

**RESPONSES TO SUBSTANTIAL AND RELEVANT QUESTIONS RECEIVED FOR
THE ANNUAL GENERAL MEETING TO BE HELD ON 24 JUNE 2020**

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 24 June 2020 as follows:

S/N	Question	Response
1.	I note that there is a Head of Digital Position, will the company look into developing and Mobile App or go into Facebook