Equipment</i> : 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) 1-1 and SFRS(I) Practice Statement 2: Disclosure of Accounting Policies	1 January 2023
Amendments to SFRS(I) 1-8: Definition of Accounting Estimates	1 January 2023
Amendments to SFRS(I) 1-12: Deferred Tax related to Assets and Liabilities arising from a Single Transaction	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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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.

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 measured at fair value. Gains or losses arising from changes in the fair values of investment properties are included in profit or loss in the year in which they arise.

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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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.

2.12 *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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.14 *Financial instruments (continued)*

(a) *Financial assets (continued)*

Subsequent measurement (continued)

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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.14 *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.

2.15 *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.

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).

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.15 *Impairment of financial assets (continued)*

Debt investment securities (continued)

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 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.

2.19 *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".

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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 *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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.22 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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.22 *Leases (continued)*

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.

2.23 *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 is recognised when the Group's right to receive payment is established.

(e) *Dividend income*

Dividend income is recognised when the Group's right to receive payment is established.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.24 Taxes (continued)

(b) Deferred tax (continued)

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.

2.25 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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

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 include 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*

The Group periodically assesses the allowance for inventory. 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 inventories. 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	
	2021	2020
	\$'000	\$'000
<u>Recognised at a point in time</u>		
Sale of jewellery and branded merchandise	177,578	217,943
<u>Recognised over time</u>		
Interest income from pawnbroking services	46,043	41,995
Interest income and distribution income from secured lending	2,082	2,883
	225,703	262,821

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

5. EMPLOYEE BENEFITS EXPENSES

	Group	
	2021	2020
	\$'000	\$'000
Employee benefits expenses:		
– Salaries and bonuses	22,848	19,941
– Contribution to defined contribution plans	2,587	2,250
	25,435	22,191
	25,435	22,191

6. FINANCE COSTS

		Group	
	Note	2021	2020
		\$'000	\$'000
Interest expense on:			
– Short-term bank borrowings		4,187	4,994
– Term loans		1,847	1,232
– Term notes		2,874	3,609
– Advances from immediate holding company	26	–	13
– Lease liabilities	24(c)	1,002	1,023
		9,910	10,871
Amortisation of prepaid commitment fee		252	344
Amortisation of premium on term notes		–	(16)
		10,162	11,199
		10,162	11,199

7. OTHER INCOME

		Group	
	Note	2021	2020
		\$'000	\$'000
Net foreign exchange gain		2	1,068
Jobs Support Scheme grant income		596	2,789
COVID-19-related rent concessions	24(c)	2,165	3,159
Foreign worker levy rebate		–	250
Gain on forfeited customer advances		415	325
Property tax rebates and government cash grant		–	401
Gain on derecognition of right-of-use assets		–	6
Management services to related companies	26	195	–
Net fair value gain on derivative financial instruments		243	–
Net gain on disposal of investment securities		7	1
Net fair value gain on investment properties	12	40	–
Other government grants and miscellaneous income		478	676
		4,141	8,675
		4,141	8,675

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

7. OTHER INCOME (CONTINUED)

Jobs Support Scheme

The Jobs Support Scheme (“**JSS**”) was introduced by the Government 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.

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 years ended 31 December 2021 and 2020, the Group recognised COVID-19-related rent concessions to which the Group applied the practical expedient applicable under Amendment to SFRS(I) 16: *Covid-19-Related Rent Concessions*.

8. PROFIT BEFORE TAX

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

	Note	Group	
		2021	2020
		\$'000	\$'000
Audit fees:			
– Auditor of the Company		291	314
– Other auditors		66	–
Non-audit fees:			
– Auditor of the Company		60	67
– Other auditors		44	21
Amortisation of prepaid rent		3	3
Depreciation of property, plant and equipment	11	3,478	2,935
Depreciation of right-of-use assets	24(a)	11,028	10,663
Lease expense not capitalised in lease liabilities:		2,533	1,764
– Expense relating to short-term leases	24(c)	2,370	1,649
– Variable lease payments	24(c)	163	115
Loss on disposal/write-off of property, plant and equipment		134	119
Net fair value loss on derivative financial instruments		–	627
Allowance for expected credit losses on interest receivables	18	3,852	2,913
(Write-back of)/allowance for inventories	17	(14)	536
Financial losses on pledged items not fully covered by insurance		108	133
Branding and marketing related costs		1,586	971

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

9. INCOME TAX EXPENSE/(CREDIT)

(a) Major components of income tax expense/(credit)

The major components of income tax expense/(credit) for the years ended 31 December 2021 and 2020 are:

	Group	
	2021	2020
	\$'000	\$'000
<i>Consolidated statement of comprehensive income:</i>		
<i>Current income tax</i>		
Current income taxation	2,475	4,464
Over provision in respect of previous years	(84)	(507)
	<u>2,391</u>	<u>3,957</u>
<i>Deferred income tax</i>		
Origination and reversal of temporary differences	692	100
Over provision in respect of previous years	(67)	(4,194)
	<u>625</u>	<u>(4,094)</u>
<i>Withholding tax</i>	26	–
Income tax expenses/(credit) recognised in profit or loss	<u>3,042</u>	<u>(137)</u>
<i>Deferred tax expense/(credit) related to other comprehensive income</i>		
Net gain/(loss) on fair value changes on equity securities	5	(10)
Net gain/(loss) on fair value changes on debt securities	1	(2)
	<u>6</u>	<u>(12)</u>

(b) Relationship between tax expense/(credit) and profit before tax

The reconciliations between tax expense/(credit) and the product of profit before tax multiplied by the applicable corporate tax rate for the years ended 31 December 2021 and 2020 are as follows:

	Group	
	2021	2020
	\$'000	\$'000
Profit before tax	<u>17,583</u>	<u>29,252</u>
Tax calculated at a tax rate of 17% (2020: 17%)	2,989	4,973
Adjustments:		
Expenses not deductible for tax purposes	716	1,021
Income not subject to tax	(249)	(1,180)
Effect of partial tax exemption and tax relief	(280)	(279)
Over provision in respect of previous years	(151)	(4,702)
Withholding tax paid	26	–
Effect of foreign tax credit	(16)	–
Others	7	30
Income tax expense/(credit) recognised in profit or loss	<u>3,042</u>	<u>(137)</u>

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

9. INCOME TAX EXPENSE/(CREDIT) (CONTINUED)

(c) *Deferred income tax*

	Group		Company	
	2021	2020	2021	2020
	\$'000	\$'000	\$'000	\$'000
Balance at 1 January	3,706	62	7	7
(Credited)/charged to profit or loss	(1,022)	3,632	(3)	–
(Credited)/charged to other comprehensive income	(6)	12	–	–
Balance at 31 December	<u>2,678</u>	<u>3,706</u>	<u>4</u>	<u>7</u>

Deferred income tax prior to offsetting of balances within the same tax jurisdiction as at 31 December relates to the following:

	Group		Company	
	2021	2020	2021	2020
	\$'000	\$'000	\$'000	\$'000
<i>Deferred tax liabilities/(assets)</i>				
Difference in depreciation	338	360	5	7
Leases	(109)	(57)	–	–
Provisions	(112)	(129)	(1)	–
Unutilised tax losses and allowances	(2,699)	(3,774)	–	–
Fair value change of equity securities at FVOCI	(92)	(97)	–	–
Fair value change of debt securities at FVOCI	–	(1)	–	–
Others	(4)	(8)	–	–
	<u>(2,678)</u>	<u>(3,706)</u>	<u>4</u>	<u>7</u>

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	
	2021	2020	2021	2020
	\$'000	\$'000	\$'000	\$'000
Deferred tax liabilities	175	267	4	7
Deferred tax assets	(2,853)	(3,973)	–	–
	<u>(2,678)</u>	<u>(3,706)</u>	<u>4</u>	<u>7</u>

The subsidiaries of the Group transferred tax losses of approximately \$2,386,000 (2020: \$3,003,000) 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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

9. INCOME TAX EXPENSE/(CREDIT) (CONTINUED)

(c) *Deferred income tax (continued)*

As at 31 December 2020, Maxi-Cash Retail Pte. Ltd. ("MCR") which was formed pursuant to amalgamation with another subsidiary, has obtained approval from the tax authority to carry forward its unutilised tax losses and unabsorbed capital allowances. The Group has assessed that MCR is expected to generate future taxable profits. Consequently, the Group has recognised the related deferred tax asset amounting to \$1,725,000 (2020: \$2,875,000).

As at 31 December 2021, unutilised tax losses, unabsorbed capital allowances of the Group available for offset against future taxable profits amount to \$12,946,000 and \$544,000 (2020: \$20,828,000 and \$57,000), respectively.

Tax consequences of proposed dividends

There are no income tax consequences (2020: 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 2021 and 2020:

	Group	
	2021	2020
Profit for the year attributable to owners of the Company used in the computation of basic and diluted earnings per share (\$'000)	<u>14,446</u>	<u>29,264</u>
Weighted average number of ordinary shares (excluding treasury shares) for basic and diluted earnings per share computation	<u>1,036,666,820</u>	<u>1,035,186,234</u>
Earnings per share (cents)		
– basic and diluted	<u>1.39</u>	<u>2.83</u>

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

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 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 and 1 January 2021	15,183	45,319	8,892	3,468	805	1,750	233	654	76,304
Additions	–	22,514	1,647	453	50	79	57	455	25,255
Disposals	–	–	(92)	(14)	(1)	(1)	(85)	–	(193)
Transfer in/(out)	–	–	149	5	–	442	–	(596)	–
Transfer to investment properties (Note 12)	–	(6,690)	–	–	–	–	–	–	(6,690)
Written-off	–	–	–	–	–	–	–	(140)	(140)
Translation difference	–	–	(29)	(8)	(1)	(3)	–	–	(41)
At 31 December 2021	15,183	61,143	10,567	3,904	853	2,267	205	373	94,495
Accumulated depreciation									
At 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 and 1 January 2021	12	937	5,179	2,616	594	1,337	155	–	10,830
Depreciation charge for the year	9	923	1,682	392	71	370	31	–	3,478
Disposals	–	–	(87)	(13)	(1)	(1)	(82)	–	(184)
Transfer to investment properties (Note 12)	–	(690)	–	–	–	–	–	–	(690)
Translation difference	–	–	(12)	(4)	–	(1)	–	–	(17)
At 31 December 2021	21	1,170	6,762	2,991	664	1,705	104	–	13,417
Net carrying amount									
At 31 December 2020	15,171	44,382	3,713	852	211	413	78	654	65,474
At 31 December 2021	15,162	59,973	3,805	913	189	562	101	373	81,078

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FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

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 2020	188	95	5	207	42	537
Disposals	(188)	(80)	–	(3)	–	(271)
Transfer in/(out)	–	–	–	42	(42)	–
At 31 December 2020 and 1 January 2021	–	15	5	246	–	266
Additions	6	–	–	–	–	6
At 31 December 2021	6	15	5	246	–	272
Accumulated depreciation						
At 1 January 2020	171	73	5	172	–	421
Depreciation charge for the year	4	4	–	34	–	42
Disposals	(175)	(65)	–	(2)	–	(242)
At 31 December 2020 and 1 January 2021	–	12	5	204	–	221
Depreciation charge for the year	1	1	–	16	–	18
At 31 December 2021	1	13	5	220	–	239
Net carrying amount						
At 31 December 2020	–	3	–	42	–	45
At 31 December 2021	5	2	–	26	–	33

A floating charge has been placed on property, plant and equipment of certain subsidiaries with a carrying amount aggregating \$2,823,000 (2020: \$3,099,000) as security for bank borrowings (Note 22).

