Growing Value Enhancing Potentials

ANNUAL 2021 REPORT

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Corporate Profile

ValueMax Group Limited ("ValueMax") provides pawnbroking and secured moneylending services, as well as the retail and trading of jewellery and gold. The Group's first pawnbroking outlet was set up in 1988 and the Group became the first pawnbroking chain to be listed on the Mainboard of Singapore Stock Exchange in 2013. Drawing on a solid track record of professional service and in-depth industry knowledge, ValueMax has expanded to 42 pawnbroking and retail outlets at strategic locations throughout Singapore and has one other pawnshop operated by an associated company. Abroad, ValueMax operates 21 pawnbroking and retail outlets in Malaysia through its associated companies.

Pawnbroking

One of the key businesses of the Group is pawnbroking service. Pawnbroking is a form of collateralised loan. Pawners pledge personal valuables as collaterals for the loans extended. Typical pledges include jewellery in yellow or white gold, diamond jewellery and branded time pieces. Gold, platinum or silver bars and coins are also accepted as pledges.

Moneylending

The Group's licensed moneylending business grants both secured and unsecured term loans. The main target market for the moneylending business includes businessmen and corporates that have urgent cash needs. In addition, the Group also provides financing to the automotive industry.

Retail of Jewellery and Watches

The Group sells both new and pre-owned jewellery at all its outlets. The merchandise includes gold and diamond jewellery, gold bars and coins, branded watches and hermès bags. Pre-owned gold and diamond jewellery undergo a makeover process to look new, while pre-owned watches are polished and the movements thoroughly checked. The rejuvenated pre-owned items are sold at attractive second-hand prices.

Gold Trading

The Group's gold trading wholesale company purchases scrap gold from its own subsidiaries as well as other pawnbrokers and jewellery traders, while it sells fine gold bars to jewellery factories, wholesalers and retailers.

Chairman's Statement

Yeah Hiang Nam
Executive Chairman

Another year of growth

We are pleased to report that despite the challenging environment due to COVID-19 pandemic, the Group continued to perform well in FY2021. The Group recorded a profit before tax of $49.6 million for the financial year ended 31 December 2021, an increase of 22.6% over the previous year.

A few segments of our business registered growth. Despite the ongoing COVID-19 pandemic, the Group remained resilient and was able to ride through the challenging period by providing financial services to the many individuals affected by the pandemic. Our retail and trading business also registered a profit in 2021 in spite of the Heightened Alert measures.

During the year, we continued to broaden our core business in pawning gold, diamond jewellery and branded timepieces. Building on our knowledge of the pawnbroking industry, we replicated our systems and service standards at new outlets and expanded our pawnbroking and retail network. Locally, we opened a new pawnbroking and two new retail outlets in Lucky Plaza, and one new pawnbroking and retail outlet each in Jurong Point Mall, JCube and Boon Lay Shopping Centre. We also relocated an outlet to Rivervale Mall. In Malaysia, our associated companies opened three new pawnbroking outlets. This brings the total number of pawnbroking and retail outlets in Singapore to 42 and the number outlets operated by our associated companies in Malaysia to 21. Our premier pawnbroking service, which was introduced to provide a unique pawning experience for customers with special requirements, continues to attract new clientele.

Meanwhile, our licensed moneylending business saw growth in 2021. The business primarily provides secured term loans for customers, which include businessmen and corporates with urgent cash needs for general working capital or investments.

The continuation of strong results in FY2021 demonstrates the positive momentum and strong growth across our lines of businesses. Augmented by core competencies and loyal customers, ValueMax achieved another year of record earnings in FY2021. We are dedicated to deliver enduring value for our shareholders.

Looking ahead

The years ahead will be challenging as the world continues to grapple with Covid-19, war and geopolitical risks, global economic uncertainty and volatile gold prices. We also continue to face intense competition and higher operating costs due to higher rental and manpower costs.

ValueMax has given our stores a touch-up last year, focusing on visual merchandising to give consumers a better brick-and-mortar store experience. We will continue to upgrade our stores to create a customer journey experience that will reinforce our brand story.

We believe that demand for pre-owned jewellery in the retail market will gradually increase as people become more conscious about conserving the environment. The process of rejuvenating pre-owned jewellery is meticulous yet friendlier to the environment compared with manufacturing of new jewellery. The value proposition is compelling for pre-owned jewellery as every piece undergoes a makeover process to look as-good-as-new, yet offered for sale at pre-owned prices. Consumer will save on GST which is calculated based on gross margin instead of the entire sale amount. Consumer will also save on labour costs as well as middlemen fees in bringing the jewellery from the mines to the retail stores.

We have plans to open more pawnbroking outlets – through acquisition and setting up new shops at suitable locations in Singapore and Malaysia. We also aim to grow our moneylending business. In our quest for sustainable long-term performance and growth, we will continue to foster a culture of learning and skill upgrading.

The continuation of strong results in FY2021 demonstrates the positive momentum and strong growth across our lines of businesses. Augmented by core competencies and loyal customers. ValueMax achieved another year of record earnings in FY2021.

We are confident that our businesses, supported by a well-established brand name and staffed by dedicated employees with highly professional skills, will allow us to pursue the strategy of building distinctive differentiation to stay ahead of competition and remain strong in the years ahead. The Group will also incorporate sustainability considerations in our decision-making processes where possible.

Achievements

During the year we were honoured to be awarded the Singapore Corporate Awards 2020/2021 (Special Edition) – Corporate Excellence and Resilience Award, jointly organised by Institute of Singapore Chartered Accountants, Singapore Institute of Directors and The Business Times. This award is to recognise exemplary companies that have upheld best practices in corporate governance and shown leadership, innovation and resilience during the pandemic.

ValueMax was also awarded the Best Performing Stock, Fastest-Growing Company and Overall Sector Winner by The Edge Centurion Club in the sector of Banking & Investment Service; Insurance. The awards recognise excellence in companies listed on the Singapore Exchange, with a market capitalization of between $100 million and $999 million. The objective is to encourage Singapore companies to be more efficient, competitive and successful while being socially responsible.

Rewarding shareholders

The Board of Directors has recommended a one-tier tax exempt cash/scrip dividend of 1.88 Singapore cents per ordinary share for the financial year ended 31 December 2021, subject to the approval of shareholders at the Annual General Meeting to be held on 26 April 2022.

Appreciation

We would like to express our heartfelt gratitude to Mr. Phua Tin How and Mr. Lim Tong Lee who left the Board in December 2021, for their wise guidance and counsel during their tenures as Independent Non-Executive Directors. They have served as Independent Non-Executive Directors of the Company for nearly nine years before stepping down in accordance with the recommendations of the Code of Corporate Governance 2018.

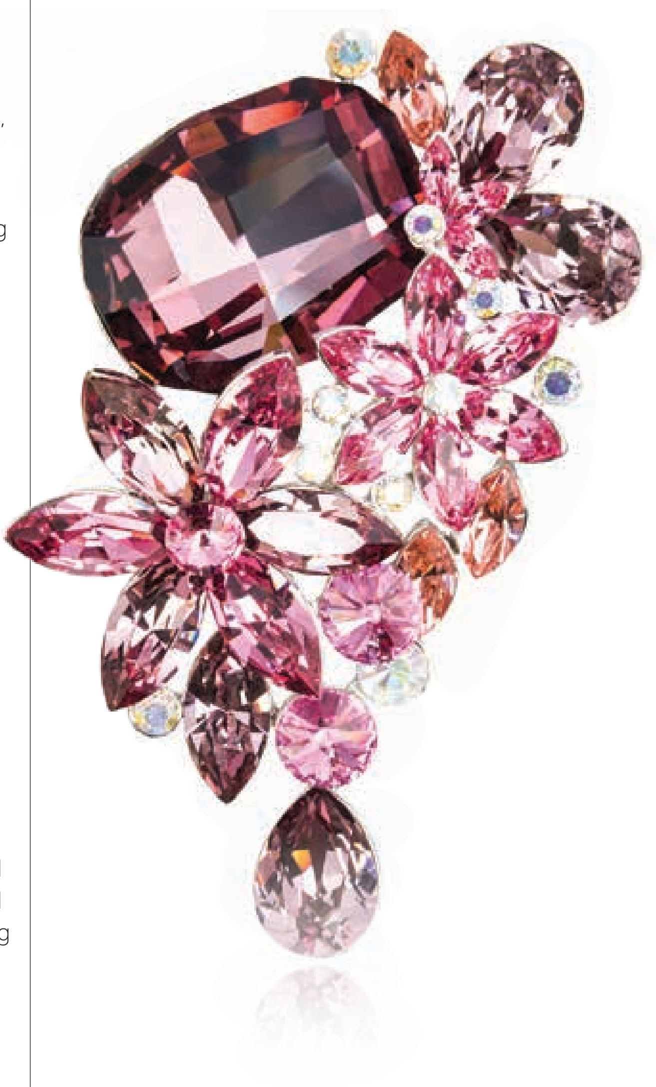
At the same time, we would like to extend a very warm welcome to Mr. Neo Poh Kiat, Mr. Tan Soon Liang and Mr. Lim Teck Chai, Danny, who joined the Board in January 2022. Mr. Neo brings with him more than 30 years of experience in the finance industry. Mr. Tan Soon Liang is a private investor in privately held

Chairman's Statement

SMEs, public equities, VC and PE fund and is a veteran corporate advisor to many SMEs. Mr. Lim Teck Chai, Danny has more than 20 years' experience in the legal industry and is currently a partner in a large local law firm. We look forward to working with them for the benefit of the Group.

We would also like to express our utmost appreciation to ValueMax's team of dedicated staff for their tireless efforts, exemplary work and commitment towards the Group and to the Board of Directors for its guidance. To all our customers, it has been ValueMax Group's immense privilege to serve you. Thank you for your confidence in us. We would also like to register our appreciation to our bankers and business associates who have been instrumental in the many accomplishments of the Group during the year. Most importantly, we would like to thank all our valued shareholders for their consistent and ardent support. Thank you for staying invested in ValueMax.

Yeah Hiang Nam
(Executive Chairman)



Operations Review

We will continue our efforts in seeking opportunities to grow our business through acquisitions and setting up of new pawnbroking and retail outlets both in the Singapore and overseas markets, as well as grow the moneylending business.

Financial Review

ValueMax Group achieved record profit for FY2021 despite strong competition as well as rising operation costs.

Revenue

During the year, the Group's revenue saw a slight decrease from $276.1 million in FY2020 to $275.5 million in FY2021. Revenue from retail and trading of jewellery and gold businesses decreased by $18.3 million while revenue from the moneylending and pawnbroking businesses increased by $17.5 million and $0.2 million respectively.

Cost of sales

The Group's cost of sales decreased from $216.3 million in FY2020 to $200.4 million in FY2021. Cost of goods sold for retail and trading of jewellery and gold businesses decreased by $17.1 million, which is in line with the decrease in revenue in this segment. Interest cost for the pawnbroking business decreased by $0.7 million while interest cost for the moneylending business increased by $1.9 million.

Gross profit

Overall gross profit increased from $59.8 million in FY2020 to $75.1 million in FY2021. Gross profit margin improved from 21.7% in FY2020 to 27.3% in FY2021 due to higher contribution from the moneylending business.

Other operating income

Other operating income decreased from $8.2 million in FY2020 to $7.1 million in FY2021. The decrease in other operating income was mainly due to the decreases in government grant and rental relief of $1.2 million, interest income of $0.2 million, and a reversal allowance for expected credit losses of $0.6 million in FY2020. These were partially offset by the increase in facility income amounting to $1.2 million in FY2021.

Administrative expenses

Administrative expenses comprise mainly employee benefits expenses, rental expenses, depreciation expenses, legal and professional fees, lease assignment fees and insurance premiums, increased from $25.2 million in FY2020 to $30.1 million in FY2021. The higher administrative expenses were mainly due to the increases in depreciation of right-of-use assets of $0.9 million and employee benefits expense of $3.1 million. The increase in employee benefits expenses was due to the increase in headcount and salary adjustments.

Other operating expenses

Other operating expenses decreased from $2.7 million in FY2020 to $1.7 million in FY2021 mainly due to the decrease in allowance for write-down of inventories of $2.7 million which was partially offset by the allowance for expected credit losses of $1.7 million.

Operations Review

Share of results of associates

The Group's share of results of associates decreased from $5.5 million in FY2020 to $3.9 million in FY2021, due to decreased contribution from the Malaysian associated companies.

Profit before tax

As a result of the above, profit before tax increased by $9.2 million to $49.6 million in FY2021.

Balance Sheet and Cash Flow Highlights

Non-current assets increased by $136.8 million from $190.3 million as at 31 December 2020 to $327.1 million as at 31 December 2021. The increase comprises increases in trade and other receivables of $132.8 million, investment in associates of $2.6 million, property, plant and equipment of $0.9 million, right-of-use assets of $0.4 million and intangible asset of $0.1 million.

Current assets increased by $71.2 million from $400.8 million as at 31 December 2020 to $472.0 million as at 31 December 2021. This was due to increases in trade and other receivables of $63.7 million, inventories of $4.1 million, prepaid operating expenses of $0.6 million and cash and bank balances of $2.8 million.

Current liabilities increased by $138.4 million from $287.7 million as at 31 December 2020 to $426.1 million as at 31 December 2021 as a result of increases in interest-bearing loans and borrowings of $136.5 million, other current liabilities of $0.5 million, lease liabilities of $0.6 million, trade and other payables of $0.4 million and provision for income tax of $0.4 million.

Non-current liabilities decreased by $2.7 million mainly due to the decreases in interest-bearing loans and borrowings of $2.9 million and lease liabilities of $0.1 million. These were partially offset by increases in deferred tax liabilities of $0.2 million and provisions of $0.1 million.

Equity comprises mainly share capital, treasury shares, retained earnings, capital reserve, merger reserve, foreign currency translation reserve and non-controlling interests. Equity attributable to owners of the Company increased from $255.0 million as at 31 December 2020 to $327.4 million as at 31 December 2021 mainly due to the increase in share capital and retained earnings.

In FY2021, the net cash flows used in operating activities was $154.8 million. This comprises operating cash flows before working capital adjustments of $62.4 million, adjusted by net working capital outflow of $202.2 million. In FY2021, the Group received interest income of $0.5 million, with net income tax paid of $7.0 million and interest paid of $8.5 million. The net working capital outflow was a result of the increases in trade and other receivables of $198.1 million, inventories of $4.3 million, and prepaid operating expenses of $0.6 million, which was partially offset by the increase in other liabilities of $0.5 million and trade and other payables of $0.3 million.

In FY2021, the net cash used in investing activities amounted to $1.6 million arising from net cash outflows on the purchase of property, plant and equipment of $2.4 million and acquisition of new subsidiary of $0.3 million, which was partially offset by dividend income of $1.1 million.

The net cash generated from financing activities in FY2021 amounted to $159.8 million comprising of net proceeds from interest-bearing loans and borrowings of $184.3 million and net proceed from issuance of right shares of $41.8 million. These were partially offset by the repayment of bond of $50.0 million, payment of principal portion of lease liabilities of $5.1 million, and payment of dividends of $11.2 million.

Outlook

With the current war in Ukraine, ongoing COVID-19 epidemic and expected rise in interest rates, gold price may continue to remain volatile. The Group continues to face a challenging business environment and increased competition.

In December last year, the Group acquired Hersing Credit Pte Ltd, a moneylending business. The Group will continue to explore acquisition opportunities and suitable locations to grow our network of pawnshops and retail outlets, and grow our moneylending business.

REVENUE

$275.5m

Decreased **0.2%** from
$276.1 million in FY2020

NET ASSET

$327.4m

Increased **28.4%** from
$255.0 million in FY2020

PROFIT BEFORE TAX

$49.6m

Increased **22.6%** from
$40.4 million in FY2020

EARNINGS PER SHARE (CENTS)

6.38¢

Increased **6.3%** from
6.00¢ in FY2020

Directors, Management and Staff

From left of photo:
Tan Soon Liang, Yeah Lee Ching, Lim Teck Chai, Danny, Yeah Hiang Nam (seated), Yeah Chia Kai, Tan Guan Hiang, Neo Poh Kiat

Yeah Hiang Nam (PBM)

Executive Chairman

Yeah Hiang Nam (PBM) was appointed as the Executive Chairman of our Company on 1 January 2022. He is the founder of the Company and is responsible for leading the Board and focusing on strategic matters. He oversees the Group's businesses.

Mr. Yeah has over 50 years of experience dealing with gold and jewellery and over 30 years in the pawnbroking industry. He started as a jewellery salesman in 1969 and in 1979 founded Golden Goldsmith Jewellers, which manufactured and wholesaled gold ornaments. In 1989, he started Ban Soon Pawnshop Pte Ltd with other business partners.

Mr. Yeah is a recipient of both the EY Entrepreneur of the Year for Financial Services Category in 2019 as well as Top Entrepreneur in the Entrepreneur of the Year Award 2010 by the Rotary-ASME. He was awarded the Public Service Medal in 2016 for his contributions to society and business. He is a Patron of Clementi Citizens' Consultative Committee and one of the honorary presidents of Singapore Pawnbrokers Association and Teo Yeonh Huai Kuan. He is also the President of Yeow Si Gong Huay.

Yeah Chia Kai

Chief Executive Officer

Yeah Chia Kai was appointed as the Chief Executive Officer on 1 January 2022. He is responsible for the strategy, execution, and growth of our Group.

Mr Yeah joined our Company as an Operations Executive in 2004, before assuming the role of General Manager of our Group in 2009, where he was responsible for professionalising and scaling the business. He was appointed Executive Director (Pawnbroking and Retail) in 2013, where he was responsible for overseeing the pawnbroking and retail businesses. He also started the Group's auto-financing business in 2015, and and the mass market lending business in 2018.

Mr Yeah holds a Master of Business Administration degree from Columbia University. He also holds a Certified Diamond Grader Diploma by the HRD Antwerp, and a Foundation Certificate in Gemology from the Gemmological Association of Great Britain.

Yeah Lee Ching

Executive Director

Yeah Lee Ching was appointed as the Chief Marketing Officer of the Company on 6 January 2022. She also holds the position of an Executive Director of the Company as of 12 April 2013. She is responsible for leading the planning, development and execution of our Group's marketing initiatives. Ms. Yeah also oversees the valuation, gold trading, as well as the corporate communications of our Group.

Ms. Yeah has over 20 years of experience in the jewellery and gemstones industry, having been the General Manager of Golden Success Jewellery Pte Ltd, and then the Marketing and Communications Manager (Asia Pacific) of Signity Management Pte Ltd (now known as Swarovski-Gems). Ms. Yeah first joined our Group as Marketing Manager in 2004.

Ms. Yeah received a Master of Business Administration degree from the National University of Singapore. She also holds a Graduate Gemologist diploma from the Gemological Institute of America. She is currently the Vice President of Enterprise 50 Association, Honorary Secretary of Singapore Pawnbrokers Association and Assistant Secretary of Yeow Si Gong Huay.

Neo Poh Kiat

Lead Independent Non-Executive Director

Neo Poh Kiat was appointed as the Lead Independent Non-Executive Director of the Company on 1 January 2022. He chairs the Audit Committee and is a member of the Nominating Committee.

Mr. Neo is the Managing Director of financial advisory firm, Octagon Advisors (Shanghai) Co. Ltd. since March 2005. Between 1976 and January 2005, he held senior managerial positions with companies in the Development Bank of Singapore group and United Overseas Bank Ltd, including as Country Officer (China), Head – Corporate Banking (Greater China) at United Overseas Bank Ltd.

Mr. Neo is currently an independent director of public listed companies, China Yuchai International Limited and Capitaland China Trust Management Limited, as well as private companies, Cambodia Post Bank Plc and the Fullerton Credit group of companies in China.

Mr. Neo obtained a Bachelor of Commerce Degree (Honors) from Nanyang University, Singapore.

Tan Guan Hiang

Independent Non-Executive Director

Tan Guan Hiang was appointed as an Independent Director on 8 August 2020. She chairs the Remuneration Committee and is a member of the Audit Committee and Nominating Committee.

Dr Tan was the Head of Group Human Resources for OCBC for 16 years. Prior to her career with OCBC, she headed the Human Resource function for several global companies including the LVMH/ Duty Free Group and Apple Computer in Singapore. She started her career as a lecturer at the Ngee Ann Polytechnic, Singapore. She is currently an Independent Director of Kingsmen Creatives Ltd. and an Adjunct Lecturer in a local university. She also serves on the boards of several non-profit organizations.

Dr Tan holds a Doctorate in Business Administration, Hong Kong Polytechnic University; MSc. in Gerontology, University of Southampton; MBA, University of Hull; and a Diploma in Personnel Management, University of Cardiff. She is a trained Executive Coach from Columbia University.

Tan Soon Liang

Independent Non-Executive Director

Tan Soon Liang was appointed as an Independent Non-Executive Director of the Company on 1 January 2022. He chairs the Nominating Committee and is a member of the Audit Committee.

Mr. Tan is the founder and managing director of Ti Ventures Pte. Ltd., which invests in growing businesses and provides business management consultancy and corporate development advisory services with respect to company growth and transformation since 2009. He is also the managing director of Omnibridge Capital Pte. Ltd. which focuses on early-stage angel and venture capital investments in Asia. Prior to that, he was the head of business advisory and subsequently, an advisor at BDO Raffles Advisory Pte Ltd. Mr. Tan is an independent director of the public listed companies ISDN Holdings Limited, Clearbridge Health Limited, Choo Chiang Holdings Limited, GDS Global Limited and Colex Holdings Limited.

Mr. Tan obtained a Bachelor of Business (Honours) degree, majoring in Financial Analysis from Nanyang Technological University in 1997 and subsequently a Master of Business Administration Degree from University of Hull, United Kingdom, in 2001. He is a CFA® charterholder from CFA Institute, United States of America. He is a member of the Singapore Institute of Directors. He serves as a Director of Spectra Secondary School and VP (Corporate Engagement and Careers) of NTU NBS Alumni Association.

Directors, Management and Staff

Lim Teck Chai, Danny

Independent Non-Executive Director

Lim Teck Chai, Danny was appointed as an Independent Non-Executive Director of the Company on 1 January 2022. He is a member of the Nominating and Remuneration Committees.

Mr. Lim has more than 20 years of experience in legal practice. He is currently a partner in the Capital Markets and Mergers & Acquisitions Practice Group at Rajah & Tann Singapore LLP. He joined the law firm in 1998 and has been practising and advising on all aspects of corporate legal advisory and transactional work, both locally and regionally. He has a wide range of experience in amongst others, acquisitions, investments, takeovers, initial public offerings and restructuring.

Mr. Lim is also an independent director of the public listed companies Kimly Limited, Stamford Land Corporation Limited, Choo Chiang Holdings Limited and Advancer Global Limited.

Mr. Lim graduated from the National University of Singapore in 1998 with a Bachelor of Laws degree (Honors). He further received a Master of Science degree in Applied Finance from Nanyang Technological University and was admitted to practice as an advocate and solicitor of the High Court of Singapore.

Key Management

Carol Liew
Chief Financial Officer

Carol Liew is the Chief Financial Officer since September 2012. She is in charge of overseeing all accounting and finance functions of our Group.

Ms. Liew started her career with Cooper & Lybrand's audit division in 1993. She then joined Pricewaterhouse Coopers Corporate Finance Pte Ltd where she advised clients on matters relating to capital markets, mergers and acquisitions, corporate and debt restructuring, independent financial advisory and business valuation projects. She later served as the Vice President (Finance and Administration) of Straco Corporation Ltd, then the Chief Financial Officer of TranSil Corporation Pte Ltd and Rotol Singapore Ltd respectively. Prior to joining our Group, she was the Associate Director for Corporate Development of SEF Group Ltd.

Ms. Liew holds a Bachelor of Commerce degree from The University of Western Australia and a Certificate of Singapore Law and Tax Management from Nanyang Technological University. She is also a Certified Practicing Accountant (Australia) since 2003 and a CFA® charterholder since 2006.

Yeah Chia Wei
Chief Credit and Risk Officer

Yeah Chia Wei was appointed as our Chief Credit and Risk Officer on 1 January 2022. He is responsible for the Group's credit risk assessment and loan portfolio management functions with particular focus on the moneylending segment. He is also a key member of the senior management team responsible for identifying, analysing and mitigating significant competitive, operational, financial, technological, reputational and regulatory risks that can threaten the Group's capital, earnings and security.

Mr. Yeah began his career as a business analyst in the corporate planning division of Maybank Singapore in 1999. He joined our Group in 2001 as finance manager of ValueMax Pawnshop (BD) before becoming the finance director of our Group from 2009 to 2012, where he was responsible for all the finance and administrative matters. In 2014, he was appointed as the Director of Loans – moneylending and concurrently appointed as Special Assistant to the CEO in 2016, where he was responsible for managing our moneylending segment and assists the CEO in strategic decisions.

Mr. Yeah graduated from the University of Manchester with a Bachelor of Arts in Finance (First Class Honours) in 1998. He qualified as a CFA® charterholder in 2002.

Leong Koon Weng
Director of Business Development

Leong Koon Weng is our Director of Business Development since August 2014. He assists the Chief Executive Officer to evaluate and develop new business opportunities to ensure growth and profitability of our Group.

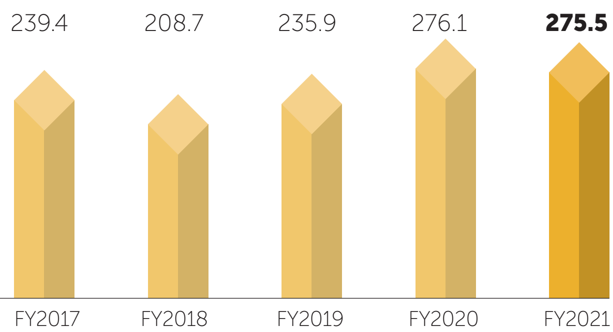
Mr. Leong has 20 years of experience in banking where he held various positions with local and international banks in corporate banking, enterprise banking and credit risk review. He also has 8 years of experience in SGX listed companies, namely Gates Electronics Limited (now known as China Environment Limited) and Oceanus Group Limited where he served as the Executive Director and Chief Financial Officer respectively. Prior to joining our Group, Mr. Leong was a director in Windsor Management Pte Ltd.

Mr. Leong graduated with a Bachelor of Social Sciences (Honours in Economics) degree from the National University of Singapore. He is a member of the Singapore Institute of Directors.

