RESPONSES TO SUBSTANTIAL AND RELEVANT QUESTIONS RECEIVED FOR THE ANNUAL GENERAL MEETING TO BE HELD ON 26 APRIL 2022

The Board of Directors (the "Board" or "Directors") of ValueMax Group Limited ("ValueMax" or the "Company", and together with its subsidiaries, the "Group") would like to provide responses to the substantial and relevant questions raised by its shareholders for the Company's Annual General Meeting to be held on 26 April 2022 as follows:

S/N	Question	Response
1.	Given that interest rates look to rise quickly this year, Valuemax cost of funds will go up in tandem. In the past years where interest rates were rising, was Valuemax able to raise the interest charge to customers? *Can you elaborate how Valuemax manages through an environment where rates are going up?*	The interest rate we can charge for the pawnbroking business is capped by regulation at 1.5% per month. For our secured moneylending business, we are able to adjust some of the lending interest rates where the benchmark interest rate increases by a certain basis point. We are unable to share such details publicly, as this is commercially sensitive information. In general, the Group monitors its funding cost very closely and actively explores various sources of funding to minimise its overall cost.
2.	Is a high Gold price bullish for Valuemax, or neutral?	In a rising gold price environment, revenue for the gold trading business tends to increase as both volume and value increase. For the pawnbroking business, loan amounts increase as the value of the underlying gold collaterals increase, and correspondingly, our interest income for the business improves as well.
3.	1) Gold price is at close to record high currently. What is the impact on ValueMax's business and financial performance? Is the impact positive or negative? If it is the latter, what is the company's strategy to mitigate the risk? 2) Valuemax has launched two tranches of the digital commercial	1) Please refer to the response to Question 2. 2) Our digital commercial papers ("**CP**") have a short tenure of 3 months with an option for us to rollover. The CP provides the Group with the flexibility to raise funds to capitalise on opportunities and meet short term cash flow requirements compared with a longer tenured bond which is generally less flexible. In addition, the overall cost of borrowing via

	paper since late last year. What is the advantage of this digital securities over traditional bank loans and bonds?	CP is also considerably cheaper than bond issues.
4.	What safeguards do ValueMax have in place to prevent Hin Leong type of incident from similarly happening at the Group? Does the Audit Committee regularly review whether anyone speculates on gold or other precious metal contracts?	We generally hedge our gold trading positions at the end of each trading day. This is part of the Group's risk management policy. Our Audit Committee also reviews the daily position of the gold trading business on a quarterly basis to ensure that the Group adheres to its policy.
5.	Please refer to below "Price Ratios" table of ValueMax at time of IPO and time of TERP: Based on Invitation Statistics, Page 24, ValueMax IPO Prospectus dated 21 Oct 2013: - Issue Price per Share: S$0.51 - Price to NAV: 1.88 times - Price Earnings Ratio: 12.59 times. Based on Company announcement dated 09 Apr 2021: - Theoretical Ex-Rights Price: S$0.3865/share (Worsened by -24.2%) - Price to NAV Ratio: S$0.3865 / [(S$254,988,000 + S$41.7m) / 698,407,000] = 0.91 times (Worsened by -51.6%) - Price Earnings Ratio: S$0.3865 / (S$33,873,000 / 698,407,000) = 7.97 times (Worsened by -36.7%). In another words, it is either ValueMax IPO has been over-priced (in terms of its price ratios) by Directors at time of IPO, or ValueMax's latest rights issue price has been under-priced by Directors at time of TERP. If it was that TERP price has been undervalued (compared to time of its IPO), can the Directors consider using share buyback mandate to do some shares buyback?	The Group's current focus is to grow both its moneylending and pawnbroking businesses. As these are capital intensive in nature, the Group undertook the rights issue in 2021 to bolster its capital to capitalise on opportunities for growth in the moneylending and pawnbroking businesses. The Group recognises the functions of share buy-backs and will consider the same appropriately in future, depending on the Group's growth and capital requirements.