As at 31 December 2021, freehold properties and leasehold properties with carrying amounts of \$15,162,000 (2020: \$15,171,000) and \$59,973,000 (2020: \$44,382,000) respectively are pledged to banks as security for bank borrowings (Note 22).

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

12. INVESTMENT PROPERTIES

Investment properties held by the Group are as follows:

Description and location	Existing use	Tenure	Unexpired lease term
40 Changi Road, Singapore	Retail	Freehold	–
709 Ang Mo Kio Avenue 8 #01-2593, Singapore	Retail	Leasehold	63 years
129 Syed Alwi Road, Singapore	Vacant	Freehold	–

	Note	Group	
		2021	2020
		\$'000	\$'000
At 1 January		10,810	–
Transfer from property, plant and equipment	11	6,000	10,810
Net fair value gain recognised in profit or loss	7	40	–
At 31 December		16,850	10,810
<u>Statement of comprehensive income:</u>			
Rental income from investment properties/property, plant and equipment		331	206
Direct operating expenses arising from rental generating properties		(57)	(54)

The Group transferred \$6,000,000 (2020: \$10,810,000) of freehold and leasehold properties from Property, plant and equipment to Investment properties due to a change in management's intention to use the properties for lease 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 2021, investment properties with a carrying value of \$16,850,000 (2020: \$10,810,000) are pledged to banks as security for bank borrowings (Note 22).

Valuation of investment properties

During the financial year ended 31 December 2021, the Group changed its accounting policy with respect to the subsequent measurement of investment properties from the cost model to the fair value model, with changes in fair value recognised in profit or loss (Note 2.2).

The investment properties as at 31 December 2021 were stated at fair values, which have been determined based on valuations performed as at 31 December 2021. The investment properties as at 31 December 2020 were stated at fair values determined by the Management, having regards to the valuations performed on the date of acquisition of the respective properties during the financial year ended 2020, movements in the property indices and comparable market transactions.

The valuations were performed by external appraisers with a recognised and relevant professional qualification and with recent experience in the location and category of the properties being valued. Details of valuation techniques and inputs used are disclosed in Note 32.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

13. INVESTMENT IN SUBSIDIARIES

	Company	
	2021	2020
	\$'000	\$'000
Unquoted equity shares, at cost	54,242	54,242

The Company had the following subsidiaries:

	Name of Company	Country of incorporation and place of business	Principal activities	Proportion (%) of ownership interest	
				2021	2020
	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), (d)	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)	Maxi-Cash Retail 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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

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	
				2021	2020
	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
	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	90	90
	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	Pawn brokerage	99	99
(b)	Maxi Cash (KL2) Sdn. Bhd.	Malaysia	Pawn brokerage	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) On 1 January 2022, the Aspial Property Investment Pte. Ltd. and Maxi-Cash Property Pte. Ltd. amalgamated, pursuant to Section 215A and Section 215D of the Companies Act 1967, with Maxi-Cash Property Pte. Ltd. remaining as the amalgamated entity.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

13. INVESTMENT IN SUBSIDIARIES (CONTINUED)

Interest in subsidiary with material non-controlling interest ("NCI")

The Group has the following subsidiary that have NCI that are material to the Group.

Name of subsidiary	Principal place of business	Proportion of ownership interest held by non-controlling interest	Profit allocated to NCI during the reporting period	Accumulated NCI at the end of the reporting period	Dividends paid to NCI
			\$'000	\$'000	\$'000
2021					
Maxi-Cash (Clementi) Pte. Ltd.	Singapore	30%	100	1,078	–
2020					
Maxi-Cash (Clementi) Pte. Ltd.	Singapore	30%	132	978	–

Summarised financial information about subsidiary with material NCI

Summarised financial information and consolidation adjustments but before intercompany eliminations of subsidiaries with material non-controlling interests are as follows:

Summarised statement of financial position

	Maxi-Cash (Clementi) Pte. Ltd.	
	2021	2020
	\$'000	\$'000
Current		
Assets	8,851	8,530
Liabilities	(5,309)	(5,334)
Net current assets	3,542	3,196
Non-current		
Assets	9	24
Liabilities	–	(3)
Net non-current assets	9	21
Net assets	3,551	3,217

Summarised statement of comprehensive income

	Maxi-Cash (Clementi) Pte. Ltd.	
	2021	2020
	\$'000	\$'000
Revenue	1,975	2,105
Profit before income tax	382	492
Income tax expense	(48)	(52)
Profit for the year, representing total comprehensive income	334	440

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

13. INVESTMENT IN SUBSIDIARIES (CONTINUED)

Other summarised information

	Maxi-Cash (Clementi) Pte. Ltd.	
	2021	2020
	\$'000	\$'000
Net cash flows from operations	10	791

14. INVESTMENT IN JOINT VENTURE

The Company has 50% (2020: 50%) interest in the ownership and voting rights in Aspial Capital (Ubi) Pte. Ltd. ("ACUPL") amounting to cost of investment of \$2,000,000 (2020: \$2,000,000).

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 1967. 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	
			2021	2020
(a) Aspial Capital (Ubi) Pte. Ltd.	Singapore	Property leasing and management	50	50

(a) Audited by Ernst & Young LLP, Singapore

NOTES TO THE FINANCIAL STATEMENTS

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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 joint venture is as follows:

Summarised statement of financial position

	ACUPL	
	2021	2020
	\$'000	\$'000
Cash and bank balances	164	1,377
Other current assets	118	168
Total current assets	282	1,545
Non-current assets	54,177	56,809
Total assets	54,459	58,354
Trade and other payables	652	2,335
Current financial liabilities	16,490	17,191
Other current liabilities	78	24
Total current liabilities	17,220	19,550
Non-current financial liabilities	33,430	35,546
Other non-current liabilities	877	439
Total non-current liabilities	34,307	35,985
Total liabilities	51,527	55,535
Net assets	2,932	2,819
Proportion of Group's ownership	50%	50%
Group's share of net assets and carrying amount of the investment	1,466	1,409

Summarised statement of comprehensive income

	ACUPL	
	2021	2020
	\$'000	\$'000
Revenue	5,010	4,650
Other operating expenses	(1,386)	(2,001)
Depreciation	(1,979)	(1,090)
Finance costs	(1,039)	(1,107)
Profit before tax	606	452
Income tax expense	(492)	(463)
Profit/(loss) for the year, representing other comprehensive income	114	(11)
Proportion of Group's ownership	50%	50%
Group's share of results of joint venture	57	(6)

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FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

15. DERIVATIVE FINANCIAL INSTRUMENTS

	Group					
	2021	2021	2021	2020	2020	2020
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
	Contract notional amount	Assets	Liabilities	Contract notional amount	Assets	Liabilities
Forward currency contracts	20,756	219	–	11,370	–	(25)

The Group entered into foreign currency forward contracts mainly in Australian Dollar and Euro (2020: Euro), maturing within the next 12 months (2020: 12 months) to mitigate its exposure to foreign currency risks from Australian Dollar and Euro receivables.

16. INVESTMENT SECURITIES

	Group	
	2021	2020
	\$'000	\$'000
Current:		
At fair value through other comprehensive income		
– Debt securities (quoted)	–	738
 Add:		
Non-current:		
At fair value through other comprehensive income		
– Equity securities (unquoted)	500	–
– Equity securities (quoted)	2,457	2,424
	2,957	2,424
Total financial assets measured at fair value through other comprehensive income	2,957	3,162

Investments in equity securities designated at fair value through other comprehensive income

The fair value of each of the investments in equity securities designated at fair value through other comprehensive income at the end of the reporting period is as follows:

	Group	
	2021	2020
	\$'000	\$'000
<u>At fair value through other comprehensive income</u>		
– Equity securities (unquoted)		
Bigfundr Private Limited	500	–
– Equity securities (quoted)		
Lippo Malls Indonesia Retail Trust	2,457	2,424
	2,957	2,424

The Group elected to measure these equity securities at FVOCI due to the Group's intention to hold these equity securities for long-term appreciation.

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16. INVESTMENT SECURITIES (CONTINUED)

Investments in equity securities designated at fair value through other comprehensive income (continued)

In the financial year ended 31 December 2021, the Group redeemed debt securities held at fair value through other comprehensive income upon their maturity for proceeds of \$750,000 (2020: \$1,248,000). The cumulative gain arising from derecognition amounted to \$7,000 (2020: \$1,000) and was recognised in profit or loss.

During the financial year ended 31 December 2021, the Group acquired equity instruments designated at fair value through other comprehensive income amounting to \$500,000 (2020: Nil).

Investment pledged as securities

A floating charge has been placed on investment securities with a carrying value of \$2,457,000 (2020: \$3,162,000) as security for bank borrowings (Note 22).

17. INVENTORIES

	Group	
	2021	2020
	\$'000	\$'000
Consolidated statement of financial position:		
Finished goods	90,927	74,656
Consolidated statement of comprehensive income:		
Inventories recognised as an expense:		
– Material costs	143,881	179,220
– (Write-back of)/allowance for inventories	(14)	536

A floating charge has been placed on inventories with a carrying value of \$79,768,000 (2020: \$66,923,000) as security for bank borrowings (Note 22).

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

18. TRADE AND OTHER RECEIVABLES

	Note	Group		Company	
		2021 \$'000	2020 \$'000	2021 \$'000	2020 \$'000
Trade and other receivables (current):					
Trade receivables		327,526	292,057	–	–
Other receivables		806	509	11	21
Security deposits		1,156	753	–	–
		<u>329,488</u>	<u>293,319</u>	<u>11</u>	<u>21</u>
Other receivables (non-current):					
Security deposits		2,086	2,526	–	–
Non-refundable deposits		–	1,563	–	–
		<u>2,086</u>	<u>4,089</u>	<u>–</u>	<u>–</u>
Total trade and other receivables (current and non-current)					
		331,574	297,408	11	21
Add:					
Due from subsidiaries (non-trade)	19	–	–	135,604	134,494
Due from joint venture (non-trade)	19	–	263	–	263
Cash and bank balances	20	19,735	23,816	4,712	8,058
Less:					
GST receivable, net		(282)	(305)	–	–
Grant receivable		–	(375)	–	–
Non-refundable deposits		–	(1,563)	–	–
Total financial assets carried at amortised cost		<u>351,027</u>	<u>319,244</u>	<u>140,327</u>	<u>142,836</u>

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 retailing and trading of jewellery and branded merchandise.