Financial Highlights

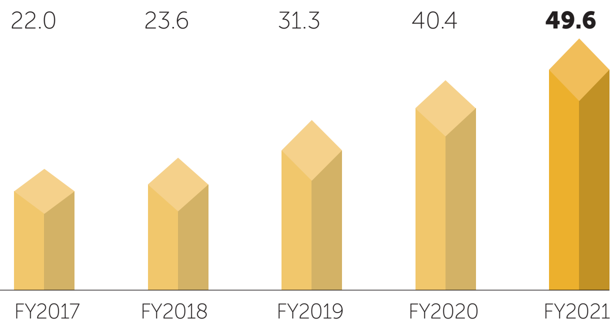
Revenue
$'million

$275.5m



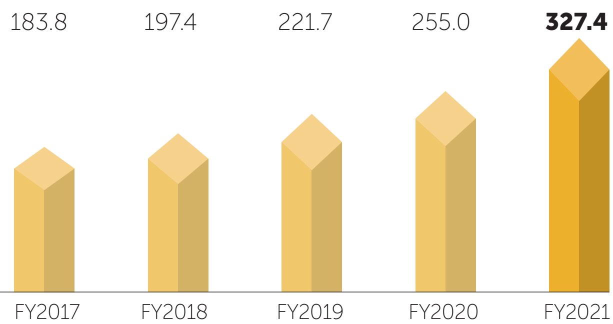
Profit Before Tax
$'million

$49.6m



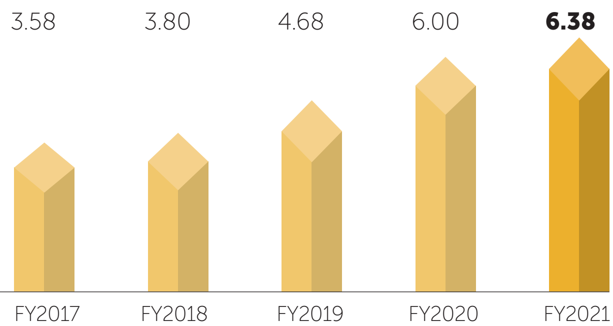
Net Asset Value
$'million

$327.4m



Earnings Per Share
Cents

6.38¢



Corporate Social Responsibility

Corporate social responsibility is in the DNA of our organisation. As one of the market leaders in both the pawnbroking and moneylending industries, we demonstrate our commitment through caring for society.

We are committed to achieve the triple bottomline

People

Profit

Planet

Ms Yeah Lee Ching, Executive Director of ValueMax Group Limited, receives a token of appreciation from Mr K Shanmugam, Minister of Law of Singapore, for the contribution to the Singapore University of Technology and Design Bursary Fund

At ValueMax, we embrace our corporate social responsibility with conviction and fervour. We believe our sustainable growth and success is only possible with the sustainable development of the communities we operate in, be it social, business or national communities.

Corporate social responsibility is in the DNA of our organisation. As one of the market leaders in both the pawnbroking and moneylending industries, we demonstrate our commitment through caring for society.

ValueMax Covid-19 Response

2020 and 2021 were two challenging years marked by the widespread impact of COVID-19. Businesses and individuals had to grapple with the uncertainties and challenges of the pandemic that has turned into a global economic crisis. We had to make sense of the ever-changing situation and implement the right measures and solutions at the right time to keep our staff, our customers and our communities safe.

Corporate Social Responsibility

Amid the unprecedented crisis, our teams across the entire Group – from the Board and Management to our frontline staff – came together with a shared mission to navigate the difficult times. In everything we did, the safety, health and wellbeing of our staff and customers have been of utmost importance. The dedication of our staff has been key to the Group in weathering this crisis. Their resilience and tenacity have made all the difference to the organisation as we remained steadfast in doing the right thing for our customers, enabling ValueMax to emerge stronger.

Complementing the government's schemes, we have taken proactive measures to assist tenants as we work in close partnership to support them during this difficult period. We passed on the government legislated property tax rebates in full to tenants, and provided the mandatory rental relief for SME tenants. In addition, further engagement was done to assist tenants as we work in close partnership to support them during this difficult period. We provided rent free periods to assist selected tenants on a case-by-case basis. This enhanced assistance helped to position the assets and tenants in readiness for business opportunities when recovery begins.

Community Relief Fund

Through philanthropy, partnerships and participation, we foster social inclusiveness and strive to help society emerge stronger than before.

As a part of ValueMax's contribution to the community needs created by the COVID-19 pandemic, we made a donation to the UOB Global Heartbeat Virtual Run/Walk 2021 fundraising event. The money is donated to 25 charities around the world to improve the lives of disadvantaged children and vulnerable communities impacted by the Covid-19 pandemic. In Singapore, the money raised will provide financial support for beneficiaries including the Rare Disease Fund, the President's Challenge, Children's Wishing Well and The Red Pencil.

Through the Singapore Pawnbrokers' Association Charity Drive, ValueMax made a contribution to the Singapore University of Technology and Design Bursary Fund which is established to provide financial assistance to deserving full-time undergraduate students that demonstrated financial need with monthly household per capita income of S$2,250 and below.

Our Chairman, Mr Yeah Hiang Nam has also made a contribution to the EtonHouse Community Fund Limited (ECF) to help children from underprivileged backgrounds to advance their educational goals. Through partnership with the Early Childhood Development Agency, ECF provides low-income families with access to learning resources, learning kits and sponsorship of excursions. The fund supports children with enrichment classes, as well as Child Development Account top-ups and bursaries. ECF also supports the KKH Health Fund in improving the care of less privileged children with diabetes.

Corporate Information

Directors

Yeah Hiang Nam
Executive Chairman

Yeah Chia Kai
Chief Executive Officer

Yeah Lee Ching
Executive Director

Neo Poh Kiat
Lead Independent Non-Executive Director

Tan Guan Hiang
Independent Non-Executive Director

Tan Soon Liang
Independent Non-Executive Director

Lim Teck Chai, Danny
Independent Non-Executive Director

Company Secretary

Lotus Isabella Lim Mei Hua

Registered Office

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Fax: +65 6441 7195

Share Registrar

Tricor Barbinder Share Registration Services
(a division of Tricor Singapore Pte. Ltd.)
80 Robinson Road #02-00
Singapore 068898

Principal Bankers

United Overseas Bank Limited

Oversea-Chinese Banking Corporation Limited

DBS Bank Ltd.

CIMB Bank Berhad

Sing Investments & Finance Limited

Auditor

Ernst & Young LLP
One Raffles Quay
North Tower, Level 18
Singapore 048583
Partner in charge: Teo Li Ling
(Since financial year ended 31 December 2017)

Financial Contents

Corporate Governance Report

The Board of Directors (the "**Board**") of ValueMax Group Limited ("**ValueMax**" or the "**Company**") is committed to good standards of corporate governance to enhance corporate performance and accountability.

The Board recognises the need to maintain a balance of accountability in creating and preserving shareholder value and achieving its corporate vision for the Company and its subsidiaries (the "**Group**").

The Company has adopted, as far as possible, the principles and provisions of corporate governance in line with the recommendations of the Code of Corporate Governance 2018 (the "**Code**") except in the disclosure of remuneration to directors and key management personnel who are not directors or Chief Executive Officer of the Company for the financial year ended 31 December 2021. The Board is of the view that adequate disclosure of the remuneration of Directors and key management personnel had been made in keeping with the spirit of the Code. Due to the confidentiality and commercial sensitivity attached to remuneration matters, the Board is of the view that a detailed disclosure of remuneration as recommended by the Code would not be in the best interest of the Company. Please refer to page 25 for disclosure of remuneration to Directors and key management personnel who are not directors or Chief Executive Officer of the Company for the financial year ended 31 December 2021.

This statement on the corporate governance practices of ValueMax describes the corporate governance policies practiced by ValueMax during the financial year ended 31 December 2021, with specific references made to each of the principles set out in the Code. Other than the above, ValueMax has complied substantially with the principles and provisions as set out in the Code. Explanations have been provided in the relevant sections below where there have been any deviations from the Code. Where there are deviations from the Code, the Board has taken into consideration the current alternative practices in place and are of the view that these are sufficient to meet the underlying objectives of the Code.

BOARD MATTERS

Principle 1: Board Conduct of its Affairs

The Company is headed by an effective Board which is collectively responsible and works with Management for the long-term success of the Group.

The Board holds meetings on a regular basis throughout the year to approve the Group's key strategic plans as well as major investments, disposals and funding decisions. The Board is also responsible for the overall corporate governance of the Group.

The Board holds regular scheduled meetings on a quarterly basis. Ad-hoc meetings are convened as and when required to address significant transactions and issues that arise between the scheduled meetings. Board members contribute both at formal board meetings as well as outside of these meetings. To ensure maximum participation from the Board, the Company's Constitution provides that Directors may participate in a meeting of the Board of Directors by means of telephone conferencing, videoconferencing, audio visual, or other electronic means of communication, without having to be in the physical presence of each other.

Where physical Board and Board Committee meetings are not possible, timely communication with members of the Board or Board Committees can be achieved through electronic means and circulation of written resolutions for approval by the relevant Board and Board Committee members.

Corporate Governance Report

Details of Directors' attendance at the Board and Board Committee Meetings held in the financial year ended 31 December 2021 are disclosed in the table below:

Board Members	Board	Nominating Committee	Remuneration Committee	Audit Committee
Phua Tin How[(1)]	5/5	3/3	2/2	4/4
Yeah Hiang Nam	5/5	3/3	2/2	NA
Yeah Chia Kai	5/5	NA	NA	NA
Yeah Lee Ching	5/5	NA	NA	NA
Lim Tong Lee[(1)]	5/5	3/3	2/2	4/4
Tan Guan Hiang	5/5	3/3	2/2	4/4
Neo Poh Kiat[(2)]	NA	NA	NA	NA
Tan Soon Liang[(2)]	NA	NA	NA	NA
Lim Teck Chai, Danny[(2)]	NA	NA	NA	NA

Note[(1)]: Mr Phua Tin How and Datuk Lim Tong Lee stepped down from the Board on 31 December 2021 to facilitate the process of Board renewal.

Note[(2)]: Mr Neo Poh Kiat, Tan Soon Liang and Mr Lim Teck Chai, Danny were appointed to the Board on 1 January 2022.

Director's Training and Induction

All Directors are updated regularly concerning any changes in the Company's policies, risks management, key changes in the relevant laws, regulations, regulatory requirements and accounting standards. The Company also provides ongoing education on Board processes, governance and best practices.

The Company funds Directors' participation at industry conferences, seminars or any training programme in connection with their duties as Directors. In addition, Directors will undergo training on sustainability.

Newly appointed Directors with no prior experience as a director of a listed issuer on the Singapore Stock Exchange will undergo training in the roles and responsibilities of a director of a listed issuer as prescribed by the Exchange. Newly appointed Directors are also briefed on the business activities of the Group and its strategic directions. Upon appointment, the Company will provide a briefing by senior management of the Company to the new directors on the business activities of the Group and its strategic directions, as well as setting out their duties and responsibilities as directors. They are also provided with relevant information on the Company's policies and procedures. There would be an orientation program to ensure that newly appointed Directors are familiar with the Group's business and governance practices. The Company will also provide training in areas such as accounting, legal and industry-specific knowledge as appropriate for Directors who have no prior experience as a director of a listed company.

Access to information

In order to ensure that the Board is able to discharge its responsibilities, all directors have unrestricted access to the Company's records and information. Management is required to provide adequate and timely information to the Board on the Board's affairs and issues that require the Board's decision, as well as ongoing reports relating to operational and financial performance of the Company.

Management's proposals to the Board for approval provide background and explanatory information such as facts, risk analysis, financial impact and recommendations. Any material variances between projections and the actual results of budgets disclosed are explained to the Board. Employees who can provide additional insights into matters to be discussed, are invited at the relevant time to attend the Board meetings to address queries raised.

Corporate Governance Report

The Board has separate and independent access to senior management at all times. If the Directors, whether as a group or individually, require independent professional advice, the Company will, upon directions by the Board, appoint a professional advisor selected by the group or individual to render the advice. The cost of such professional advice will be borne by the Company.

The Audit Committee meets with the external auditor (Ernst & Young LLP) and internal auditor (KPMG Services Pte Ltd) separately, at least once a year, without the presence of Management.

Matters Requiring Board Approval

The Company has documented internal guidelines for matters that require Board approvals. Matters which require Board approval include, *inter alia*:

- Matters involving a conflict of interest for a substantial shareholder or a director;
- Material acquisitions and disposals of assets;
- Major investments and funding decisions;
- Corporate financial restructuring; and
- Share issuances, interim dividends and other returns to shareholders.

The Board reviews Interested Person Transactions and the Group's internal control procedures.

The Board also meets to consider the following corporate matters:

- Approval of half-yearly result announcements;
- Approval of the annual reports and accounts;
- Convening of shareholder's meetings;
- Approval of corporate strategies;
- Interested person transactions during the quarter; and
- Material acquisitions and disposals of assets.

Disclosure of Interest

All Directors are required to objectively discharge their duties and responsibilities in the best interests and benefit of the Company. Directors and Chief Executive Officer who are in any way, directly or indirectly, interested in a transaction or proposed transaction, including those identified within the Code and provisions of the Act will declare the nature of their interests and not participate in any discussion and decision on the matter.

Each Director is aware of the requirements in respect of his/her disclosure of interests in securities, disclosure of conflicts of interest in transactions involving the Company, prohibition on dealings in the Company's securities and restrictions on the disclosure of price-sensitive information.

The Board has delegated specific responsibilities to the committees of the Board, namely, the Nominating Committee ("**NC**"), the Remuneration Committee ("**RC**") and the Audit Committee ("**AC**") (collectively, the "**Board Committees**"). These Board Committees, have been formed with clear written terms of reference which clearly set out its objectives, scope of duties and responsibilities, rules and regulations, and procedures governing the manner in which each operates and how decisions are to be taken, assists the Board in carrying out and discharging its duties and responsibilities efficiently and effectively. These Board Committees are each chaired by a Non-Executive Independent Director.

These Board Committees have the authority to examine particular issues under the purview of each of their committees and report back to the Board with their recommendations. The ultimate responsibility for the final decision on all matters, however, lies with the entire Board.

Corporate Governance Report

More details on each of the Board Committees, including the names of the committee members, the terms of reference, any delegation of the Board's authority to make decisions and a summary of their activities, are set out in the further sections of this Report.

The Company Secretary, or her representatives, attends all Committee and Board meetings and is responsible to ensure that the required procedures are adopted. Together with the management, the Company Secretary is responsible for the compliance with all rules and regulations, including requirements of the Companies Act 1967 (the "**Act**"), Securities and Future Act, and the Listing Rules of the Singapore Exchange Securities Trading Limited ("**SGX-ST**"), which are applicable to the Company, with the Board retaining ultimate responsibility for compliance.

The appointment and removal of the Company Secretary are subject to the approval of the Board.

Principle 2: Board Composition and Balance

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.

The Board comprises an Executive Chairman, a Chief Executive Officer, a Lead Independent Director, three Non-Executive Independent Directors and one Executive Director. Currently more than one-half of the Board comprises Non-Executive Independent Directors.

The independence of each Director is reviewed by the Nominating Committee on an annual basis to ensure that the Board is capable of exercising objective judgment on corporate affairs of the Group. The independence of a director who has served the Board beyond nine years will be subject to rigorous review and the Nominating Committee will determine whether the director should be deemed independent. Currently, none of the Independent Directors has been a Director of the Company for more than nine years.

Mr Neo Poh Kiat, Dr Tan Guan Hiang, Mr Tan Soon Liang and Mr Lim Teck Chai, Danny are Non-Executive Independent Directors. They are not, nor are they directly associated with, a substantial shareholder (with interest of five per centum or more in the voting shares of the Company).

The appointment of each Director is based on his/her calibre, experience, stature and potential contribution to the Company and its businesses. Our current Directors are respected individuals with diverse expertise and good track records in their respective fields.

The Nominating Committee is of the view that the current Board is capable of providing the necessary expertise to meet the Board's objectives and that no individual or small group of individuals dominates the Board's decision making process.

The Board is of the view that the current board size of seven Directors, two of whom, are female, is appropriate, taking into account the nature and scope of the Company's operations. The Nominating Committee is of the view that there is a strong and independent element on the Board thereby eliminating the risk of a particular group dominating the decision-making process. The Board ensures that the process of decision making by the Board is independent and is based on collective decision without any concentration of power.

As the Chairman, Mr Yeah Hiang Nam is an Executive Director, the Board has in accordance with the recommendations of the Code of Corporate Governance 2018 appointed Mr Neo Poh Kiat as the Lead Independent Director. The Company does not have any Non-Executive or Alternate Directors.

Key information regarding the Directors can be found under the "Directors' Profile" section of this Annual Report.

Corporate Governance Report

Principle 3: Chairman and Chief Executive Officer

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 positions of Chairman and Chief Executive Officer ("**CEO**") are held by separate persons. This is to ensure that there is an appropriate balance of power and authority with clear divisions of responsibility and accountability. Such separation of roles between the Chairman and CEO promotes robust deliberation. The Chairman ensures that the Directors receive accurate, clear and timely information, encourages constructive relations between Board and Management, as well as between Board members, ensures effective communication with shareholders and promotes high standards of corporate governance.

The Chairman also ensures that Board Meetings are held regularly and when necessary, sets the Board meeting agendas in consultation with the CEO. The Chairman presides at each Board Meeting and ensures full discussion of all agenda items. Management staff, as well as external experts who can provide additional insights into the matters to be discussed, are invited as and when necessary, to attend at the relevant time during the Board Meetings. In assuming their roles and responsibilities, the Chairman and CEO consult with the Board and Board Committees on major issues.

The CEO is responsible for implementing the Group's strategies and policies as well as the daily management and operations of the Group.

The Board has no dissenting view on the Chairman's statement to the Shareholders for the financial year under review

Principle 4: Board Membership

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.

The Nominating Committee comprises Mr Tan Soon Liang, Mr Neo Poh Kiat, Mr Lim Teck Chai, Danny and Mr Yeah Hiang Nam. The Chairman of the Nominating Committee is Mr Tan Soon Liang and in accordance with the Code, he is not, or is not directly associated with a substantial shareholder (with an interest of five per centum or more in the voting shares of the Company). Mr Neo Poh Kiat and Mr Lim Teck Chai, Danny are both Independent Non-Executive Directors.

The responsibilities of the Nominating Committee include the nomination of Directors, determining the independence of a Director and deciding whether or not a Director is able to and has been adequately carrying out his duties as a Director, and reviewing the succession plans for the Board and other key positions. The criteria for independence is based on the definition as set out in the Code.

Key information on the Directors and their shareholdings in the Company are found on pages 112 to 113 of this Annual Report respectively.

In the nomination and selection process, the Nominating Committee reviews the composition of the Board by taking into consideration the mix of expertise, skills and attributes of existing Board members, to identify desirable competencies for a particular appointment. In so doing, it will source for candidates who possess the experience, core competency, industry knowledge and general ability that will contribute to the Board's proceedings and the strategic business areas of the Group. Newly appointed Directors are however required to submit themselves for re-election at the next annual general meeting of the Company ("**AGM**").

Corporate Governance Report

We believe that Board renewal must be an ongoing process, to ensure good governance and maintain relevance to the changing needs of the Company and business. Our Constitution requires at least one-third of our Directors to retire and subject themselves to re-election by shareholders at every AGM, and no director stays in office for more than three years without being re-elected by shareholders.

A retiring director shall be eligible for re-election. In recommending that a director be nominated for re-election, the Nominating Committee assesses each candidate's suitability for re-appointment prior to making its recommendation, carefully taking into consideration factors such as the director's record of attendance and participation, his/her candour, performance and overall contribution to the Board and the Group; as well as his/her ability to adequately carry out the duties expected while performing his/her roles in other companies or in other appointments. Each member of the Nominating Committee will abstain from voting on any resolution and making any resolutions and/or participating in any deliberations of the Nominating Committee in respect of the assessment of his/her performance or nomination for re-election as a Director.

Article 98 of the Company's Constitution provides that at least one-third of the Directors shall retire from office at every AGM. Ms Yeah Lee Ching and Dr Tan Guan Hiang will be subject to retirement by rotation at the forthcoming AGM, pursuant to the requirements of Article 98. Both Ms Yeah Lee Ching and Dr Tan Guan Hiang have indicated that they will be seeking re-election as Directors of the Company.

Pursuant to Article 102 which provides that a director appointed during the year shall retire from office at the next following general meeting, Mr Neo Poh Kiat, Mr Tan Soon Liang and Mr Lim Teck Chai, Danny, who were appointed on 1 January 2022 will be subject to retirement at the forthcoming AGM. Mr Neo Poh Kiat, Mr Tan Soon Liang and Mr Lim Teck Chai, Danny have confirmed that they will be seeking re-election.

The Nominating Committee has reviewed and is satisfied with their contribution and performance as Directors and has endorsed their nomination for re-election.

Although some of the Board members have multiple board representations and other principal commitments, the Nominating Committee is satisfied that the Directors have devoted sufficient time and attention to the matters of the Group. The Board does not see any reason to set the maximum number of listed company representations that any director may hold as all the directors are able to devote sufficient attention to the Company's affairs in light of their other commitments. However, as a general guideline to address time commitments that may be faced, a director who holds more than 6 board representations in companies whose shares are quoted on the SGX-ST may consult the Chairman before accepting any new appointments as a director.

Based on the changes to the Listing Rules of SGX-ST, an Independent Director who has been a director for an aggregate period of more than 9 years (whether before or after listing), will be required to seek re-election as an Independent Director of the Company at a General Meeting where his/her continued appointment as an independent director will need to be approved in separate resolutions by (A) all shareholders; and (B) all shareholders, excluding shareholders who also serve as the directors or the chief executive officer of the company, and associates of such directors and chief executive officers. None of the existing Non-Executive Independent Directors have exceeded a term of 9 years.

The Directors are provided with briefings and updates on an on-going basis in areas of directors' duties and responsibilities, corporate governance, changes in financial reporting standards which have direct impact on financial statements, so as to enable them to properly discharge their responsibilities as Board members. Regular briefings and updates on developments in accounting and governance standards are conducted by the external auditor, Ernst & Young LLP, and the internal auditor, KPMG Services Pte Ltd. The CEO updates the Board at each meeting on business and strategic developments in the industry. The Directors also attend other appropriate courses and seminars.

Corporate Governance Report

Principle 5: Board Performance

The Board undertakes a formal annual assessment of its effectiveness as a whole, and that of each of its Board Committees and individual directors.

The Nominating Committee will use its best efforts to ensure that directors appointed to the Board possess the necessary background, experience and knowledge to enable balanced and well-considered decisions to be made by the Board and the Board Committees.

A review of the Board's performance is undertaken annually by the Nominating Committee with inputs from Board members and the Chairman.

Apart from the fiduciary duties (i.e. act in good faith, with due diligence and care and in the best interests of the Company and its shareholders), the Board's key responsibilities are to set strategic directions and to ensure that the long term objective of enhancing shareholders' value is achieved. The Board's performance is also measured by its ability to support Management especially in times of crisis and to steer the Company towards profitability. In doing so, the Nominating Committee takes into consideration the financial indicators set out in the Code as guidelines for evaluating the Board's performance.

To evaluate the effectiveness of the Board as a whole, the Nominating Committee considered the adequacy and size of the Board, the Board's access to information, Board processes and accountability, and communication with senior management. The criteria for evaluation are reviewed by the Nominating Committee each year and changes are made where circumstances require.

Individual assessment is conducted through a peer review process and the results of the assessment are collated by the Chairman of the Board and discussed with the Nominating Committee Chairman. The factors to be considered in the individual assessment will include director's attendance and participation in and outside meetings, skills and contributions made by the director. The performance of individual directors will be taken into consideration in their re-appointment or re-election.

REMUNERATION MATTERS

Principle 6: Procedures for Developing Remuneration Policies

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 Executive Officers. No Director is involved in deciding his/her own remuneration.

Principle 7: Level and Mix of Remuneration

The level and structure of remuneration of the Board and Key Executive Officers are appropriate and proportionate to the sustained performance and value creation of the Company, taking into account the strategic objectives of the Company.

The Remuneration Committee comprises three non-Executive Independent Directors. The members of the Remuneration Committee are Dr Tan Guan Hiang who is also the Chairman of the Remuneration Committee, Mr Neo Poh Kiat and Mr Lim Teck Chai, Danny.

Corporate Governance Report

The Remuneration Committee is governed by its written terms of reference which set out its authority and duties. The key function of the Remuneration Committee is to review and recommend to the Board, in consultation with Management, a framework for all aspects of remuneration such that there is a formal and transparent procedure for fixing the remuneration package of individual Directors. The Remuneration Committee also determines the specific remuneration packages and terms of employment for the Executive Directors as well as senior executives. All aspects of remuneration, including but not limited to Directors' fees, salaries, allowances, bonuses, options, share-based incentives and awards, and benefits-in-kind shall be covered by the Remuneration Committee. Each member of the Remuneration Committee shall abstain from voting on any resolutions and making any recommendations and/or participating in any deliberations in respect of his/her remuneration package.

The Remuneration Committee has access to expert professional advice on human resource matters whenever there is a need to consult externally. In its deliberations, the Remuneration Committee takes into consideration industry practices and norms in compensation in addition to the Company's performance and the performance of the individual Directors. No Director will be involved in deciding his own remuneration. No expert advice was sought during the financial year.

The Executive Directors' compensation consists of their salaries, bonuses and benefits.

The Board will, on an annual basis, submit a proposal for Directors' Fees as a lump sum for shareholders' approval. The sum to be paid to each of the Independent Directors shall be determined by his contribution to the Company, taking into account factors such as effort and time spent as well as his responsibilities on the Board. Generally, directors who undertake additional duties as chairman and/or members of the Board Committees will receive higher fees for their additional responsibilities.

The remuneration of the Independent Directors is in the form of a fixed fee after taking into consideration factors such as effort, time spent and responsibilities of the Independent Directors. Independent Directors' fees are subject to the Shareholders' approval at the annual general meeting.

The Board will be recommending proposed Directors' Fees amounting to $156,250/- for the financial year ended 31 December 2021 (2020: $152,544/-) for shareholders' approval.

During the year, the Remuneration Committee met twice, discussing various remuneration matters and recording its decision by way of minutes. The Committee members present at the meeting were involved in the deliberations. No Director was involved in the fixing of his/her own remuneration. No external remuneration consultants were appointed for the financial year under review as no external consultation was deemed necessary during the year.

Corporate Governance Report

Principle 5: Board Performance

The Company is transparent on its remuneration policies, level and mix of remuneration, the procedures for setting remuneration, and the relationships between remuneration, performance and value creation.

Remuneration of Directors

The Board is of the view that adequate disclosure of the remuneration of Directors and key management personnel had been made in keeping with the spirit of the Code. Due to the confidentiality and commercial sensitivity attached to remuneration matters, the Board is of the view that a detailed disclosure of remuneration as recommended by the Code would not be in the best interest of the Company. The remuneration of the Directors, however, is disclosed in the following table which sets out the names of Directors whose remuneration bands fell (i) below $250,000; (ii) between $500,000 and $750,000; and between $1,250,000 and $1,500,000 for the financial year ended 31 December 2021, together with a breakdown (in percentage terms) of each Director's remuneration earned through base/fixed salary, variable or performance related income/bonuses, and director fees/attendance fees proposed to be paid to each Director subject to the approval of shareholders at the AGM:

		Percentage (%) Remuneration earned through:	
	Base/ fixed salary	**Variable or performance related income/bonuses**	**Director Fees Attendance Fees**
Below $250,000			
Phua Tin How	–	–	100%
Lim Tong Lee	–	–	100%
Tan Guan Hiang	–	–	100%
Between $500,000 and $750,000			
Yeah Lee Ching	43%	57%	–
Yeah Chia Kai	43%	57%	–
Between $1,250,000 and $1,500,000			
Yeah Hiang Nam	44%	56%	–

Remuneration of Key Executives

The remunerations of the three key management personnel who are not Directors or the CEO of the Company for the financial year ended 31 December 2021 fell within the remuneration band of between $250,000 and $500,000. The annual aggregate remuneration paid to the top three key management personnel of the Company (who are not Directors or the CEO) for the financial year ended 31 December 2021 is $1,078,000.

No termination, retirement and post-employment benefits were granted to any Director, the CEO or any key management personnel for the financial year ended 31 December 2021.