6.	Would the company consider doing share buyback to improve shareholder return? The company could rely on debt for funding requirements instead of the more costly equity.	Please refer to the response to Question 5. The Group will strive to maintain the appropriate capital structure after taking into consideration the cost and availability of our funding options.
7.	If it was due to the fact that current operational performance has been lacklustre compared to time of its IPO, are there any suggestions from especially the Directors who have been with the Company since IPO (i.e. Hiang Nam, Chia Kai, Lee Ching) how the Company's operational performance can be improved to the point the key price ratios can be brought back to its IPO level (e.g. P/B of 1.88 times, P/E of 12.59 times)?	The pricing of the IPO shares was determined through a book building process based on the market conditions and demand at the time of the IPO. The Group is currently focused on growing our businesses and delivering profit growth, as demonstrated by the growth of our profit after tax from $14.9 million in FY2012 to $42.1 million in FY2022.
8.	As a % of earnings per share (i.e. FY2019: 4.68 cents; FY2020: 6.00 cents; FY2021: 6.38 cents), the Group's dividend payout ratio has declined from 34.4% for FY2019 to 30.0% for FY2020 to 29.5% for FY2021). To instil investors' confidence, can the Board increase (or, at least maintain) the dividend payout ratio?	We determine our dividend payout ratios after taking into consideration, amongst others, our growth plans and prevailing market conditions. The Company has maintained the dividend payout ratio at not less than 30% of profit for the year attributable to owners of the Company ("**PAOC**"). ($'000) FY2021 FY2020 Dividend 13,130 10,474 PAOC 41,511 33,873 Percentage 31.6% 30.9%
9.	Does Valuemax have a dividend payout ratio target? I vaguely thought it was 35%. It was disappointing to see the payout rate reducing over the years from 35.2% (1.26c Div/3.58c EPS) for FY2017 to 29.5% (1.88c Div/6.38c EPS) for FY2021. Shareholders supported the company's rights issue. Some (including myself) even subscribed for additional rights shares. But I don't think the company is	Please refer to the responses to Questions 7 and 8. We remain focused on growing and improving the profitability of our business segments. The dividend paid out by the Group has also grown from 0.88 cents per share for its first post-listing dividend in 2014 to 1.88 cents per share this year, which is equivalent to a

	rewarding shareholders fairly despite strong earnings over the last five FYs. What is the company's intended positioning? It's neither a growth stock nor dividend stock. What is the company's plan to improve shareholder value, both in terms of share price (which largely stagnated) and dividends? Would the company consider paying dividends half-yearly to improve cash returns to shareholders?	dividend growth rate of almost 10% per annum over the period.
10.	Please refer to page 7 of the Annual Report about "Chairman's Statement". It was stated that "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." Can the Board share how is the progress/status of growing Hersing Credit Pte Ltd? How many outlets are the Board and Management targeting to open in the next 1-2 years?	The Group completed the acquisition of VM Money Pte Ltd (formerly known as Hersing Credit Pte Ltd), which holds a moneylending license, at the end of last year and is in the process of looking for a suitable location to operate the outlet. Each moneylending license entitles the company to operate one single outlet. Please also refer to the response to Question 11.
11.	Please refer to page 3 of the Annual Report about "Chairman's Statement". It was stated that "We have plans to open more pawnbroking outlets – through acquisition and setting up new shops at suitable locations in Singapore and Malaysia." Can the Board share the expansion plan for Malaysia? Are the Board and Management confident of opening at least 3 outlets per annum in the next 3-5 years?	The Group is actively looking for suitable locations to expand our outlets in Singapore. In Malaysia, we intend to open 6 or more outlets over the next 2 years. We will undertake our expansion plans prudently, taking into account, amongst others, availability of suitable personnel and prevailing market conditions.
12.	Please refer to page 86 of the Annual Report about "Interest-bearing loans and borrowings", especially "Effective interest rate". For "Bank overdrafts",	Management utilises overdraft facilities minimally and only for temporary cash flow requirements. This can be seen in the low

	the lower bound of the interest rates' range has more than doubled from 1.85% in 2020 to 4.25% in 2021. How do the Board and Management keep the usage of bank overdraft to a minimum?	overdraft balance of $0.1 million (FY2020: $0.8 million) as reflected in the annual report.
13.	Can the Board and Management share whether the Group has considered venturing into the Buy-Now-Pay-Later (BNPL) business?	The Group currently has no plans to venture into Buy-Now-Pay-Now-Later business, but will continue to monitor the industry developments in the BNPL business.

By Order of the Board

Lotus Isabella Lim Mei Hua
Company Secretary
19 April 2022