Pawnshop loans are loans extended to customers under pawnbroking business which are interest-bearing at rates ranging between 1.0% to 1.5% for the first month and 1.5% for the subsequent 6 months (2020: 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 collateral pledged to the Group.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

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 rates ranging between 6% to 16% (2020: 15%) per annum and are secured by way of debenture over properties (2020: debenture over properties). These receivables have remaining maturities between 1 to 6 months (2020: 7 months).

Trade receivables from retailing and trading of jewellery and branded merchandise are non-interest-bearing and generally on 30 days' terms. They are recognised at their original invoice amounts which represent their fair values on initial recognition.

Other receivables comprise mainly accrued interest receivable from investment in quoted debt securities and grant receivables.

Non-refundable deposits comprise deposits and stamp duties paid for the acquisition of properties.

A floating charge has been placed on trade and other receivables with a carrying value of \$299,007,000 (2020: \$279,326,000) as security for bank borrowings (Note 22). A fixed charge has been placed on trade receivables with a carrying value of \$5,874,000 (2020: Nil) as security for term loan (Note 22).

Trade and other receivables denominated in foreign currencies are as follows:

	Group		Company	
	2021	2020	2021	2020
	\$'000	\$'000	\$'000	\$'000
United States Dollar	23	49	–	–
Australian Dollar	9,810	–	–	–
Euro	11,889	10,885	–	–
Japanese Yen	21	–	–	–

Expected credit losses

The movement in allowance for expected credit losses of trade receivables computed based on lifetime ECL is as follows:

	Group	
	2021	2020
	\$'000	\$'000
Movement in allowance accounts:		
At 1 January	–	–
Charge for the year	(3,852)	(2,913)
Written off	3,852	2,913
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).

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

**19. DUE FROM SUBSIDIARIES (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 unsecured, receivable on demand and are to be settled in cash. These amounts are interest-free except for amounts due from subsidiaries of \$22,363,000 (2020: \$30,584,000) which bear interest at rates ranging from 1.80% to 7.35% (2020: 1.87% to 7.35%) per annum.

The amount due from a joint venture is unsecured, interest-free, receivable on demand and are to be settled in cash.

The amounts due to immediate holding company and 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	
	2021	2020	2021	2020
	\$'000	\$'000	\$'000	\$'000
Cash at banks and on hand	19,735	23,816	4,712	8,058

A floating charge has been placed on cash and bank balances with a carrying value of \$6,670,000 (2020: \$5,281,000) as security for bank borrowings (Note 22).

Cash and bank balances denominated in foreign currency are as follows:

	Group		Company	
	2021	2020	2021	2020
	\$'000	\$'000	\$'000	\$'000
Australian Dollar	333	22	-	-

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

21. TRADE AND OTHER PAYABLES

	Note	Group		Company	
		2021	2020	2021	2020
		\$'000	\$'000	\$'000	\$'000
Trade and other payables (current):					
Trade payables		597	874	14	271
Other payables		758	877	132	47
Accrued operating expenses					
– Payroll related		4,023	3,972	593	715
– Others		3,353	2,702	1,709	1,679
Deposits received		3,461	4,328	–	–
		<u>12,192</u>	<u>12,753</u>	<u>2,448</u>	<u>2,712</u>
Other payables (non-current):					
Other payables		111	68	–	–
Total trade and other payables (current and non-current)					
		12,303	12,821	2,448	2,712
Add:					
Due to immediate holding company (non-trade)	19	6	–	6	–
Due to related companies (non-trade)	19	3	84	3	26
Interest-bearing loans	22	336,297	265,520	–	–
Term notes	23	45,250	45,250	45,250	45,250
Lease liabilities	24(b)	34,410	34,941	–	–
Less:					
Accrued operating expenses					
– Payroll related		(370)	(130)	(8)	(4)
– Provision for reinstatement cost		(714)	(353)	–	(4)
– GST payable, net		(426)	(714)	(14)	(271)
– Deferred grant income		–	(596)	–	–
Total financial liabilities carried at amortised cost		<u>426,759</u>	<u>356,823</u>	<u>47,685</u>	<u>47,709</u>

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	
	2021	2020	2021	2020
	\$'000	\$'000	\$'000	\$'000
Hong Kong Dollar	39	10	–	–
United States Dollar	92	–	–	–
Singapore Dollar	10	–	–	–
Euro	12	–	–	–

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

22. INTEREST-BEARING LOANS

	Note	Group		Company	
		2021	2020	2021	2020
		\$'000	\$'000	\$'000	\$'000
Secured borrowings					
<i>Current</i>					
Short-term bank borrowings		243,887	196,379	–	–
Term loans		8,409	3,738	–	–
		252,296	200,117	–	–
<i>Non-current</i>					
Term loans		84,001	65,403	–	–
		336,297	265,520	–	–
Add:					
Term notes	23	45,250	45,250	45,250	45,250
Total loans and borrowings		381,547	310,770	45,250	45,250

(a) **Details of securities in relation to interest-bearing loans are as follows:**

Short-term bank borrowings of \$236,771,000 (2020: \$192,231,000) 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 \$2,968,000 (2020: Nil) are secured by way of secured lending receivables of a subsidiary.

Short-term bank borrowings of \$4,148,000 (2020: \$4,148,000) 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.

Term loans of \$71,329,000 (2020: \$54,224,000) bear interest at rates ranging from 1.5% to 3.2% (2020: 1.60% to 2.40%) 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.

Term loans of \$21,081,000 (2020: \$14,917,000) bear interest at rates of 2.00% (2020: 2.00%) per annum and are secured by way of corporate guarantee by the Company.

(b) **Effective interest rate**

Weighted average effective annual interest rates of interest-bearing loans at the end of the financial year are as follows:

	Group	
	2021	2020
Short-term bank borrowings	1.91%	2.36%
Term loans	2.27%	2.68%

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

23. TERM NOTES

Date issued	Interest rate	Maturity dates	Aggregate principal amount outstanding			
			Group		Company	
			2021	2020	2021	2020
	%		\$'000	\$'000	\$'000	\$'000
Current						
22 July 2019	6.35	22 July 2022	45,250	–	45,250	–
			45,250	–	45,250	–
Non-current						
22 July 2019	6.35	22 July 2022	–	45,250	–	45,250
Total term notes			45,250	45,250	45,250	45,250

In 2017, the Company established a Multicurrency Medium Term Note programme (“**MTN Programme**”), under which the Company may issue notes from time to time. 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. The term notes issued by the Company under the MTN Programme are unsecured. During the financial year ended 31 December 2017, unsecured term notes issued by the Company under MTN Programme amounted of \$70,000,000.

On 1 July 2019, the Company issued an updated Information Memorandum in relation to the MTN Programme and 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.

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.

Subsequent to financial year ended 31 December 2021, the Company issued an updated Information Memorandum in relation to the MTN Programme and issued a Notice of Tender and Exchange Offer Exercise (the “**Exercise**”) to note holders on the Series 002 notes. Upon completion of the Exercise on 24 January 2022, the Company issued \$60,000,000 6.05% notes due January 2025 (Series 003 Notes) comprising \$23,250,000 in aggregate principal amount of Exchange Offer Notes and \$36,750,000 additional notes.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

23. TERM NOTES (CONTINUED)

A reconciliation of liabilities arising from financing activities is as follows:

			Non-cash changes			31 December 2021
	1 January 2021	Cash flows	Translation difference	Amortisation of premium on term notes	Gain on purchase of term notes	
	\$'000	\$'000	\$'000	\$'000	\$'000	
Term notes	45,250	–	–	–	–	45,250
Short-term bank borrowings	196,379	47,520	(12)	–	–	243,887
Term loans	69,141	23,269	–	–	–	92,410
Total	310,770	70,789	(12)	–	–	381,547

			Non-cash changes			31 December 2020
	1 January 2020	Cash flows	Translation difference	Amortisation of premium of term notes	Gain on purchase on term notes	
	\$'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

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 the leases are secured by the respective 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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

24. LEASES (CONTINUED)

Group as a lessee (continued)

(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 year:

	Group Retail stores	
	2021	2020
	\$'000	\$'000
As at 1 January	34,046	33,987
Additions	9,026	5,778
Depreciation	(11,028)	(10,663)
Modification	2,156	5,736
Termination	(761)	(1,074)
Translation difference	(125)	282
As at 31 December	<u>33,314</u>	<u>34,046</u>

(b) *Lease liabilities*

Set out below are the carrying amounts of lease liabilities and the movements during the year:

	Group	
	2021	2020
	\$'000	\$'000
As at 1 January	34,941	34,483
Additions	9,026	5,778
Accretion of interest	1,002	1,023
Payments	(11,805)	(11,295)
Modification	2,156	5,736
Termination	(761)	(1,080)
Translation difference	(149)	296
As at 31 December	<u>34,410</u>	<u>34,941</u>
Current portion	10,304	9,725
Non-current portion	<u>24,106</u>	<u>25,216</u>
	<u>34,410</u>	<u>34,941</u>

The maturity analysis of lease liabilities is disclosed in Note 31(a).

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

24. LEASES (CONTINUED)

Group as a lessee (continued)

(c) *Amounts recognised in profit or loss*

The following are the amounts recognised in profit or loss:

	Note	Group	
		2021	2020
		<u>\$'000</u>	<u>\$'000</u>
Depreciation of right-of-use assets		11,028	10,663
Interest expense on lease liabilities	6	1,002	1,023
Lease expenses relating to short-term leases (included in other operating expenses)	8	2,370	1,649
Variable lease payments (included in other operating expenses)			
– Contingent rent	8	163	115
– COVID-19-related rent concessions	7	<u>(2,165)</u>	<u>(3,159)</u>
Total amount recognised in profit or loss		<u>12,398</u>	<u>10,291</u>

(d) *Total cash outflow*

The Group had total cash outflows for leases of \$12,173,000 (2020: \$9,900,000) in 2021.

(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.

Group as a lessor

The Group has entered into commercial property subleases of its retail stores, leasehold properties and investment properties. These non-cancellable leases have remaining lease terms of less than three years.

Rental income recognised by the Group during the year is \$1,329,000 (2020: \$649,000).