No share awards were granted during the financial year ended 31 December 2021.

Remuneration of Immediate Family Members of Directors

The employee who is an immediate family member of a director or the CEO is Mr Yeah Chia Wei, son of our Executive Chairman, Mr Yeah Hiang Nam. Mr Yeah Chia Wei received a remuneration of between $400,000 and $450,000 for the financial year ended 31 December 2021.

Corporate Governance Report

Principle 5: Board Performance

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.

Internal Controls

The Board has ultimate responsibility for maintaining a sound system of internal controls to safeguard shareholders' investments and the Group's assets. The system of internal controls is intended to provide reasonable but not absolute assurance against material misstatement or loss, and include the safeguarding of assets, maintenance of proper accounting records, reliability of financial information, compliance with appropriate legislation, regulation and best practices, and identification and containment of business risk. The Board has not established a dedicated board risk committee but has appointed the Audit Committee to review annually the effectiveness of the Company's risk management and internal controls.

The Company regularly reviews and improves its business and operational activities to identify areas of significant business risks as well as take appropriate measures to control and mitigate these risks. The Company reviews all significant control policies and procedures and highlights all significant matters to the Audit Committee and the Board. The risk issues are highlighted on pages 97 to 105 under Note 32 to the financial statements.

The external auditor, in the course of conducting their annual audit procedures on the statutory financial statements, also considered the internal controls relevant to the Group's preparation of financial statements to the extent of their scope as laid out in their audit plan. Any material non-compliance and internal financial control weaknesses noted by the external auditor are reported to the Audit Committee together with the external auditor's recommendations. Management would then take appropriate actions to rectify the weaknesses highlighted.

The internal controls environment ensures the Group's maintenance of proper accounting records, compliance with applicable regulations and best practices, and timely identification and containment of financial, operational and compliance risks. The Audit Committee, in the course of their review of the reports presented by the external auditor, also reviewed the effectiveness of the Group's system of internal controls. The Audit Committee is satisfied that there were no material internal control deficiencies identified.

The Board, with the concurrence of the Audit Committee, is of the opinion that there are adequate internal controls and risk management systems to address the financial, operational and compliance risks of the Group in its current business environment. In addition, the Board, with the concurrence of the Audit Committee, is of the view that the Group's internal controls addressing financial, operational, compliance and information technology risk as well as the Group's risk management systems are effective and adequate as at 31 December 2021. The Board and Audit Committee did not identify any major concern on the Group's internal controls or risk management systems for the financial year under review.

The system of internal controls provides reasonable assurance against material financial misstatements or loss and includes the safeguarding of assets, the maintenance of proper accounting records, the reliability of financial information, compliance with appropriate legislation, regulation and best practices and the identification and management of business risks. However, the Board acknowledges that no system of internal controls can provide absolute assurance against the occurrence of material errors, poor judgement in decision-making, human error, fraud or other irregularities.

Corporate Governance Report

Internal Audit

The Audit Committee's responsibility in overseeing that the Company's risk management system and internal controls are adequate is complemented by the Company's appointment of KPMG Services Pte Ltd as the internal auditor of the Company. The internal auditor had adopted the Standards for the Professional Practice of Internal Auditing set by The Institute of Internal Auditors.

The internal auditor reports directly to the Chairman of the Audit Committee on audit matters. The internal auditor will plan its audit work in consultation with, but independent of, Management, and its annual internal audit plan will be submitted to the Audit Committee for approval at the beginning of each year. The internal auditor will report to the Audit Committee on its findings. The Audit Committee will meet the internal auditor on an annual basis, without the presence of Management. The internal auditor has full access to all the Company's documents, records, properties and personnel including access to the Audit Committee.

The Audit Committee will, at least annually, review the adequacy, effectiveness and independence of the internal audit function. During the financial year under review, internal audit reviews were conducted on the operations of three subsidiaries within the Group.

Based on a review on the internal audit function and activities performed, the Audit Committee is of the view that the internal auditor is independent, effective, qualified and adequately resourced.

The Board notes that the system of internal controls provides reasonable, but not absolute, assurance that the Group will not be affected by any event that could be reasonably foreseen as it strives to achieve its business objectives.

Based on the external and internal auditors' findings, the Board with the concurrence of the Audit Committee is satisfied that the Group's risk management and internal controls systems, including financial, operational, compliance and information technology controls, are adequate and effective and provide reasonable (though not absolute) assurance against material financial misstatements and loss, and safeguard the Group's assets. The internal controls ensure the Group's maintenance of proper accounting records, compliance with applicable regulations and best practices, and timely identification and containment of financial, operational and compliance risks. The Audit Committee is also satisfied that there were no material weaknesses identified with regards to the risk management and internal control system.

Whistle-Blowing Policy

A Whistle-Blowing Policy is also in place to provide an avenue through which employees may report or communicate, in good faith and in confidence, any concerns relating to financial and other matters, so that independent investigation of such matters can be conducted and appropriate follow-up action taken. The Audit Committee Chairman is in charge of managing this specific area. The Whistle-Blowing Policy has been reviewed by the Audit Committee to ensure that it has been properly implemented.

The Whistle-Blowing procedure is intended to be used for serious and sensitive issues. Serious concerns relating to financial reporting, unethical or illegal conduct should be reported to the Chairman of the Audit Committee via a designated email. The action to be taken will depend on the nature of the concern. Initial inquiries will be made by the Chairman of the Audit Committee to determine whether an investigation is appropriate, and the form that it should take. Some concerns may be resolved by agreed action without the need for investigation. If investigation is necessary, the Audit Committee of the Company will direct an independent investigation to be conducted on complaint received. The Board of Directors will receive a report stating the complaint received and findings of investigation, as well as a follow-up report on actions taken by the Audit Committee. The Company will update the complainant of the actions taken in respect of the complaint in two weeks. Subject to any legal constraints the complainant will be notified about the outcome of any investigations.

Corporate Governance Report

The Company shall maintain the confidentiality of the whistle-blower(s) to the fullest extent reasonably practicable within the legitimate needs of the law and any ensuing evaluation or investigation. Complainant(s) who make a report in good faith will be protected from reprisals, victimization or harassment.

Principle 10: Audit Committee

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

The Audit Committee comprises three non-Executive Independent Directors, Mr Neo Poh Kiat, Dr Tan Guan Hiang and Mr Tan Soon Liang. Mr Neo Poh Kiat is the Chairman of the Audit Committee.

The Audit Committee holds periodic meetings to perform the following functions:

(a) review with the external auditor the audit plan, and the results of the external auditor's examination and evaluation of the Group's system of internal controls;

(b) review the financial statements and the external auditor's report on those financial statements, before submission to the Board for approval;

(c) review the co-operation given by Management to the auditors;

(d) nominate the appointment and re-appointment of external auditors to the Board;

(e) review interested person transactions;

(f) review internal audit reports and internal audit plans of the Group; and

(g) review the Group's compliance with such functions and duties as may be required under the relevant statutes or the SGX-ST listing manual ("**Listing Manual**"), and by such amendments made thereto from time to time.

In addition to the above, the Audit Committee is empowered to commission and review the findings of internal investigations into matters where there is any suspected fraud or irregularity, or failure of internal controls or infringement of any Singapore law, rule or regulation which are or is likely to have a material impact on the Group's operating results and/or financial position.

Each member of the Audit Committee abstains from voting on any resolutions and making any recommendations and/or participating in any deliberations of the Audit Committee in respect of matters in which he is interested.

Pursuant to Rule 1207 (6)(b) and (6)(c) of the Listing Manual, the Audit Committee undertook the review of the independence and objectivity of the auditors as well as reviewing the non-audit services provided by the external auditor, and the aggregate amount of audit fees paid to them. The Audit Committee is satisfied that neither their independence nor their objectivity is put at risk, and that they are still able to meet the audit requirements and statutory obligations of the Company. Accordingly, the Audit Committee has recommended the re-appointment of Ernst & Young LLP as external auditor at the forthcoming AGM of the Company. In recommending the re-appointment of the external auditor, the Audit Committee considered and reviewed a variety of factors including adequacy of resources, experience of supervisory and professional staff to be assigned to the audit, and size and complexity of the Group, its businesses and operations.

In appointing our auditors for the Company and subsidiaries, we have complied with the requirements of Rules 712 and 715 of the Listing Manual.

Pursuant to Rule 1207 (6)(a), the fees payable to auditors is set out in Note 8 on page 66 of this Annual Report.

Corporate Governance Report

During the financial year, the Audit Committee has reviewed with the Chief Financial Officer and the external auditors, changes in accounting standards and issues which are relevant to the Group and have a direct impact on the Group's financial statements.

The Audit Committee and the Board have received the assurance of the CEO and the Chief Financial Officer that:

(a) The financial records have been properly maintained and the financial statements give a true and fair view of the Group's operations and finances; and

(b) They have evaluated the effectiveness of the Group's risk management and internal controls and assessed the external auditor's report on the financial statements and management letter and noted that there have been no significant deficiencies in the design or operation of such controls which could adversely affect the Group's ability to record, process, summarise or report financial information. Such risk management and internal controls are in place and effective.

The Audit Committee also met with the External as well as the Internal Auditors during the year, without the presence of Management, and have received assurances from both the External and Internal Auditors, that they have been accorded full cooperation from all employees of the Group and have been given full access to all documents as and when required.

SHAREHOLDERS RIGHTS AND ENGAGEMENT

Principle 11: Shareholder Rights and Conduct of General Meeting

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 its Shareholders a balanced and understandable assessment of its performance, position and prospects.

Principle 12: Engagement with shareholders

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.

Principle 13: Engagement with stakeholders

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 Board is mindful of its obligations to provide timely and fair disclosure of material information in compliance with statutory reporting requirements. Price sensitive information is first publicly released, either before the Company meets with any group of investors or analysts, or simultaneously with such meetings. As part of the Company's commitment to regular communication with our shareholders, the Company has adopted half-yearly reporting as required by the Code. Financial results and annual reports will be announced or issued within the mandatory period.

We believe in regular and timely communication with shareholders as part of the Group's effort to help our shareholders understand our business better.

In line with the continuous obligations of the Company pursuant to the Listing Manual and the Act, it is the Board's policy that all shareholders should be equally and timely informed of all major developments that will have an impact on the Company or the Group. It is also the Board's policy that all corporate news, strategies and announcements are promptly disseminated through SGXNET, press releases as well as various media. The Company does not practise selective disclosure. The Company maintains a dedicated investor relations segment on its website at www.valuemax.com.sg to keep shareholders informed of all significant corporate developments.

Corporate Governance Report

We support the Code's principle to encourage shareholder participation. Shareholders are encouraged to attend the AGM to ensure a high level of accountability and to stay informed of the Company's strategy and goals. Notice of the AGM is dispatched to shareholders, together with explanatory notes or a circular on items of special business (if necessary), at least 14 days before the meeting. Corporations which provide nominee or custodial services are allowed to appoint more than two proxies so that shareholders who hold shares through such corporations can attend and participate in general meetings as proxies. The shareholders are instructed on the meeting procedures, including voting procedures, which govern general meetings of shareholders at the start of the meetings. The Board welcomes questions from shareholders, who will have an opportunity to raise issues either formally or informally before or at the AGM.

All resolutions at general meetings are put to vote by poll which is verified by a polling agent and an announcement of the detailed results showing the number of votes cast for and against each resolution and the respective percentages is made on the day of the general meeting.

The proceedings of the annual general meeting and extraordinary general meeting (if any) are properly recorded, including all comments or queries raised by Shareholders relating to the agenda of the meeting and responses from the Board and Management. All minutes of general meetings are available to Shareholders upon their request.

However, for the forthcoming AGM, in line with the joint statement by ACRA, MAS and SGX RegCo on 1 October 2021 on the updated checklist providing guidance for listed and non-listed entities on the manner in which general meetings are to be conducted, the Company is arranging for a live webcast of the Annual General Meeting proceedings (the "**Live AGM Webcast**") which will take place on 26 April 2021 at 2.00 p.m. in place of a physical meeting. Shareholders will be able to watch the AGM proceedings through the Live AGM Webcast, and the Company will not accept any physical attendance by shareholders. All individual shareholders who are unable to attend and vote in person are entitled to appoint a proxy to attend and vote on their behalf. All shareholders are therefore given the opportunity to vote, either in person or by proxy at all shareholders' meetings. In addition, all relevant intermediaries as defined under section 181 of the Act are also given the opportunity to appoint one or more proxies to attend and vote at all general meetings.

Dividend Policy

The Company's dividend policy endeavors to balance dividend return to shareholders with the need for long-term sustainable growth whilst aiming for an efficient capital structure. The Company strives to provide shareholders with a consistent and sustainable ordinary dividend on an annual basis, with a variable special dividend based on cash position, working capital, expenditure plans, acquisition opportunities and market environment.

The Company has declared a final dividend for the financial year ended 31 December 2021. Any payouts are communicated to shareholders via announcement on SGXNET when the Company discloses its financial results.

Corporate Social Responsibility

Apart from creating long term value for its Stakeholders and upholding high standards of governance, the Company recognises the importance of environmental sustainability and social responsibilities. In addition, the Company has identified its stakeholders, the details of which have been set out in the Company's Sustainability Report for the year ended 31 December 2021.

The Company has put in place proper procedures for ensuring economic contribution to society, legal compliance and corporate governance, water and energy conservation as well as diversity and equal opportunity for members of its workforce.

The Company will publish its standalone sustainability report for the financial year under review within the prescribed timeline and the same will be uploaded on the Company's website and SGXNET.

Corporate Governance Report

DEALING IN SECURITIES

All Directors and Executives of the Group are not allowed to deal in the Company's securities during the period commencing two weeks before the announcement of the Company's half-year results and one month before the announcement of the Company's full year financial statements.

Internal guidelines applicable to all directors and affected staff of the Group with regard to dealings in the shares of the Company have been adopted whereby such dealings are strictly prohibited during prescribed periods until the announcements of the relevant results are made. The employees and directors of the Group are also reminded to observe insider trading laws at all times even when dealing in securities within permitted trading periods. They are also discouraged from dealing in the Company's shares on short-term considerations.

INTERESTED PERSON TRANSACTIONS POLICY

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.

The Company has obtained a general mandate from shareholders of the Company for interested person transactions pursuant to Rule 920 of the Listing Manual in the Annual General Meeting held on 27 April 2021.

The aggregate value of interested person transactions above $100,000 entered into during the financial year ended 31 December 2021 is as follows:

Name of Interested Person	**Aggregate value of all interested person transactions conducted under shareholders' mandate ($'000)**	**Aggregate value of all interested person transactions (excluding transactions conducted under shareholders' mandate) ($'000)**
Sale of jewellery and gold		
Hwa Goldsmith and Jewellers	765	–
Lucky Jewellery	2,216	–
Mei Zhi Jewellery	158	–
Cantik Jewellery	–	2,400
Purchase of jewellery and gold		
Hwa Goldsmith and Jewellers	214	–
Mei Zhi Jewellery	284	–
Lease of premises		
Yeah Properties Pte Ltd	336	–
Yeah Capital Pte Ltd	174	–
Performance guarantee fee paid		
Yeah Holdings Pte Ltd	–	192

MATERIAL CONTRACTS

There were no material contracts entered into by the Company or any of its subsidiaries involving the interest of the CEO, any director or controlling shareholder, either still subsisting at the end of the financial year or if not then subsisting, entered into since the end of the previous financial year.

Directors' Statement

The directors are pleased to present their statement to the members together with the audited consolidated financial statements of ValueMax Group Limited (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.'

1. 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.

2. Directors

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

Yeah Hiang Nam	
Yeah Chia Kai	
Yeah Lee Ching	
Neo Poh Kiat	(Appointed on 1 January 2022)
Tan Guan Hiang	
Tan Soon Liang	(Appointed on 1 January 2022)
Lim Teck Chai, Danny	(Appointed on 1 January 2022)

In accordance with Article 98 of the Company's Constitution, Yeah Lee Ching and Tan Guan Hiang retire and, being eligible, offer themselves for re-election. Pursuant to Article 102 of the Company's Constitution, Neo Poh Kiat, Tan Soon Liang, and Lim Teck Chai, Danny retire and being eligible, offer themselves for re-election.

3. Arrangements to enable directors to acquire shares or debentures

Except as described in paragraph five below, 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

4. 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 (the "Act"), an interest in shares of the Company and related corporations (other than wholly-owned subsidiaries) as stated below:

	Direct interest			Deemed interest		
Name of director	**At the beginning of financial year**	**At the end of financial year**	**At 21 January 2022**	**At the beginning of financial year**	**At the end of financial year**	**At 21 January 2022**
Ordinary shares of the Company						
Yeah Hiang Nam	–	–	–	471,030,653	575,348,255	575,348,255
Ordinary shares of the ultimate holding company Yeah Holdings Pte. Ltd.						
Yeah Hiang Nam	3,766,001	3,766,001	3,766,001	3,766,001	3,766,001	3,766,001
Yeah Lee Ching	1,076,000	1,076,000	1,076,000	–	–	–
Yeah Chia Kai	1,076,000	1,076,000	1,076,000	–	–	–

By virtue of Section 7 of the Act, Yeah Hiang Nam is deemed to have an interest in the shares of all the subsidiaries and associated companies to the extent held by the Company.

At the beginning of the financial year, Yeah Hiang Nam and Yeah Lee Ching held term notes, bearing a fixed interest rate of 5.1% per annum and due in April 2021, aggregating $23,750,000 and $250,000 respectively. The term notes were fully redeemed on 26 April 2021.

Except as disclosed in this report, 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 corporations, either at the beginning of the financial year or date of appointment (if later) or at the end of the financial year.

5. Options

At an Extraordinary General Meeting held on 11 October 2013, shareholders approved the ValueMax Performance Share Plan for the granting of non-transferable share awards that are settled by the physical delivery of the ordinary shares of the Company or by cash settlement, to eligible employees and controlling shareholders and their associates.

The committee administering the ValueMax Performance Share Plan comprises three directors, Tan Guan Hiang, Neo Poh Kiat, and Lim Teck Chai, Danny.

Since the commencement of the ValueMax Performance Share Plan till the end of the financial year, no share awards have been granted.

6. Audit committee

The Audit Committee performed the functions specified in the Act. The functions performed are detailed in the Report on Corporate Governance.

Directors' Statement

7. Auditor

Ernst & Young LLP have expressed their willingness to accept reappointment as auditor.

On behalf of the board of directors,

Yeah Hiang Nam
Director

Yeah Lee Ching
Director

Singapore
25 March 2022

Independent Auditor's Report

TO THE MEMBERS OF VALUEMAX GROUP LIMITED

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of ValueMax Group Limited (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 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 the 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 of trade receivables

Trade receivable balances are significant to the Group. The collectability of trade receivables is a key element of the Group's working capital management, which is managed on an ongoing basis by management. The Group assessed the allowance for expected credit losses of trade receivables based on an expected credit losses ("ECL") provision matrix in accordance with the requirements of SFRS(I) 9 *Financial Instruments*.

<u>Pawnbroking segment</u>

Under the ECL provision matrix, the Group has determined the probability of default based on historical non-renewal and non-redemption data of individual pawnshop outlets, along with consideration of forward-looking macroeconomic factors for each portfolio. The amount of loss exposure at default is estimated after considering the expected realisable value of the pledged item. The use of data on historical non-renewals and non-redemptions of pawn loans based on their aging profile, and forecasting the forward-looking macroeconomic factors in deriving the probability of default involves significant estimation and requires management to apply significant judgement. Accordingly, we have identified the allowance for ECL of trade receivables from the Group's pawnbroking segment as a key audit matter.

Independent Auditor's Report

TO THE MEMBERS OF VALUEMAX GROUP LIMITED

Key Audit Matters (Cont'd)

Allowance for expected credit losses of trade receivables (Cont'd)

Pawnbroking segment (cont'd)

Our audit procedures include, amongst others, evaluating whether the ECL provision matrix applied by the Group is consistent with the requirements of SFRS(I) 9. This includes obtaining an understanding of the process and control environment in relation to the accumulation of historical non-renewal and non-redemption data used to determine the probability of default, as well as management's process in assessing forward-looking macro-economic factors used in the ECL provision matrix, including the monitoring of market gold price volatilities, a part of management's procedures in managing the risk of impairment. We reviewed the inputs and historical non-renewal and non-redemption data and evaluated management's assumptions used in the computation of the probability of default. We also reviewed the data and information used by management to make forward-looking adjustments and tested the arithmetic accuracy of the ECL provision. We also assessed the adequacy of the disclosures on trade receivables and related risks such as credit risk and liquidity risk in Note 19, 32(a) and 32(b) to the financial statements.

Unsecured moneylending business

The Group assesses the allowance for ECL of its unsecured loan portfolios based on an ECL provision matrix, with specific default indicators for each loan portfolio. The probability of default is determined based on historical loss experience, repayment patterns of the borrowers and forward-looking macroeconomic factors. The Group monitors any subsequent deterioration of the borrower's credit grading to determine the impact to the estimated ECL. Significant management judgement is required in the Group's assessment of credit risk of its borrowers and the use of forward-looking macroeconomic factors in deriving the probability of default. Accordingly, we have identified the allowance for ECL of trade receivables from the Group's unsecured moneylending business as a key audit matter.

Our audit procedures include, amongst others, evaluating whether the ECL model applied by the Group is consistent with the requirements of SFRS(I) 9. This includes obtaining an understanding on the overall process and control environment in relation to the collection of loan repayment data used in the ECL provision matrix. We tested the appropriateness of the key inputs and assumptions used by management in the ECL provision matrix with consideration of the Group's historical loss experience and management's assessment of credit risk of individual borrowers. We reviewed data and information on the industry and economic outlook used by management in assessing the forward-looking macroeconomic factors and tested the arithmetic accuracy of management's ECL provision. We also assessed the adequacy of the disclosures on trade receivables and related risks such as credit risk and liquidity risk in Note 19, 32(a) and 32(b) 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 evaluated the design and operating effectiveness of internal controls on physical safeguards over pledges, cash and inventories. On a sample basis, we attended and observed surprise outlet audits which included the verification of pledges, cash and inventories counts, daily cash counts and inventory cycle counts at selected outlets performed by management. On a sampling basis, we attended year-end inventory counts, cash counts and sighted to pledges at the Group's pawnbroking and retail outlets. We also reviewed management's monitoring of cash ceiling limits at each outlet and the timeliness of deposits of excess cash on hand. To verify the existence of the Group's bank balances, we requested for bank confirmations. We also assessed the adequacy of the disclosures related to total cash on hand, pledges held (trade receivables of the Group's pawnbroking segment) and inventories in Note 21, Note 19 and Note 18 to the financial statements.

Independent Auditor's Report

TO THE MEMBERS OF VALUEMAX GROUP LIMITED

Key Audit Matters (Cont'd)

Valuation of inventories

As at 31 December 2021, the Group's inventories amounted to $78,232,000 which consist of mainly gold, jewelleries and branded merchandise. The determination of allowance for inventories involve significant estimate and judgement by management considering, amongst others, authenticity of inventories, marketability, and fluctuations in market price of gold. Management had also engaged an independent professional gemologist to authenticate the inventories on a sampling basis. We focused on management's assessment of net realisable value of jewellery held by the Group's retail segment due to the significant judgement involved in determining the net realisable value of these items.

As part of our audit, we evaluated the adequacy of management's assessment of allowance for inventories and net realisable value. We evaluated the net realisable values of inventories assessed by management by reference to, amongst others, the gross profit margins for sales made during and after the financial year end, market price movement of gold and the subsequent sales price of inventories on a sampling basis. We evaluated the competence and objectivity of the independent gemologist and traced the results of his appraisal to the Group's inventory records to verify that they have been recorded at the lower of cost and net realisable value. We have also assessed the adequacy of the disclosures related to inventories in Note 18 to the financial statements.

Other information

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

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

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

Responsibilities of Management and Directors for the Financial Statements

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

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

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

Independent Auditor's Report

TO THE MEMBERS OF VALUEMAX GROUP LIMITED

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 skepticism throughout the audit. We also:

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

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

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

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

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

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

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

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

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

Independent Auditor's Report

TO THE MEMBERS OF VALUEMAX GROUP LIMITED

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 Teo Li Ling.

