
REPLY TO SGX QUERIES REGARDING THE GROUP'S ANNOUNCEMENT OF UNAUDITED FULL YEAR FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2019

The Board of Directors (the "Board") of ValueMax Group Limited (the "Company" together with its subsidiaries, the "Group") refers to the following queries raised by the Singapore Exchange Securities Trading Limited on 3 March 2020 and would like to provide additional information in relation to the Group's announcement of unaudited full year financial statements for the financial year ended 31 December 2019, as follows:

Query 1

With reference to the Company's consolidated statements of financial position as at 31 December 2019, please provide a breakdown of trade and other receivables of S\$139,657k, including the comparative figure. Please explain the 27.6% increase in trade and other receivables noting that revenue has only increased by 13% between 2018 and 2019.

Response

The breakdown of non-current trade and other receivables of S\$139,657,000 as at 31 December 2019 and the comparative figure of \$109,486,000 as at 31 December 2018 is as follows:

	FY2019	FY2018
	\$'000	\$'000
Non-current trade receivables	138,975	108,786
Deposits	682	700
	<u>139,657</u>	<u>109,486</u>

Non-current trade receivables comprise the non-current loan book of the moneylending business segment and represents the major component of the Group's non-current trade and other receivables. Interest revenue generated from moneylending loans is a percentage of the loan principal, and increases in interest revenue are generally less than proportionate to increases in the respective trade receivables of the moneylending business segment. Total segment assets for the moneylending business segment (inclusive of both current and non-current trade receivables) increased from \$163.2 million as at 31 December 2018 to \$206.1 million as at 31 December 2019 mainly due to a net disbursement of loans during the financial year ended 31 December 2019. The increase in trade receivables for the moneylending business segment resulted in an increase in revenue of \$1.9 million from FY2018 to FY2019.

Overall increase in revenue of \$27.2 million from FY2018 to FY2019 was mainly due to an increase of \$24.1 million arising from the retail and trading business segment while the pawnbroking business segment contributed to an increase of \$1.2 million. Transactions for the retail and trading business are

mainly conducted in cash terms and as such, do not have a material impact on the Group's trade and other receivables.

Query 2

Please clarify if the first table containing the aggregate values of IPTs during the financial year relating to "Sale of goods to director-related companies", "Purchase of goods from director-related companies", and "Rental paid to director-related companies" were conducted under shareholders' mandate pursuant to Rule 920 and excludes transactions less than \$100,000. If no, please disclose if shareholders' approval was obtained for the IPTs.

Response

The Group has obtained a general mandate from shareholders of the Company for interested person transactions in the Annual General Meeting held on 25 April 2017. The general mandate was renewed at the Annual General Meeting held on 30 April 2019. During the financial year, the following interested person transactions were entered into by the Group.

Aggregate value of all interested person transactions during the financial year under review conducted under the shareholders' mandate pursuant to Rule 920 (excluding transactions less than \$100,000)		
	YTD-31 Dec 19	YTD-31 Dec 18
	\$'000	\$'000
Sale of goods to director-related companies		
- Hwa Goldsmith and Jewellers	728	1,142
- Mei Zhi Jewellery	137	151
- Lucky Jewellery	956	1,349
Purchase of goods from director-related companies		
- Mei Zhi Jewellery	407	346
- Hwa Goldsmith and Jewellers	206	—
Rental paid to director-related companies		
- Yeah Properties Pte Ltd	328	312
- Yeah Capital Pte Ltd	174	174

By Order of the Board

Lotus Isabella Lim Mei Hua

Company Secretary

4 March 2020