Future minimum rentals receivable under non-cancellable operating leases contracted for as at 31 December are as follows:

	Group	
	2021	2020
	<u>\$'000</u>	<u>\$'000</u>
Not later than one year	1,170	715
Later than one year but not later than five years	<u>320</u>	<u>278</u>
	<u>1,490</u>	<u>993</u>

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

25. SHARE CAPITAL, TREASURY SHARES AND OTHER RESERVES

(a) *Share capital*

	Group and Company			
	2021		2020	
	No. of shares	\$'000	No. of shares	\$'000
Issued and fully paid ordinary shares:				
Balance at 1 January	1,035,252,356	137,286	1,035,252,356	137,286
Issuance of ordinary shares	32,000,000	5,184	–	–
Share issuance expense	–	(129)	–	–
Balance at 31 December	<u>1,067,252,356</u>	<u>142,341</u>	<u>1,035,252,356</u>	<u>137,286</u>

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.

On 13 December 2021, the Company issued an aggregate of 32,000,000 ordinary shares at an issue price of \$0.162 for cash via a private placement.

(b) *Treasury shares*

	Group and Company			
	2021		2020	
	No. of shares	\$'000	No. of shares	\$'000
At 1 January	66,122	9	66,122	9
Share buyback through open market ⁽¹⁾	1,148,500	209	–	–
Treasury shares reissued pursuant to Maxi-Cash Performance Share Plan ⁽²⁾	(889,500)	(159)	–	–
Balance at 31 December	<u>325,122</u>	<u>59</u>	<u>66,122</u>	<u>9</u>

(1) On 9 June 2021, the Company purchased an aggregate of 1,148,500 shares, which are held as treasury shares.

(2) On 25 June 2021, the Company issued 889,500 treasury shares to eligible employees under the Maxi-Cash Performance Share Plan.

(c) *Other reserves*

	Group		Company	
	2021	2020	2021	2020
	\$'000	\$'000	\$'000	\$'000
Fair value adjustment reserve	(451)	(483)	–	–
Loss on reissuance of treasury shares	(23)	(26)	(23)	(26)
Foreign currency translation reserve	(17)	(120)	–	–
Reserve on acquisition of subsidiaries	(5,414)	(5,414)	–	–
Change in ownership interest in subsidiary without a change in control	(23)	(23)	–	–
	<u>(5,928)</u>	<u>(6,066)</u>	<u>(23)</u>	<u>(26)</u>

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

25. SHARE CAPITAL, TREASURY SHARES AND OTHER RESERVES (CONTINUED)

(c) **Other reserves (continued)**

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 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 Aspial Corporation Limited. \$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	
		2021	2020
		\$'000	\$'000
Sales to a related company		(424)	(1,576)
Management services to related companies	7	(195)	–
Purchases from a related company		381	528
Corporate services charged from a related company		2,877	2,577
Rental charged from a director related company		–	38
Rental charged from a joint venture		2,019	1,891
Management services charged from a related company		38	–
Interest expense on advances from immediate holding company	6	–	13
Acquisition of leasehold properties from a director related company		–	23,700

NOTES TO THE FINANCIAL STATEMENTS

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26. RELATED PARTY TRANSACTIONS (CONTINUED)

(b) *Compensation of key management personnel*

	Group	
	2021	2020
	\$'000	\$'000
Short-term employee benefits	1,671	1,935
Central Provident Fund contributions	53	90
Total compensation paid to key management personnel	<u>1,724</u>	<u>2,025</u>
<i>Comprise amounts paid to:</i>		
Directors of the Company	918	1,147
Other key management personnel	<u>806</u>	<u>878</u>
	<u>1,724</u>	<u>2,025</u>

27. COMMITMENTS

Capital commitments

Capital expenditure contracted for but not recognised in the financial statements are as follows:

	Group	
	2021	2020
	\$'000	\$'000
Capital commitments of a subsidiary in respect of acquisition of commercial properties	<u>–</u>	<u>20,710</u>

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 the three properties were financed by mortgage loans from banks and completed on 18 January 2021, 3 March 2021 and 4 June 2021, respectively.

There is no capital expenditure contracted for but not recognised in the financial statements as at 31 December 2021.

28. CONTINGENT LIABILITIES

Guarantees

The Company has provided corporate guarantees to banks for loans extended to a joint venture, in proportion to its equity interest, amounting to \$21,190,000 (2020: \$22,222,000) at the end of the financial year.

The Company has provided corporate guarantees to banks for an aggregate amount of \$333,329,000 (2020: \$261,362,000) in respect of bank borrowings drawn down by certain subsidiaries (Note 22).

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

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) Retailing 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.

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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

29. SEGMENTAL INFORMATION (CONTINUED)

	Pawnbroking	Money lending	Retailing and trading of jewellery and branded merchandise	Others	Elimination	Note	Total
	\$'000	\$'000	\$'000	\$'000	\$'000		\$'000
2021							
Revenue	46,043	2,082	177,578	–	–		225,703
Inter-segment revenue	41,121	–	13	–	(41,134)	A	–
Results							
Segment results	13,136	1,661	9,421	17,819	(14,675)		27,362
Share of result of joint venture	–	–	–	57	–		57
Interest income	8	–	–	1,118	(1,098)		28
Dividend income from equity securities	–	–	–	298	–		298
Finance costs	(5,166)	(816)	(666)	(4,612)	1,098		(10,162)
Profit before tax	7,978	845	8,755	14,680	(14,675)	B	17,583
Segment assets	380,139	23,299	108,526	286,492	(217,978)	C	580,478
Investment in joint venture	–	–	–	1,466	–		1,466
Total assets							581,944
Segment liabilities	332,638	22,422	95,415	198,810	(217,897)	D	431,388
Total liabilities							431,388
Capital expenditure	1,821	–	899	22,535	–		25,255
Depreciation and amortisation	11,829	–	1,727	953	–		14,509
Other significant non-cash expenses	242	–	(14)	(40)	–	E	188
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 securities	–	–	–	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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

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	
	2021	2020
	\$'000	\$'000
Profit from inter-segment sales	(14,675)	(26,373)

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

	Group	
	2021	2020
	\$'000	\$'000
Inter-segment assets	(217,978)	(213,387)

D The following items are deducted from segment liabilities to arrive at total liabilities reported in the consolidated statements of financial position:

	Group	
	2021	2020
	\$'000	\$'000
Inter-segment liabilities	(217,897)	(213,559)

E Other non-cash expenses consist of the following items, as presented in the respective notes to the financial statements:

	Group	
	2021	2020
	\$'000	\$'000
Loss on disposal/write-off of property, plant and equipment	134	119
Fair value gain on investment properties	(40)	–
(Write-back of)/allowance for inventories	(14)	536
Financial losses on pledged items not fully covered by insurance	108	133
	188	788

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

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:

	Group			
	Revenue		Non-current assets	
	2021	2020	2021	2020
	\$'000	\$'000	\$'000	\$'000
Singapore	212,440	254,266	124,501	103,865
Australia	4,002	2,828	3,598	4,400
Ireland	1,708	1,821	–	–
Malaysia	2,329	1,172	1,741	1,808
Hong Kong	5,224	2,734	2,868	1,666
	<u>225,703</u>	<u>262,821</u>	<u>132,708</u>	<u>111,739</u>

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	
	2021	2020
	\$'000	\$'000
<i>Dividends on ordinary shares paid during the year</i>		
Final exempt (one-tier) dividend in respect of profits for 2019: 0.35 cent per share based on 1,035,186,234 shares	–	3,623
Interim exempt (one-tier) dividend in respect of profits for 2020: 1.45 (2020: 1.15) cent per share based on 1,035,186,234 (2020: 1,035,186,234) shares	15,010	11,905
Interim exempt (one-tier) dividend in respect of profits for 2021: 0.65 cent per share based on 1,034,927,234 shares	6,727	–
	<u>21,737</u>	<u>15,528</u>

On 24 February 2022, the Company proposed a one-tier interim exempt dividend of \$6,402,000 (0.60 cent per share) for the financial year ended 31 December 2021. The interim dividend was approved by the Board of Directors on 24 February 2022. The dividends were paid on 24 March 2022.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 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.

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.

	<u>1 year or less</u>	<u>1 to 5 years</u>	<u>Over 5 years</u>	<u>Total</u>
	\$'000	\$'000	\$'000	\$'000
Group				
2021				
Financial assets:				
Trade and other receivables	330,176	2,086	–	332,262
Investment securities	–	–	2,957	2,957
Derivative financial instruments	219	–	–	219
Cash and bank balances	19,735	–	–	19,735
Total undiscounted financial assets	<u>350,130</u>	<u>2,086</u>	<u>2,957</u>	<u>355,173</u>
Financial liabilities:				
Trade and other payables	10,682	111	–	10,793
Due to immediate holding company (non-trade)	6	–	–	6
Due to related companies (non-trade)	3	–	–	3
Interest-bearing loans	254,449	34,940	62,850	352,239
Term notes	46,840	–	–	46,840
Lease liabilities	11,101	23,483	1,782	36,366
Total undiscounted financial liabilities	<u>323,081</u>	<u>58,534</u>	<u>64,632</u>	<u>446,247</u>
Total net undiscounted financial assets/(liabilities)	<u>27,049</u>	<u>(56,448)</u>	<u>(61,675)</u>	<u>(91,074)</u>

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

31. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

(a) *Liquidity risk (continued)*

Analysis of financial instruments by remaining contractual maturities (continued)

	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	<u>318,380</u>	<u>2,526</u>	<u>2,424</u>	<u>323,330</u>
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	2,873	46,840	–	49,713
Lease liabilities	10,559	24,324	2,225	37,108
Total undiscounted financial liabilities	<u>226,401</u>	<u>99,371</u>	<u>51,670</u>	<u>377,442</u>
Total net undiscounted financial assets/(liabilities)	<u>91,979</u>	<u>(96,845)</u>	<u>(49,246)</u>	<u>(54,112)</u>
	1 year or less	1 to 5 years	Over 5 years	Total
	\$'000	\$'000	\$'000	\$'000
Company				
2021				
Financial assets:				
Trade and other receivables	11	–	–	11
Due from subsidiaries (non-trade)	137,591	–	–	137,591
Cash and bank balances	4,712	–	–	4,712
Total undiscounted financial assets	<u>142,314</u>	<u>–</u>	<u>–</u>	<u>142,314</u>
Financial liabilities:				
Trade and other payables	2,426	–	–	2,426
Term notes	46,840	–	–	46,840
Due to immediate holding company (non-trade)	6	–	–	6
Due to related companies (non-trade)	3	–	–	3
Total undiscounted financial liabilities	<u>49,275</u>	<u>–</u>	<u>–</u>	<u>49,275</u>
Total net undiscounted financial assets	<u>93,039</u>	<u>–</u>	<u>–</u>	<u>93,039</u>
Financial guarantees*	<u>257,521</u>	<u>42,447</u>	<u>54,551</u>	<u>354,519</u>

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

31. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

(a) *Liquidity risk (continued)*

Analysis of financial instruments by remaining contractual maturities (continued)

	<u>1 year or less</u>	<u>1 to 5 years</u>	<u>Over 5 years</u>	<u>Total</u>
	\$'000	\$'000	\$'000	\$'000
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	<u>143,707</u>	<u>–</u>	<u>–</u>	<u>143,707</u>
Financial liabilities:				
Trade and other payables	2,433	–	–	2,433
Term notes	2,873	46,840	–	49,713
Due to related companies (non-trade)	26	–	–	26
Total undiscounted financial liabilities	<u>5,332</u>	<u>46,840</u>	<u>–</u>	<u>52,172</u>
Total net undiscounted financial assets/(liabilities)	<u>138,375</u>	<u>(46,840)</u>	<u>–</u>	<u>91,535</u>
Financial guarantees*	<u>207,970</u>	<u>36,944</u>	<u>38,670</u>	<u>283,584</u>

* This shows the contractual expiry by maturity of the Company's contingent liabilities. The maximum amount of the financial guarantee contracts are allocated to the earliest period in which the guarantee could be called.