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

(Amounts in Singapore Dollars)

	Note	2021 $'000	2020 $'000
Revenue	4	**275,512**	276,113
Cost of sales		**(200,425)**	(216,300)
Gross profit		**75,087**	59,813
Other item of income			
Other operating income	5	**7,121**	8,212
Other items of expense			
Marketing and distribution expenses		**(2,381)**	(1,205)
Administrative expenses		**(30,063)**	(25,159)
Finance costs	6	**(2,358)**	(4,055)
Other operating expenses	7	**(1,716)**	(2,699)
Share of results of associates		**3,910**	5,540
Profit before tax	8	**49,600**	40,447
Income tax expense	11	**(7,510)**	(5,843)
Profit for the year		**42,090**	34,604
Other comprehensive income:			
Items that may be reclassified subsequently to profit or loss			
Foreign currency translation		**(240)**	(16)
Fair value gain on cash flow hedges		**12**	–
Total comprehensive income for the year		**41,862**	34,588
Profit for the year attributable to:			
Owners of the Company		**41,511**	33,873
Non-controlling interests		**579**	731
		42,090	34,604
Total comprehensive income for the year attributable to:			
Owners of the Company		**41,283**	33,857
Non-controlling interests		**579**	731
		41,862	34,588
Earnings per share (cents per share)			
Basic and diluted	12	**6.38**	6.00

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

Statements of Financial Position

AS AT 31 DECEMBER 2021

(Amounts in Singapore Dollars)

	Note	Group 2021 $'000	Group 2020 $'000	Company 2021 $'000	Company 2020 $'000
Non-current assets					
Property, plant and equipment	13	**28,340**	27,481	**58**	24
Intangible assets	14	**435**	318	**–**	–
Right-of-use assets	25	**7,746**	7,302	**14**	42
Investments in subsidiaries	15	**–**	–	**75,802**	70,622
Investments in associates	16	**26,038**	23,393	**1,002**	1,002
Other investment	17	**688**	688	**688**	688
Trade and other receivables	19	**263,908**	131,148	**–**	–
Derivative assets	20	**12**	–	**–**	–
		327,167	190,330	**77,564**	72,378
Current assets					
Inventories	18	**78,232**	74,077	**–**	–
Trade and other receivables	19	**377,661**	313,993	**188,153**	182,322
Prepaid operating expenses		**1,462**	880	**61**	40
Cash and bank balances	21	**14,601**	11,818	**4,283**	82
		471,956	400,768	**192,497**	182,444
Total assets		**799,123**	591,098	**270,061**	254,822
Current liabilities					
Trade and other payables	22	**4,773**	4,404	**12,523**	23,373
Other liabilities	23	**6,040**	5,518	**1,793**	2,076
Interest-bearing loans and borrowings	24	**403,509**	267,011	**25,000**	55,013
Lease liabilities	25	**4,363**	3,807	**15**	28
Income tax payable		**7,376**	6,965	**971**	1,075
		426,061	287,705	**40,302**	81,565
Net current assets		**45,895**	113,063	**152,195**	100,879
Non-current liabilities					
Other payables	22	**39**	44	**–**	–
Provisions	26	**508**	421	**–**	–
Deferred tax liabilities	11	**2,486**	2,345	**663**	460
Interest-bearing loans and borrowings	24	**39,060**	41,916	**–**	–
Lease liabilities	25	**3,564**	3,679	**–**	15
		45,657	48,405	**663**	475
Total liabilities		**471,718**	336,110	**40,965**	82,040
Net assets		**327,405**	254,988	**229,096**	172,782

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

Statements of Financial Position

AS AT 31 DECEMBER 2021

(Amounts in Singapore Dollars)

		Group		Company	
	Note	2021 $'000	2020 $'000	2021 $'000	2020 $'000
Equity attributable to owners of the Company					
Share capital	27	**133,745**	91,971	**133,745**	91,971
Treasury shares	27	**(26)**	(26)	**(26)**	(26)
Retained earnings		**195,407**	164,370	**95,377**	80,837
Other reserves	28	**(6,805)**	(6,577)	**–**	–
		322,321	249,738	**229,096**	172,782
Non-controlling interests		**5,084**	5,250	**–**	–
Total equity		**327,405**	254,988	**229,096**	172,782
Total equity and liabilities		**799,123**	591,098	**270,061**	254,822

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

(Amounts in Singapore Dollars)

	Note	Attributable to owners of the Company									
		Share capital $'000	Treasury shares $'000	Capital reserve $'000	Merger reserve $'000	Foreign currency translation reserve $'000	Cash flow hedge reserve $'000	Retained earnings $'000	Total $'000	Non-Controlling interests $'000	Total equity $'000
Group											
2021											
At 1 January 2021		91,971	(26)	2,025	(7,599)	(1,003)	–	164,370	249,738	5,250	254,988
Profit for the year		–	–	–	–	–	–	41,511	41,511	579	42,090
Other comprehensive income											
Foreign currency translation		–	–	–	–	(240)	–	–	(240)	–	(240)
Fair value gain on cash flow hedges		–	–	–	–	–	12	–	12	–	12
Total comprehensive income for the year		–	–	–	–	(240)	12	41,511	41,283	579	41,862
Contributions by and distributions to owners											
Shares issued pursuant to rights issue	27	41,904	–	–	–	–	–	–	41,904	–	41,904
Share issue expense	27	(130)	–	–	–	–	–	–	(130)	–	(130)
Dividends paid on ordinary shares	34	–	–	–	–	–	–	(10,474)	(10,474)	–	(10,474)
Dividends paid to non-controlling interests		–	–	–	–	–	–	–	–	(745)	(745)
Total contributions by and distributions to owners, representing total transactions with owners in their capacity as owners		41,774	–	–	–	–	–	(10,474)	31,300	(745)	30,555
At 31 December 2021		133,745	(26)	2,025	(7,599)	(1,243)	12	195,407	322,321	5,084	327,405

Statements of Changes in Equity

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

(Amounts in Singapore Dollars)

		Attributable to owners of the Company								
	Note	**Share capital $'000**	**Treasury shares $'000**	**Capital reserve $'000**	**Merger reserve $'000**	**Foreign currency translation reserve $'000**	**Retained earnings $'000**	**Total $'000**	**Non-controlling interests $'000**	**Total equity $'000**
Group										
2020										
At 1 January 2020		84,230	(26)	1,984	(7,599)	(987)	139,438	217,040	4,624	221,664
Profit for the year		–	–	–	–	–	33,873	33,873	731	34,604
Other comprehensive income										
Foreign currency translation		–	–	–	–	(16)	–	(16)	–	(16)
Total comprehensive income for the year		–	–	–	–	(16)	33,873	33,857	731	34,588
Contributions by and distributions to owners										
Dividends paid on ordinary shares	34	–	–	–	–	–	(8,941)	(8,941)	–	(8,941)
Shares issued under scrip dividend scheme	27	7,741	–	–	–	–	–	7,741	–	7,741
Disposal of interest in a subsidiary without a change in control		–	–	41	–	–	–	41	384	425
Dividends paid to non-controlling interests		–	–	–	–	–	–	–	(489)	(489)
Total contributions by and distributions to owners, representing total transactions with owners in their capacity as owners		7,741	–	41	–	–	(8,941)	(1,159)	(105)	(1,264)
At 31 December 2020		91,971	(26)	2,025	(7,599)	(1,003)	164,370	249,738	5,250	254,988

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

(Amounts in Singapore Dollars)

	Note	Share capital $'000	Treasury shares $'000	Retained earnings $'000	Total equity $'000
Company					
At 1 January 2020		84,230	(26)	77,046	161,250
Profit for the year, representing total comprehensive income for the year		–	–	12,732	12,732
Contributions by and distributions to owners					
Dividends paid on ordinary shares	34	–	–	(8,941)	(8,941)
Shares issued under scrip dividend scheme	27	7,741	–	–	7,741
Total contributions by and distributions to owners, representing total transactions with owners in their capacity as owners		7,741	–	(8,941)	(1,200)
At 31 December 2020 and 1 January 2021		**91,971**	**(26)**	**80,837**	**172,782**
Profit for the year, representing total comprehensive income for the year		**–**	**–**	**25,014**	**25,014**
Contributions by and distributions to owners					
Shares issued pursuant to rights issue	27	**41,904**	**–**	**–**	**41,904**
Share issue expense	27	**(130)**	**–**	**–**	**(130)**
Dividends paid on ordinary shares	34	**–**	**–**	**(10,474)**	**(10,474)**
Total contributions by and distributions to owners, representing total transactions with owners in their capacity as owners		**41,774**	**–**	**(10,474)**	**31,296**
At 31 December 2021		**133,745**	**(26)**	**95,377**	**229,096**

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

(Amounts in Singapore Dollars)

	Note	2021 $'000	2020 $'000
Operating activities			
Profit before tax		**49,600**	40,447
Adjustments for:			
Depreciation of property, plant and equipment	8	**1,592**	1,739
Amortisation of intangible assets	8	**150**	150
Depreciation of right-of-use assets	8	**5,053**	4,113
Allowance/(reversal of allowance) for expected credit losses on trade receivables	5/7	**1,715**	(555)
Allowance for inventories	7	**1**	2,699
Interest income	5	**(523)**	(757)
Finance costs	6	**8,568**	9,036
Dividend income from other investment	5	**(52)**	(52)
Decrease/(increase) in fair value of inventories less point-of-sale costs	8	**186**	(1,695)
Write off of property, plant and equipment	8	**–**	2
Net fair value gain on loan from an unrelated party	8	**(26)**	(6)
Unrealised exchange loss		**35**	827
Excess of fair value over consideration of interest acquired in a subsidiary	15	**–**	(245)
Share of results of associates		**(3,910)**	(5,540)
Operating cash flows before changes in working capital		**62,389**	50,163
Changes in working capital			
Increase in inventories		**(4,342)**	(2,083)
Increase in trade and other receivables		**(198,134)**	(23,789)
Increase in prepaid operating expenses		**(580)**	(305)
Increase/(decrease) in trade and other payables		**346**	(980)
Increase in other liabilities		**523**	2,024
Cash flows (used in)/generated from operations		**(139,798)**	25,030
Interest received		**523**	757
Interest paid		**(8,533)**	(8,933)
Income taxes paid		**(6,959)**	(3,817)
Net cash flows (used in)/generated from operating activities		**(154,767)**	13,037
Investing activities			
Purchase of property, plant and equipment	A	**(2,364)**	(564)
Dividend received from associates		**987**	130
Dividend received from other investment	5	**52**	52
Net cash outflow on acquisition of subsidiary	15	**(259)**	(2,133)
Disposal of interest in a subsidiary without a change in control		**–**	425
Net cash flows used in investing activities		**(1,584)**	(2,090)

Consolidated Statement of Cash Flows

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

(Amounts in Singapore Dollars)

	Note	2021 $'000	2020 $'000
Financing activities			
Proceeds from interest-bearing loans and borrowings		**195,674**	75,595
Repayment of interest-bearing loans and borrowings		**(61,407)**	(74,966)
Payment of principal portion of lease liabilities	25	**(5,056)**	(4,043)
Gross proceeds from shares issued pursuant to rights issue	27	**41,904**	–
Share issue expense	27	**(130)**	–
Dividends paid to non-controlling interests		**(745)**	(489)
Dividends paid on ordinary shares		**(10,474)**	(1,200)
Net cash flows generated from/(used in) in financing activities		**159,766**	(5,103)
Net increase in cash and cash equivalents		**3,415**	5,844
Cash and cash equivalents at beginning of the year		**11,066**	5,222
Cash and cash equivalents at end of the year	21	**14,481**	11,066

Note to the consolidated statement of cash flows

A. Property, plant and equipment

	Note	2021 $'000	2020 $'000
Current year additions to property, plant and equipment	13	**2,451**	582
Less: Provision for restoration costs included in "Renovations"	26	**(87)**	(18)
Net cash outflow on purchase of property, plant and equipment		**2,364**	564

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

ValueMax Group Limited is a limited liability company incorporated and domiciled in Singapore and is listed on the Singapore Exchange. The immediate and ultimate holding company is Yeah Holdings Pte. Ltd., which is incorporated in Singapore.

The registered office and principal place of business of the Company is located at 261 Waterloo Street #01-35, Singapore 180261.

The principal activities of the Company are those of investment holding and provision of management services. The principal activities of the subsidiaries and associates are disclosed in Note 15 and Note 16 to the financial statements.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis of preparation

The consolidated financial statements of the Group and the statement of financial position and statement of changes in equity of the Company have been prepared in accordance with Singapore Financial Reporting Standards (International) ("SFRS(I)").

The financial statements have been prepared on the historical cost basis except as disclosed in the accounting policies below.

The financial statements are presented in Singapore Dollars ("SGD" or "$") and all values in the tables are rounded to the nearest thousand ("$'000") except when otherwise indicated.

2.2 Changes in accounting policies and disclosures

The accounting policies adopted are consistent with those of previous financial year except that in the current financial year, the Group has adopted all the new and revised standards which are effective for the annual financial periods beginning on or after 1 January 2021. The adoption of these standards did not have any material effect on the financial performance or position of the Group and the Company.

Interest Rate Benchmark Reform – Phase 2: Amendments to SFRS(I) 9, SFRS(I) 1-39, SFRS(I) 7, SFRS(I) 4 and SFRS(I) 16

The amendments provide temporary reliefs which address the financial reporting effects when an interbank offered rate (IBOR) is replaced with an alternative nearly risk-free interest rate (RFR). The amendments include the following practical expedients:

- A practical expedient to require contractual changes, or changes to cash flows that are directly required by the reform, to be treated as changes to a floating interest rate, equivalent to a movement in a market rate of interest.
- Permit changes required by IBOR reform to be made to hedge designations and hedge documentation without the hedging relationship being discontinued.
- Provide temporary relief to entities from having to meet the separately identifiable requirement when an RFR instrument is designated as a hedge of a risk component.

These amendments had immaterial impact on the consolidated financial statements of the Group. The Group intends to use the practical expedients in future periods if they become applicable.

Notes to the Financial Statements

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

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
Amendment to SFRS(I) 16: Covid-19-Related Rent Concessions beyond 30 June 2021	1 April 2021
Amendments to SFRS(I) 3: Reference to the Conceptual Framework	1 January 2022
Amendments to SFRS(I) 1-16: Property, Plant and Equipment – Proceeds before Intended Use	1 January 2022
Amendments to SFRS(I) 1-37: Onerous Contracts – Cost of Fulfilling a Contract	1 January 2022
Annual Improvements to SFRS(I)s 2018-2020	1 January 2022
Amendments to SFRS(I) 1-1: Classification of Liabilities as Current or Non-current	1 January 2023
Amendments to SFRS(I) 10 and SFRS(I): 1-28 Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	Date to be determined
Amendments to SFRS(I) 1-8: Definition of Accounting Estimates	1 January 2023
Amendments to SFRS(I) 1-1 and SFRS (I) Practice statement 2: Disclosure of Accounting Policies	1 January 2023
SFRS(I) 17 Insurance Contracts	1 January 2022
Amendments to SFRS(I) 17: Insurance Contracts	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) 17: Initial Application of SFRS(I) 17 and SFRS(I) 9-Comparative Information	1 January 2023

The directors expect that the adoption of the standards above will have no material impact on the financial statements in the year of initial application.

2.4 Basis of consolidation and business combinations

(a) 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. The subsidiaries are deconsolidated from the date that control ceases.

Losses within a subsidiary are attributed to the non-controlling interest even if that results in a deficit balance.

Notes to the Financial Statements

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.4 Basis of consolidation and business combinations (Cont'd)

(b) *Business combinations and goodwill*

Business combinations are accounted for by applying the acquisition method. Identifiable assets acquired and liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. Acquisition-related costs are recognised as expenses in the periods in which the costs are incurred and the services are received.

Any contingent consideration to be transferred by the acquirer will be recognised at fair value at the acquisition date. Subsequent changes to the fair value of the contingent consideration which is deemed to be an asset or liability will be recognised in profit or loss.

Non-controlling interest in the acquiree, that are present ownership interests and entitle their holders to a proportionate share of net assets of the acquiree are recognised on the acquisition date at either fair value, or the non-controlling interest's proportionate share of the acquiree's identifiable net assets.

Any excess of the sum of the fair value of the consideration transferred in the business combination, the amount of non-controlling interest in the acquiree (if any), and the fair value of the Group's previously held equity interest in the acquiree (if any), over the net fair value of the acquiree's identifiable assets and liabilities is recorded as goodwill. In instances where the latter amount exceeds the former, the excess is recognised as gain on bargain purchase in profit or loss on the acquisition date.

Goodwill is initially measured at cost. Following initial recognition, goodwill is measured at cost less any accumulated impairment losses.

For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to the Group's cash-generating units that are expected to benefit from the synergies of the combination.

The cash-generating units to which goodwill have been allocated is tested for impairment annually and whenever there is an indication that the cash-generating unit may be impaired. Impairment is determined for goodwill by assessing the recoverable amount of each cash-generating unit (or group of cash-generating units) to which the goodwill relates.

(c) *Business combinations 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 equity as merger reserve.
- The statement of comprehensive income reflects the results of the combining entities for the full year, irrespective of when the combination took place.

Comparatives are restated to reflect the combination as if it had occurred from the beginning of the earliest period presented in the financial statements or from the date the entities had come under common control, if later.

Notes to the Financial Statements

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.5 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.

2.6 Functional and foreign currency

The financial statements are presented in 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 in the functional currencies 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 reporting period. 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 reporting period are recognised in profit or loss except for exchange differences arising on monetary items that form part of the Group's net investment in foreign operations, which are recognised initially in other comprehensive income and accumulated under foreign currency translation reserve in equity. The foreign currency translation reserve is reclassified from equity to profit or loss of the Group on disposal of the foreign operation.

(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 (CONT'D)

2.7 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.

Depreciation is computed on a straight-line basis over the estimated useful lives of the assets as follows:

Leasehold properties	–	Over lease periods, up to 50 years
Motor vehicles	–	5 years
Machinery, tools, office equipment and computers	–	3 to 5 years
Furniture and fittings	–	5 years
Renovations	–	5 years

The residual value, useful life and depreciation method are reviewed at each financial year-end, and adjusted prospectively, if appropriate.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset is included in profit or loss in the year the asset is derecognised.

2.8 Intangible assets

Intangible assets acquired separately are measured initially at cost. Following initial acquisition, intangible assets are carried at cost less any accumulated amortisation and any accumulated impairment losses.

The useful lives of intangible assets are assessed as either finite or indefinite.

Intangible assets with finite useful lives are amortised over the estimated useful lives and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method are reviewed at least at each financial year-end. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset is accounted for by changing the amortisation period or method, as appropriate, and are treated as changes in accounting estimates.

Intangible assets with indefinite useful lives are tested for impairment annually, or more frequently if the events and circumstances indicate that the carrying value may be impaired either individually or at the cash-generating unit level. Such intangible assets are not amortised. The useful life of an intangible asset with an indefinite useful life is reviewed annually to determine whether the useful life assessment continues to be supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in profit or loss when the asset is derecognised.

Notes to the Financial Statements

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.8 Intangible assets (Cont'd)

(a) Moneylending licences

The moneylending licences were acquired in business combinations. The useful life of the licence is estimated to be indefinite because management believes there is no foreseeable limit to the period over which the licence is expected to generate net cash inflows for the Group.

(b) Lease assignment fees

Lease assignment fees refer to payments to third parties for the transfer of leases to the Group and are amortised on a straight-line basis over the remaining lease period.

2.9 Impairment of non-financial assets

The Group assesses at each reporting date whether there is 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 group 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. Impairment losses relating to goodwill cannot be reversed in future periods.

2.10 Subsidiaries

A subsidiary is an investee that is controlled by the Group. The Group controls an investee when it is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee.

In the Company's balance sheet, investments in subsidiaries are accounted for at cost less impairment losses.

Notes to the Financial Statements

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.11 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 accounts for its investments in associates using the equity method from the date on which it becomes an associate.

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's profit or loss in the period in which the investment is acquired.

Under the equity method, investments in associates are carried in the balance sheet at cost plus post-acquisition changes in the Group's share of net assets of the associates. The profit or loss reflects the share of results of the operations of the associates. Distributions received from associates reduce the carrying amount of the investment. Where there has been a change recognised in other comprehensive income by the associates, the Group recognises its share of such changes in other comprehensive income. Unrealised gains and losses resulting from transactions between the Group and associate are eliminated to the extent of the interest in the associates.

When the Group's share of losses in an associate equals or exceeds its interest in the associate, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the associate.

After application of the equity method, the Group determines whether it is necessary to recognise an additional impairment loss on the Group's investments in associates. The Group determines at the end of each reporting period whether there is any objective evidence that the investment in the associate is impaired. If this is the case, the Group calculates the amount of impairment as the difference between the recoverable amount of the associate and its carrying value and recognises the amount in profit or loss.

The financial statements of the associates are prepared as at the same reporting date as the Company. Where necessary, adjustments are made to bring the accounting policies in line with those of the Group.

2.12 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. The Group determines the classification of its financial assets at initial recognition.

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 a third party, if the trade receivables do not contain a significant financing component at initial recognition.

Notes to the Financial Statements

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.12 Financial instruments (Cont'd)

(a) *Financial assets (cont'd)*

Subsequent measurement

Financial assets carried at 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 the amortisation process.

Investment 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 OCI. Dividends from such investments are recognised in profit or loss when the Group's right to receive payments is established. For investments in equity instruments which the Group has not elected to present subsequent changes in fair value in OCI, changes in fair value 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 is recognised in profit or loss.

(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.

Financial liabilities are recognised initially at fair value plus in the case of financial liabilities not at fair value through profit or loss, directly attributable transaction costs.

Subsequent measurement

After initial recognition, financial liabilities that are not carried at fair value through profit or loss are subsequently measured at amortised cost using the effective interest method. Gains and losses are recognised in profit or loss when the liabilities are derecognised, and through the amortisation process.

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts 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 (CONT'D)

2.13 Impairment of financial assets

Trade receivables – Pawnbroking and moneylending segments

The Group recognises an allowance for expected credit losses ("ECLs") for trade receivables from the pawnbroking and moneylending segments. 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.

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 ECL). 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 ECL).

Trade receivables – Retail and trading of jewellery and gold segment

For trade receivables from the retail and trading of jewellery and gold segment, the Group applies a simplified approach in calculating ECLs. Therefore, the Group does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Group has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

The Group considers a financial asset in default when contractual payments exceed a prescribed number of days past due, as established within the Group's credit risk management practices. However, in certain cases, the Group may also consider a financial asset to be in default when internal or external information indicates that the Group is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

2.14 Cash and cash equivalents

Cash and cash equivalents comprise cash at banks and on hand which are subject to an insignificant risk of changes in value. These also include bank overdrafts that form an integral part of the Group's cash management.

2.15 Inventories

Inventories principally comprise of gold held for trading and inventories that form part of the Group's normal purchase, sale or usage requirements for its retailing activities.

All the inventories of the Group for its gold trading business are measured at fair value less costs to sell, with changes in fair value less costs to sell recognised in profit or loss in the period of the change.

All other inventories are stated at the lower of cost and net realisable value. Finished goods include costs of raw materials, labour and an attributable portion of overheads, determined on a specific identification basis.

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.

Notes to the Financial Statements

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.16 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 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 reporting period 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.

2.17 Financial guarantee

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 2.13 and the amount initially recognised less, when appropriate, the cumulative amount of income recognised over the period of the guarantee.

2.18 Borrowing costs

Borrowing costs are expensed in the period they occur. Borrowing costs consist of interest and other costs that the Group incurs in connection with the borrowing of funds.

2.19 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

Employee entitlements to annual leave are 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 reporting period is recognised for services rendered by employees up to the end of the reporting period.

Notes to the Financial Statements

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.19 Employee benefits (Cont'd)

(c) Employee share award plan

Employees of the Group receive remuneration in the form of share awards as consideration for services rendered. The cost of these equity-settled share based payment transactions with employees is measured by reference to the fair value of the awards at the date on which the awards are granted which takes into account market conditions and non-vesting conditions. This cost is recognised in profit or loss, with a corresponding increase in the employee share awards reserve, over the vesting period. The cumulative expense recognised at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the Group's best estimate of the number of awards that will ultimately vest. The charge or credit to profit or loss for a period represents the movement in cumulative expense recognised as at the beginning and end of that period and is recognised in employee benefits expense.

No expense is recognised for awards that do not ultimately vest, except for awards where vesting is conditional upon a market or non-vesting condition, which are treated as vested irrespective of whether or not the market condition or non-vesting condition is satisfied, provided that all other performance and/or service conditions are satisfied. In the case where the award does not vest as the result of a failure to meet a non-vesting condition that is within the control of the Group or the employee, it is accounted for as a cancellation. In such case, the amount of the compensation cost that otherwise would be recognised over the remainder of the vesting period is recognised immediately in profit or loss upon cancellation. The employee share award reserve is transferred to retained earnings upon expiry of the share award.

2.20 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.

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.

(i) 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:

Property	–	2 to 6 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 (Note 2.9).

Notes to the Financial Statements

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.20 Leases (Cont'd)

(ii) 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.

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.

(iii) Short-term leases and leases of low-value assets

The Group applies the short-term lease recognition exemption to its short-term leases of machinery and equipment (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). It also applies the lease of low-value assets recognition exemption to leases of office equipment and property that are considered to be low value. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

As a lessor

Leases in which the Group does not transfer substantially all the risks and rewards incidental to ownership of an asset are classified as operating leases. Rental income arising is accounted for on a straight-line basis over the lease terms and is included in revenue in the statement of profit or loss 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 revenue in the period in which they are earned.

Notes to the Financial Statements

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.21 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 the 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

The Group is in the business of retail and trading of jewellery and gold. Revenue is recognised when the goods are delivered to the customer and all criteria for acceptance have been satisfied. The goods are often sold with a right of return within a stipulated period.

(b) Interest income

Interest income from loans to customers and from banks is recognised on a time-proportion basis using the effective interest method.

(c) Rental income

Rental income arising from operating leases on leasehold properties 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) Rendering of services

Revenue from the rendering of management services is recognised on an accrual basis upon rendering of services.

(e) Dividend income

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

2.22 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 authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted at the end of the reporting period, in the countries 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.

Notes to the Financial Statements

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.22 Taxes (Cont'd)

(b) Deferred tax

Deferred tax is provided using the liability method on temporary differences at the end of the reporting period 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 goodwill or of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither accounting profit nor taxable profit or loss; and

- In respect of taxable temporary differences associated with investments in subsidiaries and associates, 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 consolidation and, at the time of the transaction, affects neither accounting profit nor taxable profit or loss; and

- In respect of deductible temporary differences associated with investments in subsidiaries and associates, 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 reporting period 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 reporting period and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the end of each reporting period.

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 and deferred tax arising from a business combination is adjusted against goodwill on acquisition.

Notes to the Financial Statements

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.22 Taxes (Cont'd)

(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.

2.23 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.

2.24 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 balance sheet of the Group, except for contingent liabilities assumed in a business combination that are present obligations and which the fair values can be reliably determined.

2.25 Government grants

Government grants are recognised as a receivable when there is reasonable assurance that the grant will be received and all attached conditions will be complied with.

When the 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. When the grant relates to an asset, the fair value is recognised as deferred income on the statement of financial position and is recognised as income in equal amounts over the expected useful life of the related asset.

When loans or similar assistance are provided by governments or related institutions with an interest rate below the current applicable market rate, the effect of this favourable interest is regarded as additional government grant.

Notes to the Financial Statements

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES

The preparation of the Group's consolidated financial statements requires management to make judgements, 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 reporting period. 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 Judgements made in applying accounting policies

In the process of applying the Group's accounting policies, management has made the following judgement which has the most significant effect on the amounts recognised in the consolidated financial statements:

Income taxes

The Group has exposure to income taxes in Singapore. Significant judgement is involved in determining the Group's provision for income taxes. There are certain transactions and computations for which the ultimate tax determination is uncertain during the ordinary course of business. The Group recognises liabilities for expected tax issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recognised, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made. The carrying amounts of the Group's income tax payable and deferred tax liabilities at the end of the reporting period were $7,376,000 (2020: $6,965,000) and $2,486,000 (2020: $2,345,000) respectively.

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 reporting period 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 trade receivables

The Group uses a provision matrix to calculate ECLs for trade receivables. The provision rates are based on days past due for groupings of various customer segments that have similar loss patterns.

The provision matrix is initially based on the Group's historical observed default rates. The Group will calibrate the matrix to adjust historical credit loss experience with forward-looking information. At every reporting date, historical default rates are updated and changes in the forward-looking estimates are analysed.

The assessment of the correlation between historical observed default rates, forecast economic conditions and ECLs is a significant estimate. The amount of ECLs is sensitive to changes in circumstances and of forecast economic conditions. 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 information about the ECLs on the Group's trade receivables is disclosed in Note 32(a).

The carrying amount of trade receivables as at 31 December 2021 was $627,066,000 (2020: $433,079,000).

Notes to the Financial Statements

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES (CONT'D)

3.2 Key sources of estimation uncertainty (Cont'd)

(b) Allowance for inventories

The Group assesses periodically the allowance for inventories to record inventories at the lower of cost and net realisable value. 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 allowance for inventories. To determine whether there is objective evidence of obsolescence or decline in net realisable value, the Group estimates future demand for the product and assesses prevailing market conditions and gold prices. The carrying amount of the Group's inventories at the end of the reporting period is disclosed in Note 18 to the financial statements. If the prevailing market gold price decreases by 5%, the carrying amount of inventories stated as at 31 December 2021 would reduce by $278,000 (2020: $314,000).

(c) Valuation of pledged articles for collateralised loans of pawnbroking segment

The Group has trade receivables that are in the form of collateralised loans to customers. These loans are extended to customers based on a portion of the individual values of the corresponding pledged articles, for which individual values are assigned to each article by the Group's appraisers. Estimating the values of the articles requires the Group to make certain estimates and assumptions, including assessing prevailing market conditions and gold prices. A 5% reduction in the prevailing market gold price is not expected to have a significant impact on the Group's financial statements as at 31 December 2021 and 2020.

4. REVENUE

	Group	
	2021	**2020**
	$'000	**$'000**
Retail and trading of jewellery and gold	**212,952**	231,289
Interest income from pawnbroking services	**28,600**	28,370
Interest income from moneylending services	**33,960**	16,454
	275,512	276,113

Revenue from retail and trading of jewellery and gold is recognised at a point in time.

