
UPDATE ON BUSINESS OPERATIONS IN LIGHT OF COVID-19

The Board of Directors (the "**Board**") of ValueMax Group Limited (the "**Company**", and together with its subsidiaries, the "**Group**") wishes to update shareholders of the Company in respect of the Group's business operations in light of COVID-19 outbreak.

Update on Singapore Operations

Under the circuit breaker measures announced by the Singapore government on 3 April and further extended on 21 April to 1 June 2020, all workplaces, except for essential services, will remain closed until 1 June 2020 ("Circuit Breaker Period") in order to curb the spread of COVID-19.

The Group's retail and trading operations has been closed and will remained closed during the Circuit Breaker Period. However, in order to continue providing services to people in need of cash during this difficult time, the Group has applied for and been granted the exemptions from having to suspend its pawnbroking and moneylending operations. Currently, the Group has nine pawnbroking outlets in operations under limited operating hours. Our pawnbroking customers can renew their pawn loans at any one of the nine outlets regardless of where they initially took up the loan.

As part of an industry-wide effort initiated by the Singapore Pawnbrokers' Association to support the customers, we will waive the first month's interest on all pledges pawned on or before 6 April 2020 upon redemption or renewal if the pawn period exceeds one month. Additionally, any valid pawn ticket which expires during the Circuit Breaker Period will be automatically granted an extension until the end of the Circuit Breaker Period.

Update on Malaysian Operations

The Malaysian government imposed a movement control order ("MCO") effective on 18 March 2020 and has partially ease the restrictions with the

conditional MCO on 4 May 2020. The 13 pawnshops operated by our Malaysian associated companies which were closed during the MCO have started operations on 5 May 2020. The retail outlets will remain closed until the end of the conditional MCO.

Impact on the Group's Financial Performance

The Group expects a reduction in revenue due to the closure of its retail and trading operations though the pawnbroking and moneylending businesses which remain in operation, are expected to continue contributing to the operating profit of the Group. The budgetary support measures from the Singapore government such as the Jobs Support Scheme and property tax rebates, as well as the rental relief extended by selected landlords are expected to mitigate some of the negative impact arising from the situation.

The extent of the impact of COVID-19 on the Group's financial performance for the financial year cannot be fully determined as the situation remains fluid. The Company will announce its unaudited financial results for the six-month financial period ending 30 June 2020 by 14 August 2020.

The Company will closely monitor the situation and will make the necessary announcement(s) as and when there are material developments.

By Order of the Board

Lotus Isabella Lim Mei Hua
Company Secretary
14 May 2020