(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 (2020: \$45,250,000) and interest-bearing loans of \$24,094,000 (2020: \$14,917,000) 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 (2020: 50) basis points lower/higher with all other variables held constant, the Group's profit net of tax would have been \$1,296,000 (2020: \$1,040,000) higher/lower, arising mainly as a result of lower/higher interest expense on floating rate term loans.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

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 Dollar ("AUD") and Euro.

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 mitigate its exposure to foreign currency risks on Australian Dollar.

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.

	2021 Profit before tax	2020 Profit before tax
	\$'000	\$'000
	(lower)/higher	(lower)/higher
AUD – strengthened 5% (2020: 5%)	17	1
– weakened 5% (2020: 5%)	(17)	(1)

(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 Group 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;

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

31. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

(d) **Credit risk (continued)**

- 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 Group 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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

31. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

(d) **Credit risk (continued)**

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).

Expected credit losses of pawnshop loans and interest receivables on pawnshop loans

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 are 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 securities (Note 16)

For those quoted debt securities 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 securities 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% (2020: 100%) of the Group's trade receivables in the money lending business segment were due from 3 entities (2020: 3 entities).

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

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				
2021				
<u>Financial assets</u>				
<i>At fair value through other comprehensive income</i>				
– Equity securities (unquoted) (Note 16)	–	–	500	500
– Equity securities (quoted) (Note 16)	2,457	–	–	2,457
<i>At fair value through profit or loss</i>				
– Forward currency contracts (Note 15)	–	219	–	219
	<u>2,457</u>	<u>219</u>	<u>500</u>	<u>3,176</u>
<u>Non-financial assets</u>				
– Investment properties (Note 12)	–	–	16,850	16,850

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

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
2020				
<u>Financial assets</u>				
<i>At fair value through other comprehensive income</i>				
– Debt securities (quoted) (Note 16)	738	–	–	738
– Equity securities (quoted) (Note 16)	2,424	–	–	2,424
	<u>3,162</u>	<u>–</u>	<u>–</u>	<u>3,162</u>
<u>Non-financial assets</u>				
– Investment properties (Note 12)	–	–	10,810	10,810
	<u>–</u>	<u>–</u>	<u>10,810</u>	<u>10,810</u>
<u>Financial liabilities</u>				
<i>At fair value through profit or loss</i>				
– Forward currency contracts (Note 15)	–	(25)	–	(25)
	<u>–</u>	<u>(25)</u>	<u>–</u>	<u>(25)</u>

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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

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 2021	Valuation techniques	Unobservable inputs	Range of unobservable inputs
	\$'000			
Recurring fair value measurements				
Unquoted equity securities at fair value through other comprehensive income (Note 16)	500	Market Approach	Note 1	Not applicable
Investment properties (Note 12)	16,850	Market comparable approach	Price per square feet	\$1,830 to \$8,420
Description	Fair value at 31 December 2020	Valuation techniques	Unobservable inputs	Range of unobservable inputs
	\$'000			
Recurring fair value measurements				
Investment properties (Note 12)	10,810	Market comparable approach	Price per square feet	\$1,830 to \$3,025

Note 1 – Unquoted equity securities at fair value through other comprehensive income

The valuation of investment in unquoted equity securities is based on the latest round of funding exercised by the investee.

Note 2 – Investment properties

For investment properties, a significant increase/(decrease) in price per square feet based on management's assumptions would result in a significantly higher/(lower) fair value measurement.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

32. FAIR VALUE OF ASSETS AND LIABILITIES (CONTINUED)

(d) **Level 3 fair value measurements (continued)**

(ii) *Movements in Level 3 assets and liabilities measured at fair value*

The following table presents the reconciliation for all assets and liabilities measured at fair value based on significant unobservable inputs (Level 3):

	Fair value measurements using significant unobservable inputs (Level 3)		
	Equity securities (unquoted)	Investment properties	Total
	\$'000	\$'000	\$'000
Group			
2021			
Opening balance	–	10,810	10,810
Transfer from property, plant and equipment	–	6,000	6,000
Purchases	500	–	500
Fair value gain on investment properties	–	40	40
Closing balance	500	16,850	17,350
2020			
Opening balance	–	–	–
Transfer from property, plant and equipment	–	10,810	10,810
Closing balance	–	10,810	10,810

Fair value gain on investment properties is recognised in "Other income" in the consolidated statement of comprehensive income.

(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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

32. FAIR VALUE OF ASSETS AND LIABILITIES (CONTINUED)

- (e) **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:

	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			
2021			
Assets:			
<i>Non-current:</i>			
Deposits	–	1,989	2,086
Financial liabilities:			
<i>Non-current:</i>			
Term notes	44,402	–	45,250
2020			
Assets:			
<i>Non-current:</i>			
Deposits	–	2,474	2,526
Financial liabilities:			
<i>Non-current:</i>			
Term notes	44,175	–	45,250
Company			
2021			
Financial liabilities:			
<i>Non-current:</i>			
Term notes	44,402	–	45,250
2020			
Financial liabilities:			
<i>Non-current:</i>			
Term notes	44,175	–	45,250

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

32. FAIR VALUE OF ASSETS AND LIABILITIES (CONTINUED)

- (e) ***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 (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.

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 2021 and 2020.

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), 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.

	Note	Group	
		2021	2020
		\$'000	\$'000
Trade and other payables	21	12,303	12,821
Due to related companies (non-trade)	19	3	84
Due to immediate holding company (non-trade)	19	6	–
Derivative financial instruments	15	–	25
Interest-bearing loans	22	336,297	265,520
Term notes	23	45,250	45,250
Lease liabilities	24(b)	34,410	34,941
Less: Cash and bank balances	20	(19,735)	(23,816)
Net debt		408,534	334,825
Equity attributable to owners of the Company		149,426	151,574
Capital and net debt		557,960	486,399
Gearing ratio		73.2%	68.8%

34. AUTHORISATION OF FINANCIAL STATEMENTS FOR ISSUE

The financial statements for the financial year ended 31 December 2021 were authorised for issue in accordance with a directors' resolution dated 25 March 2022.

STATISTICS OF SHAREHOLDINGS

AS AT 15 MARCH 2022

NO. OF ISSUED SHARES (EXCLUDING TREASURY SHARES)	:	1,066,927,234
CLASS OF SHARES	:	ORDINARY SHARES
NUMBER/PERCENTAGE OF TREASURY SHARES	:	325,122 (0.03%)
VOTING RIGHTS (EXCLUDING TREASURY SHARES AND SUBSIDIARY HOLDINGS)	:	ONE VOTE PER SHARE
NUMBER OF SUBSIDIARY HOLDINGS	:	NIL

SIZE OF SHAREHOLDINGS	NO. OF SHAREHOLDERS	% OF HOLDERS	NO. OF SHARES	% OF SHARES
1 – 99	337	10.31	14,461	0.00
100 – 1,000	661	20.21	342,702	0.03
1,001 – 10,000	854	26.12	3,750,508	0.35
10,001 – 1,000,000	1,375	42.05	113,051,174	10.60
1,000,001 & ABOVE	43	1.31	949,768,389	89.02
TOTAL	3,270	100.00	1,066,927,234	100.00

TOP TWENTY SHAREHOLDERS AS AT 15 MARCH 2022

(As recorded in the Register of Members and Deputy Register)

NAME OF SHAREHOLDERS	NO. OF SHARES	%
1 ASPIAL CORPORATION LTD	573,446,769	53.75
2 RHB BANK NOMINEES PTE LTD	94,000,000	8.81
3 UNITED OVERSEAS BANK NOMINEES PTE LTD	52,873,976	4.96
4 PHILLIP SECURITIES PTE LTD	52,346,462	4.91
5 HSBC (SINGAPORE) NOMINEES PTE LTD	28,912,900	2.71
6 MAYBANK SECURITIES PTE. LTD.	22,242,915	2.09
7 KO LEE MENG	14,768,050	1.38
8 DBS NOMINEES PTE LTD	11,465,592	1.08
9 KOH WEE SENG	11,341,933	1.06
10 NG SHENG TIONG	7,381,482	0.69
11 RAFFLES NOMINEES (PTE) LIMITED	7,364,044	0.69
12 ON FOO LIN	6,270,000	0.59
13 OCBC SECURITIES PRIVATE LTD	5,885,575	0.55
14 LEE TIONG ANG	4,595,750	0.43
15 LEE SAU YOONG	4,479,296	0.42
16 CGS-CIMB SECURITIES (SINGAPORE) PTE LTD	3,556,173	0.33
17 LIM SWEE ANN	3,390,771	0.32
18 CHEOK ENG SOON (SHI YONGSHUN)	3,080,000	0.29
19 TAN KEE LIANG	2,800,000	0.26
20 NG LEOK CHENG	2,714,685	0.25
TOTAL:	912,916,373	85.57

STATISTICS OF SHAREHOLDINGS

AS AT 15 MARCH 2022

SUBSTANTIAL SHAREHOLDERS

(As recorded in the Register of Substantial Shareholders)

NAME OF SHAREHOLDERS	DIRECT INTEREST		DEEMED INTEREST	
	NO. OF SHARES	% OF SHARES	NO. OF SHARES	% OF SHARES
ASPIAL CORPORATION LIMITED ⁽¹⁾	667,446,769	62.56	–	–
KOH WEE SENG ⁽²⁾⁽³⁾	111,434,121	10.44	667,724,757	62.58
KOH LEE HWEЕ ⁽²⁾⁽⁵⁾	28,196,664	2.64	674,828,251	63.25
KO LEE MENG ⁽²⁾⁽⁴⁾	17,581,376	1.65	668,906,251	62.69
MLHS HOLDINGS PTE LTD ⁽¹⁾	–	–	667,446,769	62.56

(1) MLHS Holdings Pte Ltd is the controlling shareholder of Aspial Corporation Limited, holding approximately 53.58% of the shareholdings of Aspial Corporation Limited as at 15 March 2022. MLHS Holdings Pte Ltd is a private limited company incorporated in Singapore on 14 January 1994. It is an investment holding company. The shareholders of MLHS Holdings Pte Ltd are Koh Wee Seng (47.00%), Ko Lee Meng (25.75%), Koh Lee Hwee (24.25%), Tan Su Lan @ Tan Soo Lung (2.00%) and the estate of Koh Chong Him @ Ko Chong Sung (1.00%). Tan Su Lan @ Tan Soo Lung and Koh Chong Him @ Ko Chong Sung (deceased) are the parents of Koh Wee Seng, Koh Lee Hwee and Ko Lee Meng. Aspial Corporation Limited's direct interest derived from 573,446,769 shares held in his own name and 94,000,000 shares held in nominee accounts.