5. OTHER OPERATING INCOME

	Group	
	2021	**2020**
	$'000	**$'000**
Rental income from leasehold properties	**689**	706
Dividend income from other investment	**52**	52
Interest income	**523**	757
Management fee income from associates	**677**	539
Corporate guarantee fee from associates	**162**	152
Facility fee income	**2,662**	1,447
Government grants – Job support scheme ("JSS")	**461**	1,991
Government grants – Job growth incentive ("JGI")	**420**	–
Government grants – Rental support scheme ("RSS")	**916**	1,106
Reversal of allowance for expected credit losses on trade receivables	**–**	555
Others	**559**	907
	7,121	8,212

Notes to the Financial Statements

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

5. OTHER OPERATING INCOME (CONT'D)

Facility fees are charged to customers in the Group's moneylending segment, as required, for the provision of ancillary services in connection with the arrangement of credit facilities. Facility fees are non-refundable, and payable to the Group upon the customer's acceptance of the facility.

The JGI was introduced for employers that increase their overall local workforce between September 2020 and September 2022. As announced at Budget 2022 on 18 February 2022, the JGI has been extended by six months to September 2022, with stepped-down rates reflecting the improved labour market conditions. This extension will only cover mature workers aged 40 and above who have not been employed for six months or more, persons with disabilities, and ex-offenders.

The JSS was introduced to provide wage support for employers to retain their local employees (Singapore Citizens and Permanent Residents) during this period of economic uncertainty. All active employers are eligible for the JSS. Under the JSS, the Government co-funds a proportion of the first $4,600 of gross monthly wages paid to each local employee up to March 2021.

The RSS was introduced to qualifying non-residential properties to support businesses with rental costs during the two Phase 2 period and Stabilisation Phase. To provide additional support, IRAS will disburse rental support cash payouts directly to qualifying tenants and owner-occupiers under the Rental support scheme.

6. FINANCE COSTS

	Group	
	2021	**2020**
	$'000	**$'000**
Amortisation of term notes issuance expenses	**33**	103
Interest expense on:		
– Bank overdrafts	**16**	58
– Bank loans	**7,301**	5,955
– Commercial paper	**57**	–
– Term notes	**810**	2,556
– Lease liabilities	**287**	298
– Loans from directors/shareholders of subsidiaries	**64**	66
	8,568	9,036
Included in the consolidated statement of comprehensive income under:		
– Cost of sales	**6,210**	4,981
– Finance costs	**2,358**	4,055
	8,568	9,036

7. OTHER OPERATING EXPENSES

		Group	
	Note	**2021**	**2020**
		$'000	**$'000**
Allowance for inventories	18	**1**	2,699
Allowance for expected credit losses on trade receivables	19	**1,715**	–
		1,716	2,699

Notes to the Financial Statements

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

8. PROFIT BEFORE TAX

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

		Group	
	Note	2021 $'000	2020 $'000
Audit fees paid to auditor of the Company		**346**	286
Non-audit fees paid to auditor of the Company		**147**	155
Depreciation of property, plant and equipment	13	**1,592**	1,739
Amortisation of intangible assets	14	**150**	150
Depreciation of right-of-use assets	25	**5,053**	4,113
Employee benefits expense	9	**18,723**	15,601
Inventories recognised as an expense in cost of sales	18	**194,214**	211,319
Decrease/(increase) in fair value of inventories less point-of-sale costs	18	**186**	(1,695)
Lease expenses	25	**528**	517
Net fair value gain on loan from an unrelated party	24	**(26)**	(6)
Write-off of property, plant and equipment	13	**–**	2
Government grant expense		**–**	162

Government grant expense relates to the property tax rebates received from the Singapore Government that were transferred to tenants in the form of rent rebates during the financial year and rental waivers provided to eligible tenants as part of the qualifying conditions of the cash grant.

9. EMPLOYEE BENEFITS

	Group	
	2021 $'000	2020 $'000
Employee benefits expense (including directors):		
Salaries and bonuses	**16,776**	13,923
Central Provident Fund contributions	**1,513**	1,268
Other short-term benefits	**434**	410
	18,723	15,601

Notes to the Financial Statements

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

10. RELATED PARTY TRANSACTIONS

(a) Sale and purchase of goods and services

In addition to the related party information disclosed elsewhere in the financial statements, the following significant transactions between the Group and related parties took place on terms agreed between the parties during the financial year:

	Group	
	2021	**2020**
	$'000	**$'000**
Sale of goods to director-related companies	**5,540**	834
Purchase of goods from associates	**(282)**	(343)
Purchase of goods from director-related companies	**(1,900)**	(4,228)
Dividend received from associates	**987**	130
Rental paid to director-related companies	**(584)**	(482)
Rental paid to a director and spouse	**(86)**	(83)
Interest received from associates	**517**	669
Interest paid/payable on term notes held by directors	**(389)**	(1,224)
Performance guarantee fee paid to holding company	**(192)**	–

The Group has sale and purchase transactions with director-related companies, wherein these companies are controlled by close family members of Mr Yeah Hiang Nam, a director of the Company. These sale and purchase transactions are based on the bid price quotation of gold, and are due and payable under normal payment terms.

(b) Compensation of key management personnel

	Group	
	2021	**2020**
	$'000	**$'000**
Short-term employee benefits	**3,914**	3,304
Central Provident Fund contributions	**94**	93
Total compensation paid to key management personnel	**4,008**	3,397
Comprise amounts paid to:		
Directors of the Company	**2,930**	2,494
Other key management personnel	**1,078**	903
	4,008	3,397

Notes to the Financial Statements

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

11. INCOME TAX EXPENSE

(a) *Major components of income tax expense*

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

	Group	
	2021	**2020**
	$'000	**$'000**
Current income tax		
Current income taxation	**7,666**	5,420
Over provision in respect of previous years	**(297)**	(88)
	7,369	5,332
Deferred tax		
Origination and reversal of temporary differences	**18**	139
Under provision in respect of previous years	**123**	372
	141	511
Income tax expense recognised in profit or loss	**7,510**	5,843

(b) *Relationship between tax expense and accounting profit*

A reconciliation between tax expense and the product of accounting profit multiplied by the applicable corporate tax rate for the years ended 31 December 2021 and 2020 is as follows:

	Group	
	2021	**2020**
	$'000	**$'000**
Profit before tax	**49,600**	40,447
Tax at the domestic rates applicable to profits in the countries where the Group operates	**8,500**	6,941
Adjustments:		
– Non-deductible expenses	**201**	240
– Income not subject to taxation	**(315)**	(374)
– Effect of partial tax exemption and tax relief	**(43)**	(289)
– (Over)/under provision in respect of previous years	**(174)**	284
– Share of results of associates	**(665)**	(942)
– Others	**6**	(17)
Income tax expense recognised in profit or loss	**7,510**	5,843

The above reconciliation is prepared by aggregating separate reconciliations for each national jurisdiction.

Notes to the Financial Statements

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

11. INCOME TAX EXPENSE (CONT'D)

(c) Deferred tax

	Group	
	2021	**2020**
	$'000	**$'000**
Balance at 1 January	**2,345**	1,834
Movement during the year	**141**	511
Balance at 31 December	**2,486**	2,345

Deferred tax as at 31 December relates to the following:

	Group		Company	
	2021	**2020**	**2021**	**2020**
	$'000	**$'000**	**$'000**	**$'000**
Deferred tax liabilities				
Differences in depreciation for tax purposes	**188**	185	**–**	–
Unremitted interest income from an associate	**663**	460	**663**	460
Fair value adjustments on acquisitions of subsidiaries	**1,635**	1,700	**–**	–
	2,486	2,345	**663**	460

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 34).

12. EARNINGS PER SHARE

Basic earnings per share amounts is calculated by dividing the profit for the year attributable to owners of the Company by the weighted average number of ordinary shares outstanding during the financial year.

	Group	
	2021	**2020**
Profit for the year attributable to owners of the Company ($'000)	**41,511**	33,873
Weighted average number of ordinary shares outstanding for basic and diluted earnings per share computation ('000)*	**650,571**	565,012
Basic and diluted earnings per share (cents)	**6.38**	6.00

* The weighted average number of shares takes into account the weighted average effect of the issuance of shares pursuant to the rights issue in 2021 and the issuance of shares pursuant to the Company's scrip dividend scheme in 2020.

The diluted earnings per share are the same as the basic earnings per share as there were no outstanding convertible securities for the financial years ended 31 December 2021 and 2020.

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13. PROPERTY, PLANT AND EQUIPMENT

	Leasehold properties $'000	Motor vehicle $'000	Machinery, tools, office equipment and computers $'000	Furniture and fittings $'000	Renovations $'000	Total $'000
Group						
Cost						
At 1 January 2020	30,057	78	3,969	990	2,730	37,824
Additions	–	–	322	66	194	582
Acquisition of subsidiary	950	–	121	29	84	1,184
Written off	–	–	(2)	–	–	(2)
At 31 December 2020 and 1 January 2021	**31,007**	**78**	**4,410**	**1,085**	**3,008**	**39,588**
Additions	**1,312**	**–**	**546**	**296**	**297**	**2,451**
At 31 December 2021	**32,319**	**78**	**4,956**	**1,381**	**3,305**	**42,039**
Accumulated depreciation						
At 1 January 2020	4,110	52	3,095	642	2,235	10,134
Charge for the year	767	15	549	156	252	1,739
Acquisition of subsidiary	–	–	121	29	84	234
At 31 December 2020 and 1 January 2021	**4,877**	**67**	**3,765**	**827**	**2,571**	**12,107**
Charge for the year	**812**	**11**	**428**	**133**	**208**	**1,592**
At 31 December 2021	**5,689**	**78**	**4,193**	**960**	**2,779**	**13,699**
Net carrying amount						
At 31 December 2020	26,130	11	645	258	437	27,481
At 31 December 2021	**26,630**	**–**	**763**	**421**	**526**	**28,340**

	Machinery, tools, office equipment and computers $'000	Furniture and fittings $'000	Renovations $'000	Total $'000
Company				
Cost				
At 1 January 2020, 31 December 2020 and 1 January 2021	**391**	**34**	**71**	**496**
Additions	**61**	**–**	**–**	**61**
At 31 December 2021	**452**	**34**	**71**	**557**
Accumulated depreciation				
At 1 January 2020	331	31	65	427
Charge for the year	39	2	4	45
At 31 December 2020 and 1 January 2021	**370**	**33**	**69**	**472**
Charge for the year	**24**	**1**	**2**	**27**
At 31 December 2021	**394**	**34**	**71**	**499**
Net carrying amount				
At 31 December 2020	21	1	2	24
At 31 December 2021	**58**	**–**	**–**	**58**

Notes to the Financial Statements

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

13. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

Assets pledged as security

A fixed and floating charge has been placed on property, plant and equipment with a carrying amount of $27,327,000 (2020: $26,448,565) as security for bank borrowings (Note 24).

14. INTANGIBLE ASSETS

	Money lending licences $'000	Lease assignment fees $'000	Total $'000
Group			
Cost			
At 1 January 2020, 31 December 2020 and 1 January 2021	**43**	**665**	**708**
Additions	**267**	**–**	**267**
At 31 December 2021	**310**	**665**	**975**
Accumulated amortisation			
At 1 January 2020	–	240	240
Charge for the year	–	150	150
At 31 December 2020 and 1 January 2021	**–**	**390**	**390**
Charge for the year	**–**	**150**	**150**
At 31 December 2021	**–**	**540**	**540**
Net carrying amount			
At 31 December 2020	43	275	318
At 31 December 2021	**310**	**125**	**435**

Moneylending licences

Moneylending licences, as issued by the Registry of Moneylenders in Singapore, were acquired when the Group acquired the subsidiaries, VM Credit Pte Ltd in 2014 and Hersing Credit Pte Ltd in the current year (Note 15).

Impairment testing of moneylending licences

Impairment testing of moneylending licences has been done by comparing the carrying amount with its recoverable amount.

In the Group's impairment assessment, management has considered the profitability and solvency of the underlying business unit to which the moneylending licence is attributable to.

Lease assignment fees

Lease assignment fees refer to payments to third parties for the transfer of leases to the Group and are amortised over the remaining lease periods.

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FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

15. INVESTMENTS IN SUBSIDIARIES

	Company 2021 $'000	Company 2020 $'000
Shares, at cost	**79,339**	74,159
Impairment losses	**(3,537)**	(3,537)
	75,802	70,622

The Company carried out a review of the recoverable amounts of its investments in subsidiaries and recognised an impairment loss of Nil (2020: $3,537,000) for the year. The impairment loss in the previous year relate to certain subsidiaries that changed their principal activities and were expected to have a lower level of operations in the future. The recoverable amounts of these investments were based on the estimated fair value of the net identifiable assets of the subsidiaries.

The Group has the following subsidiaries as at 31 December:

Name of subsidiaries	Country of incorporation and place of business	Principal activities	Proportion (%) of ownership interest 2021	2020
Held by the Company				
Ban Soon Pawnshop Pte Ltd[1]	Singapore	Pawnbroking	**50.55**	50.55
ValueMax Pawnshop Pte Ltd[1]	Singapore	Pawnbroking	**100.00**	100.00
ValueMax Pawnshop (BD) Pte Ltd[1]	Singapore	Pawnbroking	**97.70**	97.70
ValueMax Pawnshop (PR) Pte Ltd[1]	Singapore	Pawnbroking	**90.89**	90.89
ValueMax Pawnshop (SG) Pte Ltd[1]	Singapore	Pawnbroking	**100.00**	100.00
ValueMax Pawnshop (CCK) Pte Ltd[1]	Singapore	Pawnbroking	**78.75**	78.75
ValueMax Pawnshop (WL) Pte Ltd[1]	Singapore	Pawnbroking	**97.50**	97.50
ValueMax Pawnshop (EL) Pte Ltd[1]	Singapore	Pawnbroking	**100.00**	100.00
ValueMax Pawnshop (JP) Pte Ltd[1]	Singapore	Pawnbroking	**100.00**	100.00
Teck Chong Pawnshop Pte Ltd[1]	Singapore	Property holding and provision of management services	**100.00**	100.00
VM Worldwide Services Pte Ltd[1]	Singapore	Remittance services	**100.00**	100.00
Heng Leong Pawnshop (Pte) Ltd[1]	Singapore	Property holding	**100.00**	100.00

Notes to the Financial Statements

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

15. INVESTMENTS IN SUBSIDIARIES (CONT'D)

Name of subsidiaries	Country of incorporation and place of business	Principal activities	Proportion (%) of ownership interest 2021	Proportion (%) of ownership interest 2020
Held by the Company (cont'd)				
ValueMax Retail Pte Ltd[1]	Singapore	Retail sale of jewellery	**100.00**	100.00
ValueMax Management Pte Ltd[1]	Singapore	Provision of management services	**100.00**	100.00
ValueMax International Pte Ltd[1]	Singapore	Provision of management services	**100.00**	100.00
ValueMax Corporate Services Pte Ltd[1]	Singapore	Provision of business management and consultancy services	**100.00**	100.00
ValueMax Precious Metals Pte Ltd[1]	Singapore	Trading of gold	**100.00**	100.00
ValueMax Executives Pte Ltd[1]	Singapore	Provision of management services	**100.00**	100.00
ValueMax Properties Pte Ltd[1]	Singapore	Property holding and provision of IT services	**100.00**	100.00
VM Cash Services Pte Ltd[1]	Singapore	Property holding	**100.00**	100.00
Spring Jewellery (SG) Pte Ltd[1]	Singapore	Retail sale of jewellery	**100.00**	100.00
VM Credit Pte Ltd[1]	Singapore	Licensed moneylending	**100.00**	100.00
VM Capital Pte Ltd[1]	Singapore	Moneylending	**100.00**	100.00
VM AutoFinance Pte Ltd[1]	Singapore	Car financing	**100.00**	100.00
VMM Holdings Sdn Bhd[2]	Malaysia	Investment holding	**100.00**	100.00
Thye Lian Pawnshop Pte Ltd[1]	Singapore	Pawnbroking	**100.00**	100.00
Hersing Credit Pte Ltd[1][3]	Singapore	Moneylending	**100.00**	–

(1) Audited by Ernst & Young LLP, Singapore

(2) Audited by RSM Malaysia

(3) Acquired during the financial year. On 9 February 2022, the subsidiary changed its name to VM Money Pte Ltd

Notes to the Financial Statements

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15. INVESTMENTS IN SUBSIDIARIES (CONT'D)

The Group has the following subsidiaries that have non-controlling interests ("NCI") that are material to the Group:

Name of subsidiaries	Principal place of business	Proportion (%) of ownership interest held by NCI 2021	2020
Pawnbroking subsidiaries:			
Ban Soon Pawnshop Pte Ltd	Singapore	**49.45**	49.45
ValueMax Pawnshop (BD) Pte Ltd	Singapore	**2.30**	2.30
ValueMax Pawnshop (PR) Pte Ltd	Singapore	**9.11**	9.11
ValueMax Pawnshop (WL) Pte Ltd	Singapore	**2.50**	2.50
ValueMax Pawnshop (CCK) Pte Ltd	Singapore	**21.25**	21.25

Summarised financial information of subsidiaries with material NCI

Summarised aggregated financial information including consolidation adjustments but before intercompany eliminations of subsidiaries with material NCI are as follows:

Summarised statements of financial position

	Subsidiaries with material NCI 2021 $'000	2020 $'000
Current		
Assets	**65,533**	59,125
Liabilities	**(41,548)**	(33,585)
Net current assets	**23,985**	25,540
Non-current		
Assets	**4,843**	5,153
Liabilities	**(4,300)**	(3,456)
Net non-current assets	**543**	1,697
Net assets	**24,528**	27,237

Summarised statements of comprehensive income

	Subsidiaries with material NCI 2021 $'000	2020 $'000
Revenue	**15,881**	13,639
Profit before income tax	**3,824**	4,091
Income tax expense	**(601)**	(609)
Profit after tax, representing total comprehensive income	**3,223**	3,482

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15. INVESTMENTS IN SUBSIDIARIES (CONT'D)

Summarised financial information of subsidiaries with material NCI (Cont'd)

Other summarised information

	Subsidiaries with material NCI	
	2021	**2020**
	$'000	**$'000**
Net cash flows (used in)/generated from operating activities	**(603)**	15,871
Profit allocated to NCI during the reporting period	**579**	731
Accumulated NCI at the end of reporting period	**5,084**	5,250
Dividends paid to NCI	**(745)**	(489)

Acquisition of subsidiary

Acquisition of Hersing Credit Pte Ltd

On 8 December 2021, the Company acquired the entire equity interest in Hersing Credit Pte Ltd ("HCPL") for a cash consideration of $280,000. Consequent to the acquisition, HCPL became a wholly-owned subsidiary of the Group.

The Group acquired HCPL in order to expand the Group's market reach and customer base.

The fair value of the identifiable assets and liabilities of HCPL as at the acquisition date were:

	Fair value recognised on acquisition $'000
Trade and other receivables	9
Prepaid operating expenses	2
Cash and cash equivalent	21
Intangible asset	267
	299
Trade and other payable	(19)
Total identifiable net assets at fair value, representing total consideration transferred	280
Effect of the acquisition of HCPL on cash flows	
Cash paid	280
Less: Cash and cash equivalents of subsidiary acquired	(21)
Net cash outflow on acquisition	259

Impact of the acquisition on profit or loss

As the acquisition of HCPL was completed on 8 December 2021, its contribution to both revenue and profit of the Group was insignificant. If acquisition had taken place at the beginning of the year, the Group's revenue would have increased by $1,000 and the Group's profit, net of tax, would be decreased by $32,000 for the financial year ended 31 December 2021.

Notes to the Financial Statements

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15. INVESTMENTS IN SUBSIDIARIES (CONT'D)

Acquisition of subsidiary (Cont'd)

Acquisition of Thye Lian Pawnshop Pte Ltd

On 21 December 2020, the Company acquired the entire equity interest in Thye Lian Pawnshop Pte Ltd ("TLP") for a cash consideration of $3,964,000. Consequent to the acquisition, Thye Lian became a wholly-owned subsidiary of the Group.

The Group acquired TLP in order to expand the Group's market reach and customer base.

The fair value of the identifiable assets and liabilities of TLP as at the acquisition date were:

	Fair value recognised on acquisition $'000
Property, plant and equipment	950
Trade and other receivables	1,606
Prepaid operating expenses	4
Cash and cash equivalent	1,831
Inventory	119
	4,510
Trade and other payable	(126)
Other liabilities	(22)
Income tax payable	(3)
Deferred tax liabilities	(150)
	(301)
Total identifiable net assets at fair value	4,209
Excess of fair value over consideration of interest acquired in a subsidiary	(245)
Cash paid, representing total consideration transferred	3,964
Effect of the acquisition of TLP on cash flows	
Cash paid	3,964
Less: Cash and cash equivalents of subsidiary acquired	(1,831)
Net cash outflow on acquisition	2,133

Impact of the acquisition on profit or loss

As the acquisition of TLP was completed on 21 December 2020, its contribution to both revenue and profit of the Group was insignificant. If business combination had taken place at the beginning of the year, the Group's revenue would have increased by $525,000 and the Group's profit, net of tax, would be increased by $37,000 for the financial year ended 31 December 2020.

Notes to the Financial Statements

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

16. INVESTMENTS IN ASSOCIATES

The Group's investments in associates are summarised below:

	Group		Company	
	2021	**2020**	**2021**	**2020**
	$'000	**$'000**	**$'000**	**$'000**
Pawnbroking associates	**13,537**	12,545	**1,002**	1,002
Retail associates	**6,629**	5,784	**–**	–
Other associates	**5,872**	5,064	**–**	–
	26,038	23,393	**1,002**	1,002

Name of associates	Country of incorporation and place of business	Principal activities	Proportion (%) of ownership interest 2021	2020
Held by the Company				
Soon Hong Pawnshop Pte Ltd[1]	Singapore	Pawnbroking	**50.00**	50.00
Held through VMM Holdings Sdn. Bhd.				
SYT Pavilion Sdn Bhd[2]	Malaysia	Investment holding	**49.46**	49.46
Kedai Pajak Well Chip Sdn Bhd[2]	Malaysia	Pawnbroking	**49.35**	49.35
Thye Shing Pawnshop Sdn Bhd[2]	Malaysia	Pawnbroking	**49.35**	49.35
Kedai Emas Well Chip Sdn Bhd[2]	Malaysia	Retail and trading of jewellery	**49.35**	49.35
Held through SYT Pavilion Sdn. Bhd.				
Pajak Gadai Bintang Sdn Bhd[2]	Malaysia	Pawnbroking	**49.46**	49.46
Pajak Gadai Shinegold Sdn Bhd[2]	Malaysia	Pawnbroking	**49.46**	49.46
Pajak Gadai Grand Chip Sdn Bhd[2]	Malaysia	Pawnbroking	**49.46**	49.46
Pajak Gadai Berlian Sdn Bhd[2]	Malaysia	Pawnbroking	**49.46**	49.46
Pajak Gadai Cahaya Damai Sdn Bhd[2]	Malaysia	Pawnbroking	**49.46**	49.46
Pajak Gadai Jubli Intan Sdn Bhd[2]	Malaysia	Pawnbroking	**49.46**	49.46
Pajak Gadai Mutiara Pesona Sdn Bhd[2]	Malaysia	Pawnbroking	**49.46**	49.46
Pajak Gadai Rubi Kristal Sdn Bhd[2]	Malaysia	Pawnbroking	**49.46**	49.46

Notes to the Financial Statements

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16. INVESTMENTS IN ASSOCIATES (CONT'D)

Name of associates	Country of incorporation and place of business	Principal activities	Proportion (%) of ownership interest 2021	2020
Held through SYT Pavilion Sdn. Bhd. (cont'd)				
Pajak Gadai Fajar Tebrau Sdn Bhd(2)	Malaysia	Pawnbroking	**49.46**	49.46
Pajak Gadai Nilam Sdn Bhd(2)	Malaysia	Pawnbroking	**49.46**	49.46
Pajak Gadai Delima Sdn Bhd(2)	Malaysia	Pawnbroking	**49.46**	49.46
Swift Paragon Sdn Bhd(2)	Malaysia	Moneylending	**49.46**	49.46
Well Chip (1) Sdn Bhd(2)	Malaysia	Retail sale of jewellery	**49.46**	49.46
Well Chip (2) Sdn Bhd(2)	Malaysia	Retail sale of jewellery	**49.46**	49.46
Well Chip (3) Sdn Bhd(2)	Malaysia	Retail sale of jewellery	**49.46**	49.46

(1) Audited by Teo Liang Chye & Co., Singapore

(2) Audited by RSM Malaysia

The activities of the associates are strategic to the Group's activities.

Aggregate information about the Group's investments in associates that are not individually material are as follows:

	Group 2021 $'000	2020 $'000
Profit for the year, representing total comprehensive income for the year	**1,734**	2,108

Notes to the Financial Statements

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16. INVESTMENTS IN ASSOCIATES (CONT'D)

Summarised statements of financial position

The following tables summarise the financial information in respect of the Group's material pawnbroking and retail associates based on their SFRS(I) financial statements and a reconciliation with the carrying amount of the investment in the consolidated financial statements are as follows:

	Pawnbroking associates		Retail associate	
	2021	**2020**	**2021**	**2020**
	$'000	**$'000**	**$'000**	**$'000**
Current assets	**66,503**	66,767	**20,757**	14,385
Non-current assets	**517**	289	**469**	92
Total assets	**67,020**	67,056	**21,226**	14,477
Current liabilities	**(39,586)**	(41,880)	**(7,797)**	(3,012)
Non-current liabilities	**(260)**	(15)	**(250)**	–
Total liabilities	**(39,846)**	(41,895)	**(8,047)**	(3,012)
Net assets	**27,174**	25,161	**13,179**	11,465
Group's share of net assets based on the respective proportion of the Group's ownership in the associates	**13,434**	12,441	**6,504**	5,658
Other adjustments	**103**	104	**125**	126
Carrying amount of the investments	**13,537**	12,545	**6,629**	5,784

Summarised statements of comprehensive income

	Pawnbroking associates		Retail associate	
	2021	**2020**	**2021**	**2020**
	$'000	**$'000**	**$'000**	**$'000**
Revenue	**16,527**	16,954	**16,195**	22,867
Profit after tax, representing total comprehensive income	**4,155**	4,336	**1,862**	4,774

17. OTHER INVESTMENT

	Group and Company	
	2021	**2020**
	$'000	**$'000**
At fair value through other comprehensive income		
– Equity security (unquoted)		
Ban Seng Pawnshop Pte Ltd	**688**	688

The Group has elected to measure this equity security at FVOCI due to the Group's intention to hold this equity instrument for long-term appreciation.

The Group recognised a dividend of $52,000 (2020: $52,000) from Ban Seng Pawnshop Pte Ltd during the financial year ended 31 December 2021.

Notes to the Financial Statements

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

18. INVENTORIES

	Group	
	2021 $'000	2020 $'000
Consolidated statement of financial position:		
Commodity inventories at fair value	**8,005**	11,937
Other inventories at the lower of cost and net realisable value	**70,227**	62,140
	78,232	74,077

	Group	
	2021 $'000	2020 $'000
Consolidated statement of comprehensive income:		
Recognised in the statement of comprehensive income		
– Inventories recognised as an expense in cost of sales	**194,214**	211,319
– Allowance for inventories	**1**	2,699
– Decrease/(increase) in fair value of inventories less point-of-sale costs	**186**	(1,695)

A floating charge has been placed on the inventories with a carrying value of $78,227,000 (2020: $73,959,000) as security for bank borrowings (Note 24).

19. TRADE AND OTHER RECEIVABLES

	Group		Company	
	2021 $'000	2020 $'000	2021 $'000	2020 $'000
Trade and other receivables (current)				
Trade receivables	**364,349**	303,001	**–**	–
Other receivables	**1,329**	1,032	**512**	659
Deposits	**495**	528	**9**	9
Loans to subsidiaries	**–**	–	**162,424**	163,956
Loans to associates	**10,078**	7,941	**10,078**	7,941
Amounts due from subsidiaries (trade)	**–**	–	**1,566**	580
Amounts due from subsidiaries (non-trade)	**–**	–	**12,833**	8,251
Amounts due from associates (trade)	**659**	520	**62**	39
Amounts due from associates (non-trade)	**751**	971	**669**	887
	377,661	313,993	**188,153**	182,322
Trade and other receivables (non-current)				
Trade receivables	**262,717**	130,078	**–**	–
Deposits	**1,191**	1,070	**–**	–
	263,908	131,148	**–**	–
Total trade and other receivables (current and non-current)	**641,569**	445,141	**188,153**	182,322
Add:				
Cash and bank balances (Note 21)	**14,601**	11,818	**4,283**	82
Total financial assets carried at amortised cost	**656,170**	456,959	**192,436**	182,404

Trade and other receivables denominated in foreign currency at 31 December are as follows:

Malaysia Ringgit ("MYR")	**162**	120	**2,764**	3,914
United State Dollars ("USD")	**359**	–	**–**	–

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FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

19. TRADE AND OTHER RECEIVABLES (CONT'D)

A floating charge has been placed on trade and other receivables with a carrying value of $599,098,000 (2020: $426,541,000) as security for bank borrowings (Note 24).

Trade receivables – Pawnbroking

Loans to customers in the pawnbroking segment are loans which are interest-bearing at rates ranging between 1.0% to 1.5% for the first two months and 1.5% for the subsequent 6 months (2020: 1.0% for the first month and 1.5% for the subsequent 7 months). The quantum of loans granted to customers is based on a portion of the value of the articles pledged to the Group. The Group may repossess unredeemed pledged articles after eight months.

Trade receivables – Secured and unsecured moneylending

Secured loans to customers in the moneylending segment are loans which are interest-bearing at rates ranging from 5.0% to 12.0% (2020: 6.0% to 12.0%) per annum. The quantum of loans granted to customers is based on a portion of the value of the assets pledged to the Group.

Unsecured loans to customers in the moneylending segment are loans which are interest-bearing at rates ranging from 9.6% to 48.0% (2020: 12.0% to 47.0%) per annum.

Trade receivables – Gold trading

Receivables from customers in the gold trading segment are non-interest bearing and are generally repayable on demand. They are recognised at their original invoice amounts which represent their fair values on initial recognition.

Related party balances

Amounts due from subsidiaries, associates and director-related companies are unsecured, non-interest bearing, repayable on demand and are to be settled in cash.

Loans to associates are unsecured, interest bearing at rates ranging from 3.0% to 6.0% (2020: 3.6% to 8.0%) per annum, repayable on demand and are to be settled in cash.

Loans to subsidiaries are unsecured, interest bearing at rates ranging from 3.0% to 5.0% (2020: 3.0% to 5.0%) per annum, repayable on demand and are to be settled in cash.

Expected credit losses

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

	Group	
	2021	**2020**
	$'000	**$'000**
Movement in allowance accounts:		
At 1 January	1,047	3,056
Charge/(reversal) for the year	1,715	(555)
Written off	(473)	(1,454)
At 31 December	2,289	1,047

Notes to the Financial Statements

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

19. TRADE AND OTHER RECEIVABLES (CONT'D)

Receivables subject to offsetting arrangements

The Group regularly purchases and sells commodity inventories with one of its customers. Both parties have an arrangement to settle the net amount due to or from each other on a 30 days' term basis.

The Group's trade receivables and trade payables that are offset are as follows:

31 December 2021	**Gross carrying amounts $'000**	**Gross amounts offset in the statement of financial position $'000**	**Net amounts in the statement of financial position $'000**
Trade receivables	**1,008**	**(6)**	**1,002**
Trade payables	**6**	**(6)**	**–**

31 December 2020	**Gross carrying amounts $'000**	**Gross amounts offset in the statement of financial position $'000**	**Net amounts in the statement of financial position $'000**
Trade receivables	3,873	(3,065)	808
Trade payables	3,065	(3,065)	–

20. DERIVATIVE ASSETS

	Group	
	2021 $'000	**2020 $'000**
Derivatives that are designated as hedging instruments carried at fair value:		
Interest rate swaps	**12**	–
Analysed as:		
Non-current	**12**	–

Interest rate swap contracts

Under interest rate swap contracts, the Group agrees to exchange the difference between fixed and floating rate interest amounts calculated on agreed notional principal amounts. Such contracts enable the Group to mitigate the risk of changing interest rates on the cash flow exposures on the issued variable rate debt. The fair value of interest rate swaps at the reporting date is determined by discounting the future cash flows using the curves at the reporting date and the credit risk inherent in the contract and is disclosed below. The average interest rate is based on the outstanding balances at the end of the reporting period.

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FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

20. DERIVATIVE ASSETS (CONT'D)

Interest rate swap contracts (cont'd)

The impact of the hedging instruments on the statement of financial position as at 31 December is as follows:

	Average contracted fixed interest rate $'000	Notional principal value $'000	Change in fair value used for calculating hedge ineffectiveness $'000	Carrying amount of the hedging instrument assets $'000
2021				
3 years	**2.15%**	**10,000**	**12**	**12**

The impact of the hedged item on the statement of financial position as at 31 December is as follows:

	Notional amount of the hedged item assets $'000	Change in value used for calculating hedge ineffectiveness $'000	Balance in cash flow hedge reserve for continuing hedges $'000	Balance in cash flow hedge reserve arising from hedging relationships for which hedge accounting is no longer applied $'000
2021				
Variable rate borrowings	**(10,000)**	**(12)**	**12**	**–**

21. CASH AND BANK BALANCES

	Group		Company	
	2021 $'000	2020 $'000	2021 $'000	2020 $'000
Cash at banks and on hand	**14,601**	11,818	**4,283**	82

Cash at banks do not earn interest.

Cash and bank balances denominated in foreign currencies as at 31 December 2021 and 2020 are not material to the financial statements.

Cash and cash equivalents

For the purpose of the consolidated statement of cash flows, cash and cash equivalents comprise the following at the end of the reporting period:

	Group	
	2021 $'000	2020 $'000
Cash and bank balances	**14,601**	11,818
Bank overdrafts (Note 24)	**(120)**	(752)
Cash and cash equivalents	**14,481**	11,066

A floating charge has been placed on cash and bank balances with a carrying value of $7,652,000 (2020: $6,766,000) as security for bank borrowings (Note 24).

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22. TRADE AND OTHER PAYABLES

	Group		Company	
	2021 $'000	2020 $'000	2021 $'000	2020 $'000
Trade and other payables (current)				
Trade payables	**10**	275	**–**	–
Other payables	**1,232**	844	**87**	70
Amounts due to subsidiaries (trade)	**–**	–	**30**	15
Amounts due to subsidiaries (non-trade)	**–**	–	**649**	11,911
Amount due to an associate (trade)	**–**	79	**–**	79
Amount due to an associate (non-trade)	**408**	192	**–**	–
Amounts due to shareholders	**19**	19	**–**	–
Loans from subsidiaries	**–**	–	**11,757**	11,298
Loans from shareholders	**3,104**	2,995	**–**	–
	4,773	4,404	**12,523**	23,373
Other payables (non-current)				
Deposits	**39**	44	**–**	–
Total trade and other payables (current and non-current)	**4,812**	4,448	**12,523**	23,373
Add:				
Accrued operating expenses (Note 23)	**5,223**	4,441	**1,793**	1,783
Interest-bearing loans and borrowings (Note 24)	**442,569**	308,927	**25,000**	55,013
Lease liabilities (Note 25)	**7,927**	7,486	**15**	43
Less:				
Loan from an unrelated party (Note 24)	**(1,742)**	(1,768)	**–**	–
Total financial liabilities carried at amortised cost	**458,789**	323,534	**39,331**	80,212

Trade and other payables denominated in foreign currencies at 31 December is as follows:

	Group 2021	Group 2020	Company 2021	Company 2020
MYR	**372**	271	**27**	10
USD	**–**	3,065	**–**	–

Trade payables amounting to $6,000 (2020: $3,065,000) were offset against trade receivables from the same counterparty (Note 19).

Trade and other payables

Trade and other payables are unsecured and non-interest bearing. Trade payables are repayable on demand while other payables are generally on 30 days' terms.

Related party balances

Amounts due to subsidiaries and an associate are unsecured, non-interest bearing, repayable on demand and are to be settled in cash.

Loans from subsidiaries are unsecured, interest bearing at 3.0% (2020: 3.0%) per annum and are repayable on demand.

Loans from shareholders are unsecured, interest bearing at rates ranging from 1.5% to 3.0% (2020: 1.5% to 3.0%) per annum and are repayable on demand.

Notes to the Financial Statements

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

23. OTHER LIABILITIES

	Group		Company	
	2021 **$'000**	**2020** **$'000**	**2021** **$'000**	**2020** **$'000**
Accrued operating expenses	**5,223**	4,441	**1,793**	1,783
Advances from customers	**817**	678	**–**	–
Deferred government grant	**–**	390	**–**	293
Deferred revenue from customer loyalty award	**–**	9	**–**	–
	6,040	5,518	**1,793**	2,076

Deferred government grant represents grants received under the job support scheme that will be recognised as grant income on a systematic basis over the months in which the related salary costs are recognised as expense in the subsequent year.

Deferred revenue from customer loyalty award represents consideration received from the sale of goods that is allocated to the points issued under the customer loyalty programme that are expected to be redeemed but are still outstanding as at the end of the reporting period. The movement in deferred revenue is as follows:

	Group	
	2021 **$'000**	**2020** **$'000**
At 1 January	**9**	15
Utilised	**(9)**	(6)
At 31 December	**–**	9

24. INTEREST-BEARING LOANS AND BORROWINGS

	Group		Company	
	2021 **$'000**	**2020** **$'000**	**2021** **$'000**	**2020** **$'000**
Current				
Loan from an unrelated party	**1,742**	1,768	**–**	–
Bank overdrafts	**120**	752	**–**	46
Commercial paper	**20,000**	–	**20,000**	–
Bank loans	**381,647**	214,524	**5,000**	5,000
Term notes	**–**	49,967	**–**	49,967
	403,509	267,011	**25,000**	55,013
Non-current				
Bank loans	**39,060**	41,916	**–**	–
Total current and non-current borrowings	**442,569**	308,927	**25,000**	55,013

Notes to the Financial Statements

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

24. INTEREST-BEARING LOANS AND BORROWINGS (CONT'D)

Loan from an unrelated party

This refers to a loan of physical gold from an unrelated third party which is unsecured, repayable on demand, and carried at fair value through profit or loss. The repayment of the loan principal is to be settled in physical gold, whereas the interest payable is to be settled in cash. The fair value of the loan is determined directly by reference to the bid price quotation of gold at the end of the reporting period.

Bank overdrafts

Bank overdrafts are repayable on demand and secured by a fixed and floating charge on all assets of certain subsidiaries and personal guarantees by certain directors of a subsidiary.

Commercial paper

During the financial year, the Company issued a $20,000,000 first tranche unsecured commercial paper under the $100 million multi-tranche unsecured commercial facility programme interest is payable on the maturity of the commercial paper on 16 February 2022.

Bank loans

Bank loans are repayable on demand, except for bank loans amounting to $48,805,000 (2020: $45,308,000) with remaining tenure ranging from 1 to 14 years (2020: 1 to 15 years). Bank loans are secured by a fixed and floating charge on all assets of certain subsidiaries, corporate guarantees by the Company and personal guarantees by certain directors of a subsidiary.

Effective interest rate

Weighted average effective annual interest rates of total borrowings at the end of the reporting period are as follows:

	Group		Company	
	2021	**2020**	**2021**	**2020**
Bank overdrafts	**4.25% to 5.00%**	1.85% to 5.00%	**–**	–
Bank loans	**2.00% to 3.50%**	2.00% to 3.90%	**2.00% to 3.50%**	2.35% to 2.36%
Commercial paper	**2.30%**	–	**2.30%**	–
Loan from an unrelated party	**2.50%**	2.50%	**–**	–

Term notes

The carrying amount of term notes at the end of the reporting period is at follows:

	Group and Company	
	2021 $'000	**2020 $'000**
Nominal value of term notes issued	**50,000**	50,000
Less: Issuance expenses	**(311)**	(311)
At date of issue	**49,689**	49,689
Cumulative amortisation of transaction costs	**311**	278
Redemption	**(50,000)**	–
Net carrying amount of term notes	**–**	49,967

Notes to the Financial Statements

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

24. INTEREST-BEARING LOANS AND BORROWINGS (CONT'D)

Term notes (cont'd)

Issue date	Interest rate	Maturity date	Group and Company 2021 $'000	2020 $'000
26 April 2018	5.10%	26 April 2021	–	49,967

During the financial year ended 31 December 2018, unsecured term notes due 2021 ("Series002 Notes") issued by the Group and the Company under the MTN Programme amounted to $50,000,000, with issuance expenses amounting to $311,000.

Interest is payable semi-annually. Unless previously redeemed or purchased and cancelled, the term notes are redeemable at the principal amounts upon maturity. The term notes were fully redeemed on 26 April 2021.

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

	1.1.2021 $'000	Net cash flows from financing activities $'000	Non-cash changes: Net fair value gain on loan from an unrelated party $'000	Amortisation of term notes issuance expenses $'000	Additions of lease liabilities $'000	Accretion of interest for lease liabilities $'000	Other $'000	31.12.2021 $'000
Loan from an unrelated party	1,768	–	(26)	–	–	–	–	1,742
Term notes								
– Current	49,967	(50,000)	–	33	–	–	–	–
Commercial paper								
– Current	–	20,000	–	–	–	–	–	20,000
Bank loans								
– Current	214,524	157,089	–	–	–	–	10,034	381,647
– Non-current	41,916	7,178	–	–	–	–	(10,034)	39,060
	308,175	134,267	(26)	33	–	–	–	442,449
Lease liabilities								
– Current	3,807	(5,343)*	–	–	–	287	5,612	4,363
– Non-current	3,679	–	–	–	5,497	–	(5,612)	3,564
Total	315,661	128,924	(26)	33	5,497	287	–	450,376

Notes to the Financial Statements

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

24. INTEREST-BEARING LOANS AND BORROWINGS (CONT'D)

			Non-cash changes					
	1.1.2020 $'000	Net cash flows from financing activities $'000	Net fair value gain on loan from an unrelated party $'000	Amortisation of term notes issuance expenses $'000	Additions of lease liabilities $'000	Accretion of interest for lease liabilities $'000	Other $'000	31.12.2020 $'000
Loan from an unrelated party	1,775	–	(7)	–	–	–	–	1,768
Term notes								
– Current	–	–	–	–	–	–	49,967	49,967
– Non-current	49,864	–	–	103	–	–	(49,967)	–
Bank loans								
– Current	241,166	(28,371)	–	–	–	–	1,729	214,524
– Non-current	14,645	29,000	–	–	–	–	(1,729)	41,916
	307,450	629	(7)	103	–	–	–	308,175
Lease liabilities								
– Current	3,566	(4,341)*	–	–	–	298	4,284	3,807
– Non-current	4,999	–	–	–	2,964	–	(4,284)	3,679
Total	316,015	(3,712)	(7)	103	2,964	298	–	315,661

* Includes interest paid of $287,000 (2020: $298,000)

The 'other' column relates to reclassification of non-current portion of term notes, bank loans and lease liabilities due to the passage of time.

25. LEASES

(a) As a lessee

The Group has lease contracts for property in relation to its outlet and office premises. Leases of property generally have lease terms ranging from one to six years. Generally, lease terms do not contain restrictions on the Group's activities concerning dividends, additional debt or further leases.

There are several lease contracts that include extension and termination options.

The Group also has certain leases of equipment with lease terms of 12 months or less and leases of equipment with low value. The Group applies the 'short-term lease' and 'lease of low-value assets' recognition exemptions for these leases.

Set out below are the carrying amounts of right-of-use assets recognised and the movements during the year:

Property	**Group**		**Company**	
	2021 $'000	**2020 $'000**	**2021 $'000**	**2020 $'000**
As at 1 January	**7,302**	8,451	**42**	93
Additions	**5,497**	2,964	**–**	–
Depreciation of right-of-use assets	**(5,053)**	(4,113)	**(28)**	(51)
As at 31 December	**7,746**	7,302	**14**	42

Notes to the Financial Statements

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

25. LEASES (CONT'D)

(a) As a lessee (cont'd)

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

Property	**Group**		**Company**	
	2021 $'000	**2020 $'000**	**2021 $'000**	**2020 $'000**
As at 1 January	**7,486**	8,565	**43**	94
Additions	**5,497**	2,964	**–**	–
Accretion of interest	**287**	298	**1**	3
Payments	**(5,343)**	(4,341)	**(29)**	(54)
As at 31 December	**7,927**	7,486	**15**	43
Current	**4,363**	3,807	**15**	28
Non-current	**3,564**	3,679	**–**	15

The maturity analysis of lease liabilities is disclosed in Note 32.

The following are the amounts recognised in profit or loss:

	Note	**Group**		**Company**	
		2021 $'000	**2020 $'000**	**2021 $'000**	**2020 $'000**
Depreciation of right-of-use assets		**5,053**	4,113	**28**	51
Interest expense on lease liabilities	6	**287**	298	**1**	3
Lease expense not capitalised in lease liabilities:					
– Short-term leases		**527**	516	**66**	34
– Leases of low-value assets		**1**	1	**–**	–
Total amount recognised in profit or loss		**5,868**	4,928	**95**	88

The Group had total cash outflows for leases of $5,871,000 in 2021 (2020: $4,858,000). The Group also had non-cash additions to right-of-use assets and lease liabilities of $5,497,000 in 2021 (2020: $2,964,000).

<u>Extension options</u>

The Group has several lease contracts that include extension options. The Group applies judgement in evaluating whether it is reasonably certain whether or not to exercise the option to extend the lease. That is, it considers all relevant factors that create an economic incentive for it to exercise the extension. After the commencement date, the Group reassesses the lease term whether there is a significant event or change in circumstances that is within its control and affects its ability to exercise or not to exercise the option to extend.

As at 31 December 2021, the potential future undiscounted cash outflows of approximately $13,314,000 (2020: $9,102,000) have not been included in lease liabilities because the Group is not reasonably certain that the leases will be extended.

Notes to the Financial Statements

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

25. LEASES (CONT'D)

(b) As a lessor

The Group has entered into operating leases on its properties. These leases have terms ranging between one to three years.

Rental income recognised during the year amounted to $689,000 (2020: $706,000).

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

	Group	
	2021 **$'000**	**2020** **$'000**
Within one year	**576**	548
After one year but not more than five years	**423**	230
	999	778

26. PROVISIONS

	Group	
	2021 **$'000**	**2020** **$'000**
Provision for restoration costs:		
At 1 January	**421**	403
Arose during the financial year	**87**	18
At 31 December	**508**	421

Provision for restoration costs is the estimated costs to dismantle or remove plant and equipment or restore leased premises to their original condition upon the expiry of leases.

27. SHARE CAPITAL AND TREASURY SHARES

	No. of ordinary shares		Amount	
Group and Company	**Issued share capital '000**	**Treasury shares '000**	**Share capital $'000**	**Treasury shares $'000**
Balance at 1 January 2021	**582,106**	**(100)**	**91,971**	**(26)**
Shares issued pursuant to rights issue, net of share issue expense	**116,401**	**–**	**41,774**	**–**
Balance at 31 December 2021	**698,507**	**(100)**	**133,745**	**(26)**
Balance at 1 January 2020	555,411	(100)	84,230	(26)
Shares issued under scrip dividend scheme	26,695	–	7,741	–
Balance at 31 December 2020	582,106	(100)	91,971	(26)

Notes to the Financial Statements

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27. SHARE CAPITAL AND TREASURY SHARES (CONT'D)

The holders of ordinary shares (except treasury shares) are entitled to receive dividends as and when declared by the Company. All ordinary shares (except treasury shares) carry one vote per share without restrictions. The ordinary shares have no par value.

On 31 May 2021, the Company issued 116,401,000 ordinary shares pursuant to a non-renounceable, non-underwritten rights issue.

During the financial year ended 31 December 2020, the Company issued 26,695,000 ordinary shares under the Company's scrip dividend scheme.

Treasury shares relate to ordinary shares of the Company that is held by the Company.

28. OTHER RESERVES

		Group	
	Note	**2021**	**2020**
		$'000	**$'000**
Capital reserve	(a)	**2,025**	2,025
Merger reserve	(b)	**(7,599)**	(7,599)
Foreign currency translation reserve	(c)	**(1,243)**	(1,003)
Cash flow hedge reserve	(d)	**12**	–
		(6,805)	(6,577)

(a) Capital reserve

The capital reserve arose from the issuance of bonus shares by subsidiaries and the disposal of shares of a subsidiary without loss of control.

(b) Merger reserve

The merger reserve represents the difference between the consideration paid and the share capital of the subsidiaries when entities under common control are accounted for by applying the pooling of interest method, as described in Note 2.4 of the financial statements.

(c) 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.

(d) Cash flow hedge reserve

The cash flow hedge reserve comprises the cumulative net change in the fair value of hedging instruments. Amounts accumulated in the reserve are reclassified in the periods when the hedged item affects profit or loss.

29. CONTINGENCIES

Guarantees

The Group has provided corporate guarantees to banks for an aggregate amount of $16,031,000 (2020: $14,607,000) in respect of bank facilities utilised by certain associates.

The Company has provided corporate guarantees to banks for an aggregate amount of $456,857,000 (2020: $271,798,000) in respect of bank facilities utilised by certain subsidiaries and associates.

Notes to the Financial Statements

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

30. 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 at 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 reporting period:

		Fair value measurements at the end of the reporting period using			
	Note	**Quoted prices in active markets for identical instruments (Level 1) $'000**	**Significant observable inputs other than quoted prices (Level 2) $'000**	**Significant un-observable inputs (Level 3) $'000**	**Total $'000**
Group					
2021					
Assets measured at fair value					
Financial assets:					
Equity security at FVOCI					
Derivative assets	20	**–**	**12**	**–**	**12**
Unquoted equity security	17	**–**	**–**	**688**	**688**
		–	**12**	**688**	**700**
Non-financial assets:					
Commodity inventories	18	**8,005**	**–**	**–**	**8,005**
Liabilities measured at fair value					
Non-financial liabilities:					
Loan from an unrelated party	24	**(1,742)**	**–**	**–**	**(1,742)**

Notes to the Financial Statements

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

30. FAIR VALUE OF ASSETS AND LIABILITIES (CONT'D)

(b) *Assets and liabilities measured at fair value (Cont'd)*

		Fair value measurements at the end of the reporting period using			
	Note	**Quoted prices in active markets for identical instruments (Level 1) $'000**	**Significant observable inputs other than quoted prices (Level 2) $'000**	**Significant un-observable inputs (Level 3) $'000**	**Total $'000**
Group					
2020					
Assets measured at fair value					
Financial assets:					
Equity security at FVOCI					
Unquoted equity security	17	–	–	688	688
Non-financial assets:					
Commodity inventories	18	11,937	–	–	11,937
Liabilities measured at fair value					
Non-financial liabilities:					
– Loan from an unrelated party	24	(1,768)	–	–	(1,768)

(c) *Fair value measurements*

Commodity inventories at fair value

The fair value as disclosed in the table above is determined based on an assessment of the purity of gold and the bid price quotation of gold at the end of the reporting period.

Loan from an unrelated party

The fair value as disclosed in the table above is determined directly by reference to the bid price quotation of gold at the end of the reporting period.

Derivative assets

The fair value is determined using the present value of the estimated future cash flows based on quoted swap rates, future plans and interbank borrowing rates.

Notes to the Financial Statements

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

30. FAIR VALUE OF ASSETS AND LIABILITIES (CONT'D)

(c) Fair value measurements (Cont'd)

Unquoted equity security

The fair value of the unquoted equity security is determined using the dividend discount model, adjusted for factors such as the cost of equity and lack of market liquidity.

In selecting appropriate valuation models and inputs to be adopted for each valuation that uses significant unobservable inputs, management will calibrate the valuation models and inputs to actual market transactions that are relevant to the valuation if such information are reasonably available. For valuations that are sensitive to the unobservable inputs used, management will use a minimum of two valuation approaches to allow for cross-checks.

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.

31. SEGMENT 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 products sold and services rendered. 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 four operating business segments, namely:

(a) Pawnbroking;
(b) Retail and trading of jewellery and gold;
(c) Moneylending; and
(d) Other operations including investment holding and provision of other support services.

Allocation basis

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

Segment revenue, expenses and results include transfers between business segments. These transfers are eliminated on consolidation.

Non-cash items are not material to the financial statements and have not been separately presented.

Geographical information

As the Group's business activities are mainly conducted in Singapore, with its non-current assets mainly located in Singapore, information about geographical areas is not relevant to the Group.

Information about major customers

Revenue from ten major customers amounted to $124,511,000 (2020: $183,248,000), arising from the retail and trading of jewellery and gold segment.

Notes to the Financial Statements

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31. SEGMENT INFORMATION (CONT'D)

	Pawnbroking $'000	Retail and trading of jewellery and gold $'000	Moneylending $'000	Others $'000	Adjustments and eliminations $'000	Note	Group $'000
Period from 1 January 2021 to 31 December 2021							
Revenue from external customers	**28,600**	**212,952**	**33,960**	**–**	**–**		**275,512**
Inter-segment revenue	**26,577**	**–**	**–**	**–**	**(26,577)**	**A**	**–**
Results:							
Interest income	**–**	**–**	**–**	**7,935**	**(7,412)**	**A**	**523**
Allowance for inventories	**–**	**(1)**	**–**	**–**	**–**		**(1)**
Allowance for expected credit losses on trade receivables	**(673)**	**–**	**(1,042)**	**–**	**–**		**(1,715)**
Finance cost	**(2,526)**	**(762)**	**(3,755)**	**(1,525)**	**–**		**(8,568)**
Share of results of associates	**–**	**–**	**–**	**3,910**	**–**		**3,910**
Segment profit	**9,369**	**8,582**	**20,967**	**6,772**	**3,910**	**B**	**49,600**
Assets:							
Investments in associates	**–**	**–**	**–**	**26,038**	**–**		**26,038**
Segment assets	**225,285**	**82,363**	**425,142**	**141,934**	**(75,601)**	**C**	**799,123**
Segment liabilities	**147,570**	**47,295**	**217,860**	**47,203**	**11,790**	**D**	**471,718**

Notes to the Financial Statements

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

31. SEGMENT INFORMATION (CONT'D)

	Pawnbroking $'000	Retail and trading of jewellery and gold $'000	Moneylending $'000	Others $'000	Adjustments and eliminations $'000	Note	Group $'000
Year ended 31 December 2020							
Revenue from external customers	28,370	231,289	16,454	–	–		276,113
Inter-segment revenue	16,750	–	–	–	(16,750)	A	–
Results:							
Interest income	–	–	–	7,922	(7,165)	A	757
Allowance for inventories	–	(2,699)	–	–	–		(2,699)
Reversal of allowance for expected credit losses on trade receivables	431	–	124	–	–		555
Finance cost	(3,005)	(668)	(1,925)	(3,438)	–		(9,036)
Share of results of associates	–	–	–	5,540	–		5,540
Segment profit	11,997	8,828	8,180	5,902	5,540	B	40,447
Assets:							
Investments in associates	–	–	–	23,393	–		23,393
Segment assets	213,248	76,712	244,324	127,501	(70,687)	C	591,098
Segment liabilities	132,518	39,570	75,606	77,777	10,639	D	336,110

Notes:

A Inter-segment revenues and income are eliminated on consolidation.