(2) Koh Wee Seng, Koh Lee Hwee and Ko Lee Meng are directors and substantial shareholders of Aspial Corporation Limited through their shareholdings in MLHS Holdings Pte Ltd. In addition, Koh Wee Seng has 18.77% direct interest in Aspial Corporation Limited as at 15 March 2022. Koh Wee Seng is the chief executive officer of Aspial Corporation Limited. Koh Lee Hwee is an executive director and Ko Lee Meng is a non-executive director of Aspial Corporation Limited.

(3) Koh Wee Seng's direct interest derived from 11,341,933 shares held in his own name and 100,092,188 shares held in nominee accounts. The deemed interest derived from 277,988 shares held by his spouse, 667,446,769 shares held by Aspial Corporation Limited by virtue of Section 7 of the Singapore Companies Act 1967.

(4) Ko Lee Meng's direct interest derived from 14,768,050 shares held in her own name and 2,813,326 shares held in nominee accounts. The deemed interest derived from 1,459,482 shares held by her spouse and 667,446,769 shares held by Aspial Corporation Limited by virtue of Section 7 of the Singapore Companies Act 1967.

(5) Koh Lee Hwee's direct interest derived from 28,196,664 shares held in nominee accounts and deemed interest derived from 7,381,482 shares held by her spouse and 667,446,769 shares held by Aspial Corporation Limited by virtue of Section 7 of the Singapore Companies Act 1967.

SHAREHOLDINGS HELD IN THE HANDS OF THE PUBLIC

Based on the information provided to the Company as at 15 March 2022 and to the best knowledge of the Directors, approximately 20.24% of the issued ordinary shares of the Company was held in the hands of the public as defined in the Listing Manual Section B: Rules of Catalist of the Singapore Exchange Securities Trading Limited (the "**Catalist Rules**"). Accordingly, Rule 723 of the Catalist Rules which requires at least 10% of a listed issuer's equity securities to be held by the public is complied with.

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Annual General Meeting of Maxi-Cash Financial Services Corporation Ltd. (the “**Company**”) will be convened and held by electronic means (see Notes 1 to 5) on Friday, 29 April 2022 at 10.00 a.m., for the purpose of transacting the following business:

ORDINARY BUSINESS

- | | | |
|----|--|---------------------|
| 1. | To receive, consider and adopt the Audited Financial Statements for the financial year ended 31 December 2021 together with the Directors’ Statement and the Auditors’ Report thereon. | Resolution 1 |
| 2. | To approve the payment of Directors’ fees of S\$298,000 for the financial year ended 31 December 2021. (2020: S\$264,478) | Resolution 2 |
| 3. | To re-elect the following Directors of the Company, each of whom will retire by rotation pursuant to Regulation 89 of the Company’s Constitution and where applicable, Rule 720(4) of the Catalist Rules and who, being eligible, offer themselves for re-election:– | |
| | (i) Ms Koh Lee Hwee (retiring under Regulation 89 and Rule 720(4)); | Resolution 3 |
| | (ii) Mr Lee Sai Sing (retiring under Regulation 89); and | Resolution 4 |
| | (iii) Ms Goh Bee Leong (retiring under Regulation 89). | Resolution 5 |
| | <i>(See Explanatory Notes)</i> | |
| 4. | To re-elect Mr Ng Kean Seen, a Director retiring pursuant to Regulation 88 of the Company’s Constitution. | Resolution 6 |
| | <i>(See Explanatory Notes)</i> | |
| 5. | To re-appoint Messrs Ernst & Young LLP as Auditors of the Company and to authorise the Directors to fix their remuneration. | Resolution 7 |

SPECIAL BUSINESS

To consider and, if thought fit, to pass, with or without modifications, the following Ordinary Resolutions:–

- | | | |
|----|---|---------------------|
| 6. | Approval for the continued appointment of Mr Lee Sai Sing as an Independent Director | Resolution 8 |
|----|---|---------------------|

That contingent upon the passing of Resolution 4 above, by all shareholders to approve the continued appointment of Mr Lee Sai Sing as an Independent Director in accordance with Rule 406(3)(d)(iii) of the Catalist Rules. This Resolution to remain in force until the earlier of Mr Lee Sai Sing retirement or resignation, or the conclusion of the third Annual General Meeting following the passing of this Resolution and Ordinary Resolution 9 below.

(See Explanatory Notes)

NOTICE OF ANNUAL GENERAL MEETING

7. **Approval for the continued appointment of Mr Lee Sai Sing as an Independent Director** **Resolution 9**

That contingent upon the passing of Resolutions 4 and 8 above, by shareholders (excluding the Directors and the Chief Executive Officer of the Company, and the respective associates of such Directors and Chief Executive Officer) to approve the continued appointment of Mr Lee Sai Sing as an Independent Director in accordance with Rule 406(3)(d)(iii) of the Catalist Rules. This Resolution shall remain in force until the earlier of Mr Lee Sai Sing's retirement or resignation, or the conclusion of the third Annual General Meeting following the passing of this Resolution.

(See Explanatory Notes)

8. **Authority to issue shares** **Resolution 10**

That pursuant to Section 161 of the Singapore Companies Act 1967 and Rule 806 of the Catalist Rules of the SGX-ST, the Directors of the Company be authorised and empowered to:

- (a) (i) issue shares in the capital of the Company ("**shares**") whether by way of rights, bonus or otherwise; and/or
- (ii) make or grant offers, agreements or options (collectively "**Instruments**") that might or would require shares to be issued, including but not limited to the creation and issue of (as well as adjustments to) options, warrants, debentures or other instruments convertible into shares; and
- (iii) issue additional Instruments arising from adjustments made to the number of Instruments previously issued in the event of rights, bonus or capitalisation issues,

at any time and upon such terms and conditions and for such purposes and to such persons as the Directors may in their absolute discretion, deem fit; and

- (b) (notwithstanding the authority conferred by this Resolution may have ceased to be in force) issue shares in pursuance of any Instrument made or granted by the Directors while this Resolution was in force,

PROVIDED THAT:

- (1) the aggregate number of shares (including shares to be issued in pursuance of the Instruments, made or granted pursuant to this Resolution) to be issued pursuant to this Resolution shall not exceed one hundred per cent (100%) of the total number of issued shares (excluding treasury shares and subsidiary holdings) in the capital of the Company (as calculated in accordance with sub-paragraph (2) below), of which the aggregate number of shares to be issued other than on a *pro-rata* basis to shareholders of the Company shall not exceed fifty per cent (50%) of the total number of issued shares (excluding treasury shares and subsidiary holdings) in the capital of the Company (as calculated in accordance with sub-paragraph (2) below) or any such other limit as may be prescribed by the Catalist Rules as at the date this Resolution is passed;

NOTICE OF
ANNUAL GENERAL MEETING

- (2) (subject to such calculation as may be prescribed by the SGX-ST) for the purpose of determining the aggregate number of shares that may be issued under sub-paragraph (1) above, the percentage of total number of issued shares (excluding treasury shares and subsidiary holdings) shall be based on the total number of issued shares (excluding treasury shares and subsidiary holdings) in the capital of the Company at the time of passing of this Resolution, after adjusting for:
- (a) new shares arising from the conversion or exercise of any convertible securities;
 - (b) new shares arising from exercising share options or vesting of share awards, provided that the share options or awards (as the case may be) were granted in compliance with Part VIII of Chapter 8 of the Catalist Rules; and
 - (c) any subsequent bonus issue, consolidation or subdivision of shares.

Adjustments in accordance with the above Paragraph 2(a) and 2(b) are only to be made in respect of new shares arising from convertible securities, share options or share awards which were issued and outstanding or subsisting at the time of the passing of the resolution approving the mandate;

- (3) in exercising the authority conferred by this Resolution, the Company shall comply with the provisions of the Catalist Rules of the SGX-ST for the time being in force (unless such compliance has been waived by the SGX-ST) and the Constitution of the Company; and
- (4) unless revoked or varied by the Company in a general meeting, such authority shall continue in force until the conclusion of the next Annual General Meeting of the Company or the date by which the Annual General Meeting of the Company is required by law to be held, whichever is earlier.

(See Explanatory Notes)

9. **Authority to issue shares under the Maxi-Cash Financial Services Corporation Ltd Scrip Dividend Scheme** **Resolution 11**

That pursuant to Section 161 of the Singapore Companies Act 1967 and Rule 806 of the Catalist Rules, the Directors of the Company be and are hereby authorised and empowered to issue such number of shares in the Company as may be required to be issued pursuant to the Maxi-Cash Financial Services Corporation Ltd Scrip Dividend Scheme from time to time and that such authority shall, unless revoked or varied by the Company in a general meeting, continue in force until the conclusion of the next Annual General Meeting of the Company or the date by which the next Annual General Meeting of the Company is required by law to be held, whichever is earlier.

(See Explanatory Notes)

NOTICE OF ANNUAL GENERAL MEETING

10. Proposed renewal of the Share Purchase Mandate

Resolution 12

That for the purposes of Sections 76C and 76E of the Singapore Companies Act 1967, the Directors of the Company be and are hereby authorised to make purchases of shares in the capital of the Company from time to time (whether by way of market purchases or off-market purchases on an equal access scheme) of up to ten per cent (10%) of the issued ordinary shares in the capital of the Company (ascertained as at date of the passing of this Resolution 12) at the price of up to but not exceeding the Maximum Price, in accordance with the **"Guidelines on Share Purchases"** set out in Annex A of the Appendix to Shareholders dated 13 April 2022 for the renewal of the Share Purchase Mandate (the **"Appendix"**) and this mandate shall, unless revoked or varied by the Company in general meeting, continue in force until the date that the next Annual General Meeting of the Company is held or is required by law to be held, whichever is the earlier.

In this Ordinary Resolution, **"Maximum Price"** means the maximum price at which the shares can be purchased pursuant to the Share Purchase Mandate, which shall not exceed the sum constituting five per cent (5%) above the average closing price of the shares over the period of five (5) Market Days (**"Market Day"** being a day on which the SGX-ST is open for securities trading) in which transactions in the shares on the SGX-ST were recorded, in the case of a market purchase, before the day on which such purchase is made, and, in the case of an off-market purchase on an equal access scheme, immediately preceding the date of offer by the Company, as the case may be, and adjusted for any corporate action that occurs during the relevant five (5) day period.

(See Explanatory Notes)

OTHER BUSINESS

11. To transact any other business.

BY ORDER OF THE BOARD

Lim Swee Ann

Company Secretary

13 April 2022, Singapore

NOTICE OF ANNUAL GENERAL MEETING

Explanatory Notes:

Resolution 3

Ms Koh Lee Hwee will, upon re-election as a Director of the Company, remain as the Non-Executive Director of the Company and a member of the Nominating Committee. Detailed information on Ms Koh Lee Hwee can be found under the sections entitled "Board of Directors", "Corporate Governance Report" and "Directors' Statement" of the Company's Annual Report 2021.

Resolution 4

Mr Lee Sai Sing will, upon re-election as a Director of the Company, remain as the Chairman of the Remuneration Committee and a member of the Audit Committee and Nominating Committee. Mr Lee Sai Sing is considered by the Board of Directors to be independent for the purpose of Rule 704(7) of the Catalist Rules. Detailed information on Mr Lee Sai Sing can be found under the sections entitled "Board of Directors", "Corporate Governance Report" and "Directors' Statement" of the Company's Annual Report 2021.

Resolution 5

Ms Goh Bee Leong will, upon re-election as a Director of the Company, remain as the Chairman of the Nominating Committee and a member of the Audit Committee and Remuneration Committee. Ms Goh Bee Leong is considered by the Board of Directors to be independent for the purpose of Rule 704(7) of the Catalist Rules. Detailed information on Ms Goh Bee Leong can be found under the sections entitled "Board of Directors", "Corporate Governance Report" and "Directors' Statement" of the Company's Annual Report 2021.

Resolution 6

Mr Ng Kean Seen will, upon re-election as a Director of the Company, remain as an Executive Director of the Company. Detailed information on Mr Ng Kean Seen can be found under the sections entitled "Board of Directors" and "Corporate Governance Report" of the Company's Annual Report 2021.

Resolutions 8 and 9

Mr Lee Sai Sing ("**Mr Lee**"), the Chairman of the Remuneration Committee and a member of the Audit Committee and Nominating Committee, has served as an Independent Director of the Company since 16 April 2012. He has submitted himself for a two-tier voting process in accordance with Rule 406(3)(d)(iii) of the Catalist Rules.

Resolutions 8 and 9, if passed, will remain in force until the earlier of the following: (i) the retirement or resignation of Mr Lee; or (ii) the conclusion of the third Annual General Meeting of the Company following the passing of such resolutions.

If Resolution 8 is not passed, Resolution 9 will not be voted on at this Annual General Meeting.

If the Resolution 9 is not passed, on and from 29 April 2022, Mr Lee will be deemed non-independent. He shall continue to serve as a Non-Independent Director of the Company therefrom. Consequently, on and from 29 April 2022, he shall cease as the Chairman of the Remuneration Committee as in compliance with the Code of Corporate Governance 2018 (the "**Code**") and in accordance with the Term of Reference of the Remuneration Committee of the Company (the "**RC TOR**"), requiring the Chairman of the Remuneration Committee to be an Independent Non-Executive Director. In view thereof, the Board of the Directors will appoint an Independent Non-Executive Director to be a Chairman of the Remuneration Committee to comply with the Code and the RC TOR before 29 April 2022.

Resolution 10

The Ordinary Resolution no. 10, if passed, will empower the Directors of the Company, effective until the conclusion of the next Annual General Meeting of the Company, or the date by which the next Annual General Meeting of the Company is required by law to be held, or such authority is varied or revoked by the Company in a general meeting, whichever is the earlier, to issue shares, make or grant Instruments convertible into shares and to issue shares pursuant to such Instruments, up to a number not exceeding, in total one hundred per cent (100%) of the total number of issued shares (excluding treasury shares and subsidiary holdings) in the capital of the Company, of which fifty per cent (50%) may be issued other than on a *pro-rata* basis to the shareholders of the Company.

For determining the aggregate number of shares that may be issued, the percentage of the total number of issued shares (excluding treasury shares and subsidiary holdings) will be calculated based on the total number of issued shares (excluding treasury shares and subsidiary holdings) in the capital of the Company at the time this Ordinary Resolution is passed, after adjusting for new shares arising from the conversion or exercise of any convertible securities or share options or vesting of share awards which are outstanding or subsisting at the time when this Ordinary Resolution is passed and any subsequent bonus issue, consolidation or subdivision of shares.

Resolution 11

The Ordinary Resolution no. 11, if passed, will empower the Directors of the Company, effective until the conclusion of the next Annual General Meeting of the Company, or the date by which the next Annual General Meeting of the Company is required by law to be held or when such authority is varied or revoked by the Company in a general meeting, whichever is the earlier, to issue shares in the Company from time to time pursuant to the Maxi-Cash Financial Services Corporation Ltd Scrip Dividend Scheme. Please refer to the Company's announcement dated 9 March 2016 for details on the Maxi-Cash Financial Services Corporation Ltd Scrip Dividend Scheme.

Resolution 12

The Ordinary Resolution no. 12, if passed, will empower the Directors of the Company, from the date of the Annual General Meeting of the Company until the date the next Annual General Meeting of the Company is to be held or is required by law to be held, whichever is the earlier, to make purchases (whether by way of market purchases or off-market purchases on an equal access scheme) from time to time of up to ten per cent (10%) of the total number of issued shares (excluding treasury shares and subsidiary holdings) at prices up to but not exceeding the Maximum Price. The rationale for, the authority and limitation on, the sources of funds to be used for the purchase or acquisition including the amount of financing and the financial effects of the purchase or acquisition of shares by the Company pursuant to the Share Purchase Mandate are set out in greater detail in Annex A of the Appendix.

NOTICE OF ANNUAL GENERAL MEETING

Notes:

- (1) This AGM is being convened and will be held by electronic means pursuant to the COVID-19 (Temporary Measures) (Alternative Arrangements for Meetings for Companies, Variable Capital Companies, Business Trusts, Unit Trusts and Debenture Holders) Order 2020.
- (2) Due to current COVID-19 restriction orders in Singapore and as part of the measures to minimise the risk of community spread of COVID-19, the Company will arrange for a “live” webcast, which allows members to view the proceedings of the AGM via “live” audio and video feed (“**Webcast**”). In addition, members will be able to observe the annual general meeting (“**AGM**”) proceedings by audio only means via telephone (“**Audio Link**”). Members who wish to observe the AGM proceedings by Webcast or Audio Link must pre-register at the URL https://rebrand.ly/MCFS_AGM_2022 by **10.00 a.m. on 26 April 2022** (“**Registration Deadline**”). Following verification of their shareholding status, members will receive further instructions on how to access the Webcast and the Audio Link via email (“**Registration Confirmation Email**”) by **28 April 2022**.

Members who have pre-registered by the Registration Deadline but do not receive the Registration Confirmation Email by **12.00 p.m. on 28 April 2022** should contact Rais at easyvideoa@gmail.com stating: (a) the member’s full name; and (b) the member’s identification/registration number.

- (3) Members viewing the Webcast or listening to the Audio Link will not be able to submit questions online or over the telephone during the Webcast or the Audio Link. Members must submit any questions they may have by **10.00 a.m. on 20 April 2022**:
- (a) in hard copy to the registered office of the Company’s Share Registrar, B.A.C.S. Private Limited, 77 Robinson Road #06-03 Robinson 77 Singapore 068896,
 - (b) by email to maxi-cashagm@maxi-cash.com; or
 - (c) via the pre-registration website at URL https://rebrand.ly/MCFS_AGM_2022.

Members submitting questions are requested to state: (a) their full name; and (b) the member’s identification/registration number, failing which the Company shall be entitled to regard the submission as invalid.

The Company will provide responses to substantial and relevant questions prior to the AGM through publication on SGXNet and the Company’s website at the URL: <https://maxi-cash.com/about-us/>, **OR** at the AGM.

- (4) Members viewing the Webcast or listening to the Audio Link will not be able to cast their votes online or over the telephone during the Webcast or the Audio Link. All members must vote by proxy only. Members must appoint the Chairman of the AGM to act as their proxy and must specifically direct the proxy on how they wish to vote for or vote against (or abstain from voting on) the resolutions in the instrument appointing the Chairman of the AGM as proxy, failing which the instrument may be treated as invalid.

The signed instrument appointing the Chairman of the AGM as proxy, together with the power of attorney or other authority under which it is signed (if applicable) or a certified copy thereof, must be:

- (a) lodged at the registered office of the Company’s Share Registrar, B.A.C.S. Private Limited, 77 Robinson Road #06-03 Robinson 77 Singapore 068896; or
- (b) submitted by email to maxi-cashagm@maxi-cash.com,

in either case, by no later than **10.00 a.m. on 26 April 2022**, being 72 hours before the time appointed for holding this AGM, failing which the Company shall be entitled to regard the instrument of proxy as invalid.

The instrument appointing the Chairman of the AGM as proxy must be signed by the appointor or his attorney duly authorised in writing. Where the instrument appointing the Chairman of the AGM as proxy is executed by a corporation, it must be either under its common seal or signed on its behalf by an attorney or a duly authorised officer of the corporation. Where the instrument appointing the Chairman of the AGM as proxy is signed on behalf of the appointor by an attorney, the letter or power of attorney (or other authority) or a duly certified copy thereof must (failing previous registration with the Company) be lodged with the instrument of proxy, failing which the instrument may be treated as invalid.

The Company shall be entitled to reject the instrument appointing the Chairman of the AGM as proxy if it is incomplete, improperly completed, illegible or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified in the instrument appointing the Chairman of the AGM as proxy (such as in the case where the appointor submits more than one (1) instrument of proxy).

In the case of a member whose Shares are entered against his/her name in the Depository Register (as defined in Section 81SF of the Securities and Futures Act 2001 of Singapore), the Company may reject any instrument appointing the Chairman of the AGM as proxy lodged if such member, being the appointor, is not shown to have Shares entered against his/her name in the Depository Register as at 72 hours before the time appointed for holding the AGM, as certified by The Central Depository (Pte) Limited to the Company.

Members who hold their Shares through a Relevant Intermediary (as defined in Section 181 of the Singapore Companies Act 1967) (including Central Provident Fund (“**CPF**”) Investment Scheme members or Supplementary Retirement Scheme (“**SRS**”) investors) and who wish to exercise their votes by appointing the Chairman of the AGM as proxy should approach their respective Relevant Intermediaries (including their CPF agent banks or SRS approved banks) to submit their voting instructions **at least seven (7) working days** prior to the date of the AGM.

NOTICE OF
ANNUAL GENERAL MEETING

- (5) All documents relating to the business of the AGM will be published on SGXNet **and the Company's website at the URL: <https://maxi-cash.com/about-us/>.**

This notice has been reviewed by the Company's sponsor ("Sponsor"), SAC Capital Private Limited. This notice 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 notice, including the correctness of any of the statements or opinions made, or reports contained in this notice.

The contact person for the Sponsor is Ms Tay Sim Yee, at 1 Robinson Road, #21-00 AIA Tower, Singapore 048542, telephone (65) 6232 3210.

PERSONAL DATA PRIVACY:

By pre-registering for the Webcast and/or the Audio Link, submitting an instrument appointing the Chairman of the AGM as proxy to vote at the AGM and/or any adjournment thereof, and/or submitting questions relating to the resolutions tabled for approval at the AGM or the Company's businesses and operations, a member of the Company consents to the collection, use and disclosure of the member's personal data by the Company (or its agents) for the purpose of (i) administering the Webcast and the Audio Link (including, but not limited to, verifying the identity and shareholding status of the member, registering an account for the member to access the Webcast and/or the Audio Link, facilitating and administering the Webcast and Audio Link and disclosing the member's personal data to the Company's agents or third-party service provider for any such purposes), (ii) processing of any questions submitted to the Company, (iii) processing, administration and analysis by the Company (or its agents or service providers) of the appointment of the Chairman of the AGM as proxy appointed for the AGM (including any adjournment thereof) and (iv) the preparation and compilation of the minutes and other documents relating to the AGM (including any adjournment thereof), and in order for the Company (or its agents or service providers) to comply with any applicable laws, listing rules, regulations and/or guidelines (collectively, the "**Purposes**"). The member's personal data may be disclosed or transferred by the Company to its subsidiaries, its share registrar and/or other agents or bodies for any of the Purposes, and retained for such period as may be necessary for the Company's verification and record purposes. Photographic, sound and/or video recordings of the AGM may be made by the Company for record keeping and to ensure the accuracy of the minutes prepared of the AGM. Accordingly, the personal data of a member of the Company (such as his/her name, his/her presence at the AGM and any questions he/she may raise or motions he/she proposes/seconds) may be recorded by the Company for such purpose.

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MAXI-CASH FINANCIAL SERVICES CORPORATION LTD.

(Incorporated in the Republic of Singapore)
(Company Registration number: 200806968Z)

PROXY FORM – ANNUAL GENERAL MEETING

I/We*, _____ (Name)

of _____ (Address)

being a member/members* of MAXI-CASH FINANCIAL SERVICES CORPORATION LTD. (the “**Company**”) hereby appoint the Chairman of the Annual General Meeting (“**AGM**”) as my/our* proxy to speak and to vote for me/us* on my/our* behalf at the AGM of the Company to be held by way of electronic means on Friday, 29 April 2022 at 10.00 a.m., and at any adjournment thereof.

All resolutions put to the vote of the AGM shall be decided by the way of poll. Please indicate the number of votes as appropriate.

*Delete as appropriate.

No.	Ordinary Resolutions	Number of Votes For**	Number of Votes Against**	Number of Votes Abstain**
Ordinary Business				
1.	To receive, consider and adopt the Audited Financial Statements for the financial year ended 31 December 2021 and the Directors’ Statement and the Auditors’ Report thereon.			
2.	To approve the payment of Directors’ fees of S\$298,000 for the financial year ended 31 December 2021.			
3.	To re-elect Ms Koh Lee Hwee, a Director retiring by rotation pursuant to Regulation 89 of the Company’s Constitution and Rule 720(4) of the Catalist Rules.			
4.	To re-elect Mr Lee Sai Sing, a Director retiring by rotation pursuant to Regulation 89 of the Company’s Constitution.			
5.	To re-elect Ms Goh Bee Leong, a Director retiring by rotation pursuant to Regulation 89 of the Company’s Constitution.			
6.	To re-elect Mr Ng Kean Seen, a Director retiring pursuant to Regulation 88 of the Company’s Constitution.			
7.	To re-appoint Messrs Ernst & Young LLP as the Auditors of the Company and to authorise the Directors to fix their remuneration.			
Special Business				
8.	That contingent upon the passing of Resolution 4 above, to approve the continued appointment of Mr Lee Sai Sing as an Independent Director in accordance with Rule 406(3)(d)(iii) of the Listing Manual Section B: Rules of Catalist.			
9.	That contingent upon the passing of Resolutions 4 and 8 above, by shareholders (excluding the Directors and the Chief Executive Officer of the Company, and the respective associates of such Directors and Chief Executive Officer), to approve the continued appointment of Mr Lee Sai Sing as an Independent Director in accordance with Rule 406(3)(d)(iii) of the Listing Manual Section B: Rules of Catalist.			
10.	To grant the Directors the authority to issue shares.			
11.	To grant the Directors the authority to issue shares under the Maxi-Cash Financial Services Corporation Ltd Scrip Dividend Scheme.			
12.	To approve the proposed renewal of the Share Purchase Mandate.			

** If you wish to exercise all your votes “**For**” or “**Against**” or to “**Abstain**”, please indicate with a “**X**” within the box provided. Alternatively, please indicate the number of votes as appropriate. **In the absence of specific directions in respect of a resolution, the appointment of the Chairman as your proxy for that resolution will be treated as invalid.**

Dated this _____ day of _____ 2022.

Total number of shares Held	
CDP Register	
Member’s Register	
TOTAL	

Signature(s) of Member(s) or Common Seal
IMPORTANT: PLEASE READ THE NOTES OVERLEAF

Notes:

1. This AGM is being convened and will be held by electronic means pursuant to the COVID-19 (Temporary Measures) (Alternative Arrangements for Meetings for Companies, Variable Capital Companies, Business Trusts, Unit Trusts and Debenture Holders) Order 2020.
2. Please insert the total number of shares held by you. If you have shares entered against your name in the Depository Register (as defined in Section 81SF of the Securities and Futures Act 2001 of Singapore, you should insert that number of shares. If you have shares registered in your name in the Register of Members of the Company, you should insert that number of shares. If you have shares entered against your name in the Depository Register and shares registered in your name in the Register of Members, you should insert the aggregate number of shares entered against your name in the Depository Register and registered in your name in the Register of Members. If no number is inserted, the instrument appointing a proxy shall be deemed to relate to all the shares in the capital of the Company held by you.
3. Due to the current COVID-19 restrictions orders in Singapore and as part of the measures to minimise the risk of community spread of COVID-19, a member will not be able to attend the AGM in person. A member will also not be able to vote online on the resolutions to be tabled for approval at the AGM. A member (whether individual or corporate) must appoint the Chairman of the AGM as his/her/its proxy to speak and vote on his/her/its behalf at the AGM if such member wishes to exercise his/her/its voting rights at the AGM. The Chairman of the AGM, as proxy, need not be a member of the Company. Where a member (whether individual or corporate) appoints the Chairman of the AGM as his/her/its proxy, he/she/it must give specific instructions as to voting, or abstentions from voting, in respect of a resolution in the proxy form, failing which the proxy form may be treated as invalid.
4. The signed instrument appointing the Chairman of the AGM as proxy shall be submitted by email to maxi-cashagm@maxi-cash.com OR to the registered office of the Company's Share Registrar, B.A.C.S. Private Limited, 77 Robinson Road #06-03 Robinson 77 Singapore 068896, in either case, by no later than 10.00 a.m. on 26 April 2022, being 72 hours before the time appointed for holding the AGM of the Company, failing which the Company shall be entitled to regard the instrument of proxy as invalid.
5. The instrument appointing the Chairman of the AGM proxy must be signed by the appointor or his attorney duly authorised in writing. Where the instrument appointing a proxy is executed by a corporation, it must be executed either under its common seal or signed its attorney or a duly authorised officer of the corporation.
6. Where an instrument appointing the Chairman of the AGM is signed on behalf of the appointor by an attorney, the letter or power of attorney (or other authority) or a duly certified copy thereof must (failing previous registration with the Company) be lodged with the instrument of proxy, failing which the instrument may be treated as invalid.
7. A corporation which is a member may authorise by resolution of its Directors or other governing body such person as it thinks fit to act as its representative at the AGM of the Company, in accordance with Section 179 of the Singapore Companies Act 1967.
8. The Company shall be entitled to reject the instrument appointing the Chairman of the AGM as proxy if it is incomplete, improperly completed, illegible or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified on the instrument appointing the Chairman of the AGM as proxy (such as in the case where the appointor submits more than one (1) instrument of proxy).

PERSONAL DATA PRIVACY:

By pre-registering for the Webcast and/or the Audio Link, submitting an instrument appointing the Chairman of the AGM as proxy to vote at the AGM and/or any adjournment thereof, and/or submitting questions relating to the resolutions tabled for approval at the AGM or the Company's businesses and operations, a member of the Company consents to the collection, use and disclosure of the member's personal data by the Company (or its agents) for the purpose of (i) administering the Webcast and the Audio Link (including, but not limited to, verifying the identity and shareholding status of the member, registering an account for the member to access the Webcast and/or the Audio Link, facilitating and administering the Webcast and Audio Link and disclosing the member's personal data to the Company's agents or third-party service provider for any such purposes), (ii) processing of any questions submitted to the Company, (iii) processing, administration and analysis by the Company (or its agents or service providers) of the appointment of the Chairman of the AGM as proxy appointed for the AGM (including any adjournment thereof) and (iv) the preparation and compilation of the minutes and other documents relating to the AGM (including any adjournment thereof), and in order for the Company (or its agents or service providers) to comply with any applicable laws, listing rules, regulations and/or guidelines (collectively, the "Purposes"). The member's personal data may be disclosed or transferred by the Company to its subsidiaries, its share registrar and/or other agents or bodies for any of the Purposes, and retained for such period as may be necessary for the Company's verification and record purposes. Photographic, sound and/or video recordings of the AGM may be made by the Company for record keeping and to ensure the accuracy of the minutes prepared of the AGM. Accordingly, the personal data of a member of the Company (such as his/her name, his/her presence at the AGM and any questions he/she may raise or motions he/she proposes/seconds) may be recorded by the Company for such purpose.

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MAXI-CASH FINANCIAL SERVICES CORPORATION LTD