B The following items are added to segment profit to arrive at "profit before tax" presented in the consolidated statement of comprehensive income:

	Group 2021 $'000	Group 2020 $'000
Share of results of associates	**3,910**	5,540

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

	Group 2021 $'000	Group 2020 $'000
Inter-segment assets	**(75,601)**	(70,687)

Notes to the Financial Statements

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

31. SEGMENT INFORMATION (CONT'D)

Notes: (Cont'd)

D The following items are added to segment liabilities to arrive at total liabilities reported in the consolidated statement of financial position:

	Group	
	2021	**2020**
	$'000	**$'000**
Deferred tax liabilities	**1,635**	1,400
Income tax payable	**(71)**	(332)
Inter-segment liabilities	**10,226**	9,571
	11,790	10,639

32. 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 credit risk, liquidity risk, interest rate risk, foreign currency risk and market price risk. The board of directors reviews and agrees policies and procedures for the management of these risks, which are executed by the Chief Financial Officer. 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 trading in derivatives for speculative purposes shall be undertaken.

The following sections provide details regarding the Group's and the Company's exposure to the above-mentioned financial risks and the objectives, policies and processes for the management of these risks.

There has been no change to the Group's exposure to these financial risks or the manner in which it manages and measures the risks.

(a) 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 and the Company's exposure to credit risk arises primarily from trade and other receivables. For other financial assets (including cash and bank balances), the Group and the Company minimise credit risk by dealing exclusively with high credit rating counterparties.

The Group's objective is to seek continual revenue growth while minimising losses incurred due to increased credit risk exposure. The Group trades only with recognised and creditworthy third parties. It is the Group's policy that all customers who wish to trade on credit terms are subject to credit verification procedures. In addition, receivable balances are monitored on an ongoing basis with the result that the Group's exposure to bad debts is not significant.

The Group considers the probability of default upon initial recognition of financial assets 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 based on the Group's historical information, internal credit risk management practices, and statutory requirements of the Singapore Law. Default event on trade receivables from the pawnbroking segment is determined to be when the counterparty fails to make contractual payments more than eight months past due. Default event on trade receivables from the moneylending, and retail and trading of jewellery and gold segments is determined to be when the counterparty fails to make contractual payments more than 60 to 180 days past due.

Notes to the Financial Statements

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

32. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D)

(a) *Credit risk (Cont'd)*

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 forwarding-looking information which includes the following indicators:

– Internal credit rating;
– External credit rating;
– Actual or expected significant adverse changes in business, financial or economic conditions that are expected to cause a significant change to the borrower's ability to meet its obligations;
– Actual or expected significant changes in the operating results of the borrower;
– Significant increases in credit risk on other financial instruments of the same borrower;
– Significant changes in the value of the collateral supporting the obligation or in the quality of third-party guarantees or credit enhancements; and
– Significant changes in the expected performance and behaviour of the borrower, including changes in the payment status of borrowers in the group and changes in the operating results of the borrower.

Regardless of the analysis above, a significant increase in credit risk is presumed if a debtor is more than 30 days 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.

The Group assesses a loan or receivable for potential write-off based on the nature and segment of the loan or receivable. Trade receivables from the pawnbroking segment are categorised for potential write-off when a debtor fails to make contractual payments more than eight months past due. Trade receivables from the moneylending, and retail and trading of jewellery and gold segments are categorised for potential write-off when a debtor fails to make contractual payments more than 60 to 180 days past due. Financial assets are written off when there is no reasonable expectation of recovery, such as a debtor failing to engage in a repayment plan with the Group. Where loans and receivables have been written off, the Group continues to engage enforcement activity to attempt to recover the receivable due. Where recoveries are made, these are recognised in profit or loss.

The loss allowance provision for the Group's trade receivables held at amortised cost as at 31 December 2021 and 2020 reconciles to the opening loss allowance for that provision as follows:

Loss allowance provision for the Group's trade receivables

	2021 $'000	**2020 $'000**
As at 1 January	**1,047**	3,056
Loss allowance measured with the general approach:		
Lifetime ECL		
– Credit risk has increased significantly since initial recognition	**1,715**	(555)
ECL written off	**(473)**	(1,454)
As at 31 December	**2,289**	1,047

Notes to the Financial Statements

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

32. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D)

(a) Credit risk (Cont'd)

The gross carrying amount of trade receivables of the Group is disclosed in Note 19.

The following are credit risk management practices and information about amounts arising from expected credit losses for each class of financial assets.

(i) Trade receivables – Pawnbroking segment

The Group uses two categories of internal credit risk ratings for pawnbroking trade receivables which reflect their credit risk and how the loss provision is determined. These internal credit risk ratings are determined through incorporating both qualitative and quantitative information that builds on information specific to the counterparty and other external information that could affect the counterparty's behaviour.

The Group computes expected credit loss for this group of financial assets using the probability of default approach. In calculating the expected credit loss, the Group considers implied probability of default from historical non-renewal and non-redemption data, and adjusts for forward-looking macroeconomic data obtained from the monitoring process of the volatility of market prices of gold.

A summary of the Group's internal grading category used in the computation of the Group's expected credit loss model for the trade receivables from the pawnbroking segment is as follows:

Category	Definition of category	Basis for recognition of expected credit loss provision	Basis for calculating interest income
Grade I	Customers have a low risk of default and a strong capacity to meet contractual cash flows, and receivables for which there is a significant increase in credit risk; as significant increase in credit risk is presumed if interest and/or principal repayments are 30 days past due.	8-month expected credit losses which represents lifetime expected credit losses	Gross carrying amount
Grade II	Interest and/or principal repayments are eight months past due.	Lifetime expected credit losses	Amortised cost of carrying amount (net of credit loss allowance)

There are no significant changes to estimation techniques or assumptions made during the reporting period.

Notes to the Financial Statements

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

32. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D)

(a) Credit risk (Cont'd)

(ii) Trade receivables – Moneylending segment

The Group uses three categories of internal credit risk ratings for trade receivables from its moneylending business which reflect their credit risk and how the loss provision is determined. These internal credit risk ratings are determined through incorporating both qualitative and quantitative information that builds on information from the Credit Bureau Singapore supplemented with information specific to the counterparty and other external information that could affect the counterparty's behaviour.

The Group computes expected credit loss for this group of financial assets using the probability of default approach. In calculating the expected credit loss, the Group considers implied probability of default from the external rating agency where available and historical loss rates for each category of counterparty, and adjusts for forward-looking macroeconomic data such as, amongst others, GDP growth, property prices and motor vehicle prices.

A summary of the Group's internal grading category in the computation of the Group's expected credit loss model for the trade receivables from the moneylending segment is as follows:

Category	Definition of category	Basis for recognition of expected credit loss provision	Basis for calculating interest income
Grade I	Customers have a low risk of default and a strong capacity to meet contractual cash flows.	12-month expected credit losses	Gross carrying amount
Grade II	Receivables for which there is a significant increase in credit risk; as significant increase in credit risk is presumed if interest and/or principal repayments are 30 days past due.	Lifetime expected credit losses	Gross carrying amount
Grade III	Interest and/or principal repayments are 60 to 180 days past due.	Lifetime expected credit losses	Amortised cost of carrying amount (net of credit loss allowance)

There are no significant changes to estimation techniques or assumptions made during the reporting period.

Notes to the Financial Statements

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

32. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D)

(a) Credit risk (Cont'd)

(iii) Trade receivables – Retail and trading of jewellery and gold segment

The Group provides for lifetime expected credit losses of trade receivables from the retail and trading of jewellery and gold segment using a provision matrix. The provision rates are determined based on the Group's historical observed default rates analysed in accordance to days past due by grouping of customers. The expected credit losses incorporate forward-looking information such as forecast of gold prices as the economic conditions.

Excessive risk concentration

Concentrations arise when a number of counterparties are engaged in similar business activities, or activities in the same geographical region, or have economic features that would cause their ability to meet contractual obligations to be similarly affected by changes in economic, political and other conditions. Concentrations indicate the relative sensitivity of the Group's performance to developments affecting a particular industry.

In order to avoid excessive concentration of risk, the Group's policies and procedures include specific guidelines to focus on maintaining a diversified portfolio. Identified concentrations of credit risk are controlled and managed accordingly. Selective hedging is used within the Group to manage risk concentrations at both the relationship and industry levels. The Group does not apply hedge accounting.

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 statements of financial position, and the corporate guarantees as disclosed in Note 29.

Credit risk concentration profile

The Group determines concentrations of credit risk by monitoring the industry sector profile of its trade receivables on an ongoing basis.

At the end of the reporting period, approximately 26% (2020: 25%) of the Group's trade receivables were due from ten major debtors within the moneylending segment.

Financial assets that are neither past due nor impaired

Trade and other receivables that are neither past due nor impaired are with creditworthy debtors with good payment record with the Group. Cash and bank balances are placed with reputable financial institutions or companies with high credit ratings and no history of default.

Financial assets that are either past due or impaired

Information regarding financial assets that are either past due or impaired is disclosed in Note 19.

Notes to the Financial Statements

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

32. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D)

(b) 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. 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 monitors and maintains a level of cash and cash equivalents deemed adequate by management to finance the Group'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 reporting period based on contractual undiscounted repayment obligations.

	One year or less $'000	One to five years $'000	Over five years $'000	Total $'000
Group				
2021				
Financial assets:				
Trade and other receivables	**392,780**	**258,840**	**38,397**	**690,017**
Cash and bank balances	**14,601**	**–**	**–**	**14,601**
Derivative assets	**–**	**12**	**–**	**12**
Total undiscounted financial assets	**407,381**	**258,852**	**38,397**	**704,630**
Financial liabilities:				
Trade and other payables	**4,773**	**39**	**–**	**4,812**
Accrued operating expenses	**5,223**	**–**	**–**	**5,223**
Lease liabilities	**4,536**	**3,680**	**–**	**8,216**
Interest-bearing loans and borrowings	**404,118**	**33,746**	**8,271**	**446,135**
Total undiscounted financial liabilities	**418,650**	**37,465**	**8,271**	**464,386**
Total net undiscounted financial (liabilities)/assets	**(11,269)**	**221,387**	**30,126**	**240,244**

Notes to the Financial Statements

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

32. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D)

(b) Liquidity risk (Cont'd)

Analysis of financial instruments by remaining contractual maturities (cont'd)

	One year or less $'000	One to five years $'000	Over five years $'000	Total $'000
Group				
2020				
Financial assets:				
Trade and other receivables	328,185	125,379	24,519	478,083
Cash and bank balances	11,818	–	–	11,818
Total undiscounted financial assets	340,003	125,379	24,519	489,901
Financial liabilities:				
Trade and other payables	4,404	44	–	4,448
Accrued operating expenses	4,441	–	–	4,441
Lease liabilities	4,071	3,796	–	7,867
Interest-bearing loans and borrowings	269,378	34,772	10,063	314,213
Total undiscounted financial liabilities	282,294	38,612	10,063	330,969
Total net undiscounted financial assets	57,709	86,767	14,456	158,932

	One year or less $'000	One to five years $'000	Total $'000
Company			
2021			
Financial assets:			
Trade and other receivables	**188,153**	**–**	**188,153**
Cash and bank balances	**4,283**	**–**	**4,283**
Total undiscounted financial assets	**192,436**	**–**	**192,436**
Financial liabilities:			
Trade and other payables	**12,523**	**–**	**12,523**
Accrued operating expenses	**1,793**	**–**	**1,793**
Lease liabilities	**15**	**–**	**15**
Interest-bearing loans and borrowings	**26,272**	**–**	**26,272**
Total undiscounted financial liabilities	**40,603**	**–**	**40,603**
Total net undiscounted financial assets	**151,833**	**–**	**151,833**

Notes to the Financial Statements
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

32. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D)

(b) *Liquidity risk (Cont'd)*

Analysis of financial instruments by remaining contractual maturities (cont'd)

	One year or less $'000	One to five years $'000	Total $'000
2020			
Financial assets:			
Trade and other receivables	182,322	–	182,322
Cash and bank balances	82	–	82
Total undiscounted financial assets	182,404	–	182,404
Financial liabilities:			
Trade and other payables	23,373	–	23,373
Accrued operating expenses	1,783	–	1,783
Lease liabilities	29	15	44
Interest-bearing loans and borrowings	56,285	–	56,285
Total undiscounted financial liabilities	81,470	15	81,485
Total net undiscounted financial assets/(liabilities)	100,934	(15)	100,919

The table below shows the contractual expiry of the Group's and the Company's contingent liabilities and commitments. The maximum amount of the financial guarantee contracts are allocated to the earliest period in which the guarantee could be called, which is within one year or less.

	One year or less	
	2021 $'000	2020 $'000
Group		
Financial guarantees	**16,031**	14,607
Company		
Financial guarantees	**456,857**	271,798

(c) *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 their loans and borrowings. The Group's and the Company's loans and borrowings at floating rates are contractually repriced at intervals of six months or less (2020: six months or less) from the end of the reporting period.

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 before tax would have been $2,213,000 (2020: $1,295,000) higher/lower, arising mainly as a result of lower/higher interest expense on floating rate loans and borrowings.

Notes to the Financial Statements

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

32. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D)

(d) Foreign currency risk

The Group has transactional currency exposures arising from purchases that are denominated in a currency other than its functional currency, which is SGD. The foreign currency in which these transactions are denominated is USD. The Group does not hedge its foreign currency denominated purchases.

The Group is also exposed to currency translation risk arising from its net investments in Malaysia. The Group's net investments in Malaysia are not hedged as currency positions in MYR are considered to be long-term in nature.

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 the USD exchange rate (against SGD), with all other variables held constant.

	Profit before tax	
	2021	**2020**
	$'000	**$'000**
USD/SGD		
– strengthened 5% (2020: 5%)	**(18)**	(153)
– weakened 5% (2020: 5%)	**18**	153

(e) Market price risk

Market price risk is the risk that the fair value or future cash flows of the Group's financial instruments will fluctuate because of changes in market prices (other than interest or exchange rates). The Group is exposed to gold commodity price risk arising from its gold commodity inventories and its loan from an unrelated party which is to be repaid in gold. The carrying values of the gold commodity inventories and the loan from an unrelated party are held at fair value based on the bid price quotation of gold at the end of the reporting period.

Sensitivity analysis for commodity price risk

At the end of the reporting period, if gold commodity prices had been 5% (2020: 5%) higher/lower with all other variables held constant, the Group's profit before tax would have been $313,000 (2020: $508,000) higher/lower, arising as a result of an increase/decrease in the fair value of the gold commodity inventories and the loan from an unrelated party.

Notes to the Financial Statements

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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, interest-bearing loans and borrowings, lease liabilities, trade and other payables, other liabilities, less cash and bank balances. Capital refers to equity attributable to owners of the Company.

		Group	
	Note	**2021 $'000**	**2020 $'000**
Interest-bearing loans and borrowings	24	**442,569**	308,927
Lease liabilities	25	**7,927**	7,486
Trade and other payables	22	**4,812**	4,448
Other liabilities	23	**6,040**	5,518
Less: Cash and bank balances	21	**(14,601)**	(11,818)
Net debt		**446,747**	314,561
Equity attributable to owners of the Company		**327,405**	254,988
Capital and net debt		**774,152**	569,549
Gearing ratio		**58%**	55%

34. DIVIDENDS

	Group and Company	
	2021 $'000	**2020 $'000**
Declared and paid during the financial year:		
Dividends on ordinary shares:		
– Final exempt (one-tier) dividend for 2020: 1.80 cents (2019: 1.61 cents) per share	**10,474**	8,941
Proposed but not recognised as a liability as at 31 December:		
Dividends on ordinary shares, subject to shareholders' approval at the AGM:		
– Final exempt (one-tier) dividend for 2021: 1.88 cents (2020: 1.80 cents) per share	**13,130**	10,474

35. AUTHORISATION OF FINANCIAL STATEMENTS FOR ISSUE

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

Additional Information on Directors Seeking Re-Election Statements

Mr Neo Poh Kiat, Mr Tan Soon Liang and Mr Lim Teck Chai, Danny are the Directors seeking re-election at the forthcoming Annual General Meeting of the Company to be convened on 26 April 2022 (collectively, the "**Retiring Directors**" and each a "**Retiring Director**").

Pursuant to Rule 720(6) of the Listing Manual of the SGX-ST, the following is the information relating to the Retiring Directors as set out in Appendix 7.4.1 to the Listing Manual of the SGX-ST:

	MR NEO POH KIAT	**MR TAN SOON LIANG**	**MR LIM TECK CHAI, DANNY**
Age	71	49	48
Date of Appointment	1 January 2022	1 January 2022	1 January 2022
Date of last re-appointment	N.A.	N.A.	N.A.
Job Title	• Lead Independent Director • Chairman of the Audit Committee and Member of the Nominating Committee	• Independent Director • Chairman of the Nominating Committee and Member of the Audit Committee	• Independent Director • Member of the Remuneration Committee and Nominating Committee
Country of principal residence	Singapore	Singapore	Singapore
Board's comments on the re-election (including rationale)	Factors considered by the Board on the re-election of Mr Neo Poh Kiat, Mr Tan Soon Liang and Mr Lim Teck Chai, Danny: • The Board of Directors of the Company has considered, among others, the recommendation of the Nominating Committee ("NC") and has reviewed and considered the contribution and performance, attendance, preparedness, participation, candour and suitability of these three Directors. • The Board have reviewed and concluded that the three Directors possess the experience, expertise, knowledge and skills to contribute towards the core competencies of the Board.		
Whether appointment is executive, and if so, the area of responsibility	No	No	No
Working experience, occupation(s) and professional qualification during the past 10 years	Managing Director of Octagon Advisors (Shanghai) Co Ltd 2005-2021 Managing Director of Octagon Advisors Pte Ltd Bachelor of Commerce (Honours) from Nanyang University	Managing Director of Ti Ventures Pte Ltd and Omnibridge Capital Pte Ltd 2010-2015 Managing Director of Ti Investment Holdings Pte Ltd Bachelor of Business (Honours) degree from Nanyang Technological University Master of Business Administration degree from University of Hull, UK CFA® charterholder from CFA Institute	Partner, Capital Markets, Mergers and Acquisitions, Rajah & Tann LLP LLB (Hons), National University of Singapore MSc (Applied Finance), Nanyang Technological University Advocate & Solicitor, Singapore

Additional Information on Directors Seeking Re-Election Statements

	MR NEO POH KIAT	MR TAN SOON LIANG	MR LIM TECK CHAI, DANNY
Shareholding interest in the Company and its subsidiaries	Nil	150,000 shares in the Company	Nil
Relationship (including immediate family relationship) with any existing executive officer, the Company and/or substantial shareholder of the Company or any of its principal subsidiaries	No	No	No
Conflict of Interest (including any competing business)	No	No	No
Undertaking (in the format set out in Appendix 7.7) under Rule 720(1) has been submitted to ValueMax Group Limited	Yes	Yes	Yes
Other Principal Commitments (Including Directorships) – Present	Independent Director of China Yuchai International Ltd Capitaland China Trust Management Limited Cambodia Post Bank Plc Fullerton Credit group of companies in China	**Public Companies** Independent Director of ISDN Holdings Limited Clearbridge Health Limited Choo Chiang Holdings Limited GDS Global Limited Colex Holdings Limited **Private Companies** ACH Investors Pte Ltd Allin Holdings Pte Ltd Omnibridge Capital Ltd Omnibridge Capital Pte Ltd Omnibridge Investments Ltd Omnibridge Investments Pte Ltd Omnibridge Investment Partners Pte Ltd Ti Investment Holdings Pte Ltd Ti Ventures Pte Ltd	Independent Director Kimly Limited Stamford Land Corporation Limited Choo Chiang Holdings Limited Advancer Global Limited

Additional Information on Directors Seeking Re-Election Statements

	MR NEO POH KIAT	MR TAN SOON LIANG	MR LIM TECK CHAI, DANNY
Other Principal Commitments (Including Directorships) – Past (for the last 5 years)		**Public Companies** Independent Director of Wong Fong Industries Limited **Private Companies** Omnibridge Investment Partners Ltd (Struck off) Epika Pte Ltd (Struck off) Allin International Holdings Pte Ltd (Struck off) MG Investors Pte Ltd (Struck off) The Learning Fort Pte Ltd (Struck off)	
Responses to questions (a) to (k) under Appendix 7.4.1 of the Listing Manual of Singapore Exchange Securities Trading limited	Responses to questions (a) to (k) are negative.	Responses to questions (a) to (k) are negative except for response to question (b). The response to question (b) is Yes. Mr Tan was a non-executive director of T10 Lifestyle Concepts Pte Ltd ("T10"), a company incorporated in Singapore, from April 2011 to November 2015. He was a non-executive nominee director representing the interests of Ti Investment Holdings Pte Ltd which had a 60.0% shareholding in T10. During the period of his directorship in T10, he was not involved in the daily business operations nor financial management of T10. On 12 November 2015, T10 was dissolved pursuant to a compulsory winding up application.	Responses to questions (a) to (k) are negative.

Additional Information on Directors Seeking Re-Election Statements

Ms Yeah Lee Ching and Dr Tan Guan Hiang are the Directors seeking re-election at the forthcoming Annual General Meeting of the Company to be convened on 26 April 2022 (collectively, the "**Retiring Directors**" and each a "**Retiring Director**").

Pursuant to Rule 720(6) of the Listing Manual of the SGX-ST, the following is the information relating to the Retiring Directors as set out in Appendix 7.4.1 to the Listing Manual of the SGX-ST:

	MS YEAH LEE CHING	DR TAN GUAN HIANG
Age	50	71
Date of Appointment	12 April 2013	8 August 2020
Date of last re-appointment	28 April 2020	27 April 2021
Job Title	• Executive Director • Chief Marketing Officer	• Independent Director • Chairman of the Remuneration Committee and Member of the Audit Committee
Country of principal residence	Singapore	Singapore
Board's comments on the re-election (including rationale)	Factors considered by the Board on the re-election of Ms Yeah Lee Ching and Dr Tan Guan Hiang: • The Board of Directors of the Company has considered, among others, the recommendation of the Nominating Committee ("NC") and has reviewed and considered the contribution and performance, attendance, preparedness, participation, candour and suitability of these two Directors. • The Board have reviewed and concluded that the two Directors possess the experience, expertise, knowledge and skills to contribute towards the core competencies of the Board.	
Whether appointment is executive, and if so, the area of responsibility	Executive, responsible for leading, planning, development and execution of the Group's marketing initiatives as well as overseeing the valuation, gold trading and corporate communications.	No
Working experience, occupation(s) and professional qualification during the past 10 years	Executive Director of the Group <u>2009-2012</u> Operations Director Master in Business Administration from the National University of Singapore Graduate Gemologist from Gemological Institute of America	Independent Director <u>2000-2015</u> Overseas-Chinese Banking Corporation Limited, Executive Vice President, Head of Group Human Resource Doctorate, Business Administration, Hong Kong Polytechnic University MBA (with distinction) University of Hull, UK Diploma in HR and Industrial Relations, University of Cardiff, UK Trained Executive Coaching, Columbia Business School Certified Diversity Practioner, Cornell University

Additional Information on Directors Seeking Re-Election Statements

	MS YEAH LEE CHING	DR TAN GUAN HIANG
Shareholding interest in the Company and its subsidiaries	Please refer to Directors' Statement on page 33	Nil
Relationship (including immediate family relationship) with any existing executive officer, the Company and/or substantial shareholder of the Company or any of its principal subsidiaries	Daughter of Mr Yeah Hiang Nam and sister of Mr Yeah Chia Kai	No
Conflict of Interest (including any competing business)	No	No
Undertaking (in the format set out in Appendix 7.7) under Rule 720(1) has been submitted to ValueMax Group Limited	Yes	Yes
Other Principal Commitments (Including Directorships) – Present	Executive Director of ValueMax Group Limited and its subsidiary companies	Independent director of Kingsmen Creative Limited Member of the Advisory Board – Singapore Human Resource Institute Director of YMCA Board Executive Committee of the Dyslexia Association of Singapore Program Director for the APAC Chief Human Resources Officer Council for The Conference Board
Other Principal Commitments (Including Directorships) – Past (for the last 5 years)		
Responses to questions (a) to (k) under Appendix 7.4.1 of the Listing Manual of Singapore Exchange Securities Trading limited	Responses to questions (a) to (k) are negative.	Responses to questions (a) to (k) are negative.

Statistics of Shareholdings

Issued and Fully Paid-up Capital	:	S$133,744,501
No. of Shares Issued	:	698,406,735
Class of Shares	:	Ordinary shares
Voting Rights	:	One vote per share
No. of Treasury Shares	:	100,000

Distribution of shareholdings
(As recorded in the Register of Members and Depository Register)

Size of Shareholdings	No. of Shareholders	% of Shareholders	No. of Shares	% of Shares
1 – 1,000	84	7.34	40,594	0.00
1,001 – 10,000	453	39.56	2,502,823	0.36
10,001 – 1,000,000	587	51.27	52,229,049	7.48
1,000,001 & above	21	1.83	643,634,269	92.16
Total	1,145	100.00	698,406,735	100.00

Twenty largest shareholders
(As recorded in the Register of Members and Depository Register)

	Name of Shareholders	No. of Shares	% of Shares
1	YEAH HOLDINGS PTE LTD	450,628,549	64.52
2	DBS NOMINEES PTE LTD	75,013,460	10.74
3	TAN HONG YEE	41,799,048	5.98
4	OCBC SECURITIES PRIVATE LTD	20,144,400	2.88
5	DBSN SERVICES PTE LTD	14,200,000	2.03
6	RAFFLES NOMINEE (PTE) LIMITED	7,344,323	1.05
7	PHILLIP SECURITIES PTE LTD	5,294,397	0.76
8	CITIBANK NOMINEES SINGAPORE PTE LTD	3,915,554	0.56
9	SIK PEI SHAN (XUE PEISHAN)	3,647,000	0.52
10	SIK SOO CHING SUSAN	3,628,000	0.52
11	GAN SUAT LUI	2,713,000	0.39
12	MOH TSER LOONG ALVIN	2,214,319	0.32
13	ONG PANG AIK	2,000,000	0.29
14	SIK LEY BOY	1,884,900	0.27
15	ONG POH LIM @ ONG PAO LIM	1,631,000	0.23
16	GOH CHER NGANN	1,587,714	0.23
17	UOB KAY HIAN PTE LTD	1,397,098	0.20
18	WONG KAR SENG	1,252,473	0.18
19	TEO SOO BENG	1,200,000	0.17
20	CGS-CIMB SECURITIES (S) PTE LTD	1,097,862	0.16
	TOTAL:	**642,593,097**	**92.00**

Statistics of Shareholdings

Substantial shareholdings
(As recorded in the Register of Members and Depository Register)

	Direct Interest		Deemed Interest	
Name of Shareholder	**No. of shares**	**% of shares**	**No. of shares**	**% of shares**
YEAH HOLDINGS PTE. LTD.(1)	450,628,549	64.52	–	–
YEAH HIANG NAM @ YEO HIANG NAM(2)(3)	–	–	575,348,255	82.38
TAN HONG YEE(2)(3)	41,799,048	5.98	533,549,207	76.40

(1) Yeah Holdings Pte Ltd is a private limited company incorporated in Singapore on 12 November 2012. It is an investment holding company. The shareholders of Yeah Holdings Pte Ltd are Yeah Hiang Nam (35%), Tan Hong Yee (35%), Yeah Lee Ching (10%), Yeah Chia Wei (10%) and Yeah Chia Kai (10%). Yeah Lee Ching, Yeah Chia Wei and Yeah Chia Kai are the children of Mr Yeah Hiang Nam and Mdm Tan Hong Yee.

(2) By virtue of Section 7 of the Singapore Companies Act 1967, Yeah Hiang Nam and Tan Hong Yee are deemed to have an interest in the 450,628,549 shares held and deemed interested in by Yeah Holdings Pte. Ltd.

(3) Yeah Hiang Nam and Tan Hong Yee are husband and wife and as such are deemed to have an interest in the shares held by each other.

Shareholdings held in the hands of the public
Based on the information available to the Company as at 17 March 2022, approximately 17.43 percent of the issued ordinary shares of the Company are held by the public and therefore Rule 723 of the Listing Manual issued by SGX-ST is complied with.

Notice of Annual General Meeting

NOTICE IS HEREBY GIVEN that the Annual General Meeting of the Company will be held via electronic means on Tuesday, 26 April 2022 at 2.00 p.m. to transact the following business:

AS ORDINARY BUSINESS

1. To receive and adopt the Audited Financial Statements of the Company for the financial year ended 31 December 2021 and the Directors' Statement and the Auditors' Report thereon. **(Resolution 1)**

2. To declare a first and final one-tier tax exempt dividend of 1.88 cents per share for the financial year ended 31 December 2021. **(Resolution 2)**

3. To approve the Directors' fees of S$156,250/- for the financial year ended 31 December 2021 (31 December 2020: S$$152,544/-). **(Resolution 3)**

4. To re-elect Mr Neo Poh Kiat, who is retiring pursuant to Article 102 of the Company's Constitution, and wishes to seek re-election as a Director of the Company. **(Resolution 4)**

   Mr Neo Poh Kiat will, upon re-election as a Director of the Company, remain as Chairman of the Audit Committee, as well as a member of the Nominating and Remuneration Committees and will be considered independent for the purposes of Rule 704(8) of the Listing Manual of the Singapore Exchange Securities Trading Limited.

5. To re-elect Mr Tan Soon Liang, who is retiring pursuant to Article 102 of the Company's Constitution, and wishes to seek re-election as a Director of the Company. **(Resolution 5)**

   Mr Tan Soon Liang will, upon re-election as a Director of the Company, remain as Chairman of the Nominating Committee, as well as a member of the Audit Committee and will be considered independent for the purposes of Rule 704(8) of the Listing Manual of the Singapore Exchange Securities Trading Limited.

6. To re-elect Mr Lim Teck Chai, Danny, who is retiring pursuant to Article 102 of the Company's Constitution, and wishes to seek re-election as a Director of the Company. **(Resolution 6)**

   Mr Lim Teck Chai, Danny will, upon re-election as a Director of the Company, remain as a Member of the Nominating and Remuneration Committees and will be considered independent for the purposes of Rule 704(8) of the Listing Manual of the Singapore Exchange Securities Trading Limited.

7. To re-elect Ms Yeah Lee Ching who is retiring by rotation pursuant to Article 98 of the Company's Constitution, and wishes to seek re-election as a Director of the Company. **(Resolution 7)**

8. To re-elect Dr Tan Guan Hiang who is retiring by rotation pursuant to Article 98 of the Company's Constitution, and wishes to seek re-election as a Director of the Company. **(Resolution 8)**

   Dr Tan Guan Hiang will, upon re-election as a Director of the Company, remain as Chairman of the Remuneration Committee, as well as a member of the Audit and Nominating Committees and will be considered independent for the purposes of Rule 704(8) of the Listing Manual of the Singapore Exchange Securities Trading Limited.

9. To re-appoint Messrs. Ernst & Young LLP as auditors of the Company to hold office until the conclusion of the next Annual General Meeting and to authorise the Directors to fix their remuneration. **(Resolution 9)**

Notice of Annual General Meeting

AS SPECIAL BUSINESS

To consider and, if thought fit, to pass the following ordinary resolutions with or without modifications:

10. **Authority to allot and issue shares**

(a) "That, pursuant to Section 161 of the Companies Act 1967, and Rule 806 of the Listing Manual of the Singapore Exchange Securities Trading Limited, approval be and is hereby given to the Directors of the Company at any time to such persons and upon such terms and for such purposes as the Directors may in their absolute discretion deem fit, to:

(i) issue shares in the capital of the Company whether by way of rights, bonus or otherwise;

(ii) make or grant offers, agreements or options that might or would require shares to be issued or other transferable rights to subscribe for or purchase shares (collectively, "Instruments") including but not limited to the creation and issue of warrants, debentures or other instruments convertible into shares;

(iii) issue additional Instruments arising from adjustments made to the number of Instruments previously issued in the event of rights, bonus or capitalisation issues; and

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

provided always that

(i) the aggregate number of shares to be issued pursuant to this resolution (including shares to be issued in pursuance of Instruments made or granted pursuant to this resolution) does not exceed 50% of the total number of issued shares excluding treasury shares of the Company, of which the aggregate number of shares (including shares to be issued in pursuance of Instruments made or granted pursuant to this resolution) to be issued other than on a pro rata basis to shareholders of the Company does not exceed 20% of the total number of issued shares excluding treasury shares of the Company, and for the purpose of this resolution, the issued share capital shall be the Company's total number of issued shares excluding treasury shares at the time this resolution is passed, after adjusting for;

a) new shares arising from the conversion or exercise of convertible securities, or

b) new shares arising from exercising share options or vesting of share awards outstanding or subsisting at the time this resolution is passed provided the options or awards were granted in compliance with Part VIII of Chapter 8 of the Listing Manual of the Singapore Exchange Securities Trading Limited, and

c) any subsequent bonus issue, consolidation or subdivision of the Company's shares, and

(ii) such authority shall, unless revoked or varied by the Company at a general meeting, continue in force until the conclusion of the next Annual General Meeting or the date by which the next Annual General Meeting of the Company is required by law to be held, whichever is the earlier."
(Resolution 10)

(See Explanatory Note 1)

Notice of Annual General Meeting

11. **Proposed Renewal of Shareholders' General Mandate for the Interested Person Transactions**

    That approval be and is hereby given:

    1. for the purposes of Chapter 9 of the Listing Manual of the Singapore Exchange Securities Trading Limited ("**Chapter 9**"), for the Company, its subsidiaries and associated companies that are entities at risk (as defined in Chapter 9), or any of them, to enter into any of the transactions falling within the types of interested person transactions described in Section 2.5 of the Circular with the class of interested persons (as described in Section 2.4 of the Circular), provided that such transactions are made on normal commercial terms, will not be prejudicial to the interests of the Company and its minority shareholders and are in accordance with the review procedures for such interested person transactions (the "**Proposed Renewal of IPT Mandate**");

    2. the Proposed Renewal of IPT Mandate shall, unless revoked or varied by the Company in general meeting, continue in force until the conclusion of the next Annual General Meeting of the Company; and

    3. the Board of Directors of the Company and any of them be and are hereby authorised to complete and do all such acts and things (including without limitation, executing all such documents as may be required) as they or he may consider expedient or necessary or in the interests of the Company to give effect to the transactions contemplated and/or authorised by the Proposed Renewal of IPT Mandate and/or this resolution. **(Resolution 11)**

NOTICE OF BOOKS CLOSURE AND DIVIDEND PAYMENT DATE

NOTICE IS HEREBY GIVEN that, subject to the approval of shareholders to the First and Final Dividend (the "Proposed First & Final Dividend) being obtained at the Annual General Meeting (the "**AGM**") to be held on 26 April 2022, the Share Transfer Books and the Register of Members of the Company will be closed on 13 May 2022 at 5.00 p.m. ("**Record Date**") for the purpose of determining Members' entitlements to the Proposed First & Final Dividend.

Duly completed registrable transfers in respect of shares in the Company received up to the close of business at 5.00 p.m. on the Record Date by the Company's Share Registrar, Tricor Barbinder Share Registration Services, 80 Robinson Road, #02-00, Singapore 068898 will be entitled to the Proposed First and Final Dividend.

Members whose Securities Accounts with The Central Depository (Pte) Limited are credited with shares of the Company as at 5.00 p.m. on the Record Date will be entitled to the Proposed First and Final Dividend.

The Proposed First & Final Dividend, if approved at the Annual General Meeting, will be paid on 29 June 2022.

BY ORDER OF THE BOARD

Lotus Isabella Lim Mei Hua
Company Secretary

4 April 2022

Notice of Annual General Meeting

Explanatory Notes:

1. The ordinary resolution no. 10 is to authorise the Directors of the Company from the date of the above Meeting until the next Annual General Meeting to issue shares and convertible securities in the Company up to an amount not exceeding in aggregate 50 percent of total number of issued shares excluding treasury shares of the Company, of which the total number of shares and convertible securities issued other than on a pro-rata basis to existing shareholders shall not exceed 20 percent of the total number of issued shares excluding treasury shares of the Company at the time the resolution is passed, for such purposes as they consider would be in the interests of the Company. This authority will, unless revoked or varied at a general meeting, expire at the next Annual General Meeting of the Company.

Measures to Minimise Risk of Community Spread of COVID-19

1. The Annual General Meeting is being convened, and will be held, by way of 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. Printed copies of this Notice, Annual Report of the Company for the financial year ended 31 December 2021 ("Annual Report 2021"), the proxy form, and the Circular to Shareholders dated 4 April 2022 will not be sent to members. Instead, these documents will be made available on the SGX website at the URL https://www.sgx.com/securities/company-announcements and the Company's website at the URL https://www.valuemax.com.sg/corporate/investor-relations/news-announcements/.

2. Alternative arrangements relating to: (a) attendance at the Annual General Meeting via electronic means (including arrangements by which the meeting can be electronically accessed via "live" audio-visual webcast or "live" audio-only stream); (b) submission of text-based questions to the Chairman of the Meeting in advance of, or "live" at, the Annual General Meeting, and addressing of substantial and relevant questions in advance of, or "live" at, the Annual General Meeting; and (c) voting at the Annual General Meeting (i) "live" by the member or his/her/its duly appointed proxy(ies) (other than the Chairman of the Meeting) via electronic means; or (ii) by appointing the Chairman of the Meeting as proxy to vote on the member's behalf at the Annual General Meeting, are set out in the accompanying Company's announcement dated 4 April 2022. This announcement may be accessed on the SGX website at the URL https://www.sgx.com/securities/company-announcements and the Company's website at the URL https://www.valuemax.com.sg/corporate/investor-relations/news-announcements/.

3. As a precautionary measure due to the current COVID-19 situation in Singapore, a member will not be able to attend the Annual General Meeting in person. A member who wishes to exercise his/her/its voting rights at the Annual General Meeting may:

   a. (where the member is an individual) vote "live" via electronic means at the Annual General Meeting, or (whether the member is an individual or a corporate) appoint a proxy(ies) (other than the Chairman of the Meeting) to vote "live" via electronic means at the Annual General Meeting on his/her/its behalf; or

   b. (whether the member is an individual or a corporate) appoint the Chairman of the Meeting as his/her/its proxy to vote on his/her/its behalf at the Annual General Meeting.

The accompanying proxy form for the Annual General Meeting may be downloaded from on the SGX website at the URL https://www.sgx.com/securities/company-announcements and the Company's website at the URL https://www.valuemax.com.sg/corporate/investor-relations/news-announcements/. A member may also appoint a proxy(ies) via the online process through the pre-registration website which is accessible from the URL https://conveneagm.com/sg/ValuemaxAGM2022/.

4. (a) A member who is not a relevant intermediary is entitled to appoint not more than two proxies. Where such member's instrument appointing a proxy(ies) appoints more than one proxy, the proportion of the shareholding concerned to be represented by each proxy shall be specified in the instrument.

   (b) A member who is a relevant intermediary is entitled to appoint more than two proxies, but each proxy must be appointed to exercise the rights attached to a different share or shares held by such member. Where such member's instrument appointing a proxy(ies) appoints more than two proxies, the number and class of shares in relation to which each proxy has been appointed shall be specified in the instrument.

   "Relevant intermediary" has the meaning ascribed to it in Section 181 of the Companies Act 1967 of Singapore.

Notice of Annual General Meeting

5. A proxy need not be a member of the Company.

6. The instrument appointing a proxy(ies) must be submitted to the Company in the following manner:

   (a) if submitted by post, be lodged with the Company's Share Registrar, Tricor Barbinder Share Registration Services (A division of Tricor Singapore Pte. Ltd.), at 80 Robinson Road #11-02, Singapore 068898;

   (b) Submitted via email to Proxy2022@valumax.com.sg; or

   (c) via the online process through the pre-registration website which is accessible from the URL https://conveneagm.com/sg/ValuemaxAGM2022/,

   in each case, not less than 72 hours before the time appointed for holding the Annual General Meeting.

   A member who wishes to submit an instrument appointing a proxy(ies) by post or via email can download a copy of the proxy form from the Company's website or the SGX website, and complete and sign the proxy form, before submitting it by post to the address provided above, or by scanning and sending it by email to the email address provided above. A member may also appoint a proxy(ies) via the online process through the pre-registration website which is accessible from the URL https://conveneagm.com/sg/ValuemaxAGM2022/.

   Due to the current COVID-19 situation in Singapore, members are strongly encouraged to submit completed proxy forms electronically via email or appoint a proxy(ies) via the online process through the pre-registration website which is accessible from the URL https://conveneagm.com/sg/ValuemaxAGM2022/.

7. CPF and SRS investors: (a) may vote "live" via electronic means at the Annual General Meeting if they are appointed as proxies by their respective CPF Agent Banks or SRS Operators, and should contact their respective CPF Agent Banks or SRS Operators if they have any queries regarding their appointment as proxies; or (b) may appoint the Chairman of the Meeting as proxy to vote on their behalf at the Annual General Meeting, in which case they should approach their respective CPF Agent Banks or SRS Operators to submit their votes by 5.00 p.m. on 13 April 2022.

8. The Annual Report 2021 and the Circular to Shareholders dated 4 April 2022 (in relation to the proposed renewal of the share buy-back mandate) have been published and may be downloaded from the SGX website at the URL https://www.sgx.com/securities/company-announcements and the Company's website at the URL https://www.valuemax.com.sg/corporate/investor-relations/news-announcements/.

9. **Submission of Questions.** Shareholders may submit text-based questions relating to the items on the agenda of the AGM via one of the following means:

   (a) during registration via the Registration Link (https://conveneagm.com/sg/ValuemaxAGM2022/);

   (b) by mail to the registered office of the Company at 261 Waterloo Street,#01-35 Singapore 180261; or

   (c) email to email address: Proxy2022@valuemax.com.sg.

   Shareholders will need to identify themselves when posing questions by email or by mail by providing the following details:

   – the Shareholder's full name as it appears on his/her/its CDP/CPF/SRS share records;

   – the Shareholder's NRIC/Passport/UEN number;

   – the Shareholder's contact number and email address; and

   – the manner in which the Shareholder holds his/her/its Shares in the Company (e.g. via CDP, CPF or SRS).

Notice of Annual General Meeting

Please note that the Company will not be able to answer questions from persons who provide insufficient details to enable the Company to verify his/her/its shareholder status.

All questions must be submitted by **11:59 p.m. on 13 April 2022**.

The Company will endeavour to address the substantial and relevant questions before the AGM. The responses to such questions from shareholders will be posted on the SGXNet and the Company's website by **19 April 2022**.

Important reminder

10. Due to the constantly evolving COVID-19 situation, the Company may be required to change its AGM arrangements at short notice. Shareholders are advised to regularly check the Company's website or announcements released on SGXNET for updates on the AGM. Further, in light of the current COVID-19 measures, which may make it difficult for shareholders to submit completed proxy forms by post, shareholders are strongly encouraged to submit completed proxy forms electronically via email.

PERSONAL DATA POLICY

By (a) submitting an instrument appointing the Chairman of the Meeting as a proxy to vote at the AGM and/or any adjournment thereof, or (b) completing the Pre-registration in accordance with this Notice, or (c) submitting any question prior to the AGM in accordance with this Notice, a member of the Company consents to the collection, use and disclosure of the member's personal data by the Company (or its agents or service providers) for the following purposes:

(i) administration and analysis of the Company (or its agents or service providers) for the Annual General Meeting (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the Annual General Meeting (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");

(ii) warrants that where the member discloses the personal data of the member's proxy(ies) and/or representative(s) to the Company (or its agents or service providers), the member has obtained the prior consent of such proxy(ies) and/or representative(s) for the collection, use and disclosure by the Company (or its agents or service providers) of the personal data of such proxy(ies) and/or representative(s) for the Purposes, and agrees that the member will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the member's breach of warranty;

(iii) the processing and administration by the Company (or its agents or service providers) of proxy forms appointing the Chairman of the Meeting as a proxy for the AGM (including any adjournment thereof);

(iv) the processing of the Pre-registration for purposes of granting access to members (or their corporate representatives in the case of members which are legal entities) to the live webcast or live audio feed of the AGM proceedings and providing them with any technical assistance where necessary;

(v) addressing relevant and substantial questions from members received before the AGM and if necessary, following up with the relevant members in relation to such questions;

(vi) the preparation and compilation of the attendance lists, proxy lists, minutes and other documents relating to the AGM (including any adjournment thereof); and

(vii) enabling the Company (or its agents or service providers) to comply with any applicable laws, listing rules, regulations and/or guidelines.

VALUEMAX GROUP LIMITED
Registration Number: 200307530N
(Incorporated in the Republic of Singapore)

IMPORTANT
1. For investors who have used their CPF monies to buy ValueMax Group Limited shares, the Annual Report is forwarded to them at the request of their CPF Approved Nominees and is sent FOR INFORMATION ONLY.
2. This Proxy Form is not valid for use by CPF investors and shall be ineffective for all intents and purposes if used or purported to be used by them.

PROXY FORM
ANNUAL GENERAL MEETING

*I/We, ______________________________ (Name) ____________________ (NRIC/Passport no.)

of ____ (Address)

being *a member/members of ValueMax Group Limited (the "Company"), hereby appoint:

Name	Address	Email address	NRIC/Passport number	Proportion of Shareholdings	
				No of Shares	%
And/or (delete as appropriate)					

^ Appointed proxy(ies) will be prompted via email (within 2 business days after the Company's receipt of a validly completed and submitted proxy form) to pre-register at the pre-registration website which is accessible from the URL https://conveneagm.com/sg/ValuemaxAGM2022/ in order to access the "live" audio-visual webcast or "live" audio-only stream of the Annual General Meeting proceedings.

as my/our proxy to vote for me/us at the Annual General Meeting of ValueMax Group Limited (the "Company") to be held by electronic means on Tuesday, 26 April 2022 at 2.00 p.m., and at any adjournment thereof. I/We direct my/our proxy/proxies to vote for or against or to abstain from voting on the resolutions to be proposed at the Annual General Meeting as indicated below:

No.	Ordinary Resolutions	For	Against	Abstain**
1.	To receive and adopt the Audited Financial Statements of the Company for the financial year ended 31 December 2021 and the Directors' Statement and Auditors' Report thereon.			
2.	To declare a first and final one-tier tax exempt dividend of 1.88 cents per share for the financial year ended 31 December 2021.			
3.	To approve the Directors' fees of S$156,250/- for the financial year ended 31 December 2021.			
4.	To re-elect Mr. Neo Poh Kiat as a Director pursuant to Article 102 of the Company's Constitution.			
5.	To re-elect Mr. Tan Soon Liang as a Director pursuant to Article 102 of the Company's Constitution.			
6.	To re-elect Mr. Lim Teck Chai, Danny as a Director pursuant to Article 102 of the Company's Constitution.			
7.	To re-elect Ms. Yeah Lee Ching as a Director pursuant to Article 98 of the Company's Constitution.			
8.	To re-elect Dr Tan Guan Having as a Director pursuant to Article 98 of the Company's Constitution.			
9.	To re-appoint Messrs. Ernst & Young LLP as auditors of the Company and to authorise the Directors to fix their remuneration.			
10.	To authorise Directors to issue shares pursuant to Section 161 of the Companies Act 1967.			
11.	To approve the proposed Renewal of General Mandate for Interested Person Transactions.			

Note: Voting will be conducted by poll. If you wish your proxy/proxies to cast all your votes "For" or "Against" a resolution, please indicate with a tick (v) in the "For" or "Against" box provided in respect of that resolution. Alternatively, please insert the relevant number of shares "For" or "Against" in the "For" or "Against" box provided in respect of that resolution. If you wish your proxy/proxies to abstain from voting on a resolution, please indicate with a tick (v) in the "Abstain" box provided in respect of that resolution. Alternatively, please insert the relevant number of shares in the "Abstain" box provided in respect of that resolution. In any other case, the proxy/proxies may vote or abstain as the proxy/proxies deems fit on any of the above resolutions if no voting instruction is specified, and on any other matter arising at the Annual General Meeting

Dated this ________ day of ____________________ , 2022

Total number of Shares in:	No. of Shares held
(a) CDP Register	
(b) Register of Members	

....
Signature(s) of Member(s)/Common Seal

IMPORTANT: Please Read Notes before Completing this Proxy Form

Notes to Proxy Form:–

1. If the member has shares entered against his/her/its name in the Depository Register (maintained by The Central Depository (Pte) Limited), he should insert that number of shares. If the member has shares registered in his/her/its name in the Register of Members (maintained by or on behalf of the Company), he should insert that number of shares. If the member has shares entered against his/her/its name in the Depository Register and shares registered in his/her/its name in the Register of Members, he should insert the aggregate number of shares. If no number is inserted, this instrument appointing a proxy(ies) will be deemed to relate to all the shares held by the member.
2. As a precautionary measure due to the current COVID-19 situation in Singapore, a member will not be able to attend the Annual General Meeting in person. A member who wishes to exercise his/her/its voting rights at the Annual General Meeting may:
   (a) (where the member is an individual) vote "live" via electronic means at the Annual General Meeting, or (whether the member is an individual or a corporate) appoint a proxy(ies) (other than the Chairman of the Meeting) to vote "live" via electronic means at the Annual General Meeting on his/her/its behalf; or
   (b) (whether the member is an individual or a corporate) appoint the Chairman of the Meeting as his/her/its proxy to vote on his/her/its behalf at the Annual General Meeting. This proxy form may be downloaded from the SGX website at the URL https://www.sgx.com/securities/company-announcements and the Company's website at the URL https://www.valuemax.com.sg/corporate/investor-relations/news-announcements/; or
   (c) A member may also appoint a proxy(ies) via the online process through the pre-registration website which is accessible from the URL https://conveneagm.com/sg/ValuemaxAGM2022/.
3. (a) A member who is not a relevant intermediary is entitled to appoint not more than two proxies. Where such member's instrument appointing a proxy(ies) appoints more than one proxy, the proportion of the shareholding concerned to be represented by each proxy shall be specified in the instrument.
   (b) A member who is a relevant intermediary is entitled to appoint more than two proxies, but each proxy must be appointed to exercise the rights attached to a different share or shares held by such member. Where such member's instrument appointing a proxy(ies) appoints more than two proxies, the number and class of shares in relation to which each proxy has been appointed shall be specified in the instrument. "Relevant intermediary" has the meaning ascribed to it in Section 181 of the Companies Act, 1967.
4. A proxy need not be a member of the Company.
5. The instrument appointing a proxy(ies) must be submitted to the Company in the following manner:
   (a) if submitted by post, be lodged with the Company's Share Registrar, Tricor Barbinder Share Registration Services (A division of Tricor Singapore Pte. Ltd.), at 80 Robinson Road #11-02, Singapore 068898; or (b) if submitted electronically;

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AFFIX
STAMP

The Company Secretary
VALUEMAX GROUP LIMITED
c/o Tricor Bardinder Share Registration Services
(A division of Tricor Singapore Pte. Ltd)
80 Robinson Road #11-02
Singapore 068898

2nd fold here

   (b) submitted via email to Proxy2022@valuemax.com.sg;
   (c) via the online process through the pre-registration website which is accessible from the URL https://conveneagm.com/sg/ValuemaxAGM2022/, in each case, not less than 72 hours before the time appointed for holding the Annual General Meeting.

   A member who wishes to submit an instrument appointing a proxy(ies) by post or email can download a copy of the proxy form from the Company's website or the SGX website, and complete and sign the proxy form, before submitting it by post to the address provided above, or before scanning and sending it by email to the email address provided above. A member may also appoint a proxy(ies) via the online process through the pre-registration website which is accessible from the URL https://conveneagm.com/sg/ValuemaxAGM2022/. Due to the current COVID-19 situation in Singapore, members are strongly encouraged to submit completed proxy forms electronically via email or appoint a proxy(ies) via the online process through the pre-registration website which is accessible from the URL https://conveneagm.com/sg/ValuemaxAGM2022/.
6. Completion and return of the instrument appointing a proxy(ies) does not preclude a member from attending, speaking and voting at the Annual General Meeting. A member who accesses the "live" webcast of the Annual General Meeting proceedings may revoke the appointment of a proxy(ies) at any time before voting commences and in such an event, the Company reserves the right to terminate the proxy(ies)' access to the Annual General Meeting proceedings.
7. The instrument appointing a proxy(ies) must, if submitted by post or electronically via email, be signed under the hand of the appointor or of his/her attorney duly authorised in writing or, if submitted electronically via the online process through the pre-registration website which is accessible from the URL https://conveneagm.com/sg/ValuemaxAGM2022/, be authorised by the appointor via the online process through the website. Where the instrument appointing a proxy(ies) is executed by a corporation, it must, if submitted by post or electronically via email, be executed either under its common seal or under the hand of its attorney or a duly authorised officer or, if submitted electronically via the online process through the pre-registration website which is accessible from the URL https://conveneagm.com/sg/ValuemaxAGM2022/, be authorised via the online process through the website.
8. Where an instrument appointing a proxy(ies) is signed on behalf of the appointor by an attorney, the letter or power of attorney or a duly certified copy thereof must (failing previous registration with the Company), if the instrument is submitted by post, be lodged with the instrument or, if the instrument is submitted electronically via email, be emailed with the instrument, failing which the instrument may be treated as invalid.
9. The Company shall be entitled to reject an instrument appointing a proxy(ies) which 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 (including any related attachment). In addition, in the case of a member whose shares are entered in the Depository Register, the Company may reject an instrument appointing a proxy(ies) if the member, being the appointor, is not shown to have shares entered against his/her/its name in the Depository Register as at 72 hours before the time appointed for holding the Annual General Meeting, as certified by The Central Depository (Pte) Limited to the Company.

PERSONAL DATA PRIVACY

By submitting an instrument appointing a proxy(ies) and/or representative(s), the member accepts and agrees to the personal data privacy terms set out in the Notice of Annual General Meeting dated 4 April 2022.

VALUEMAX GROUP LIMITED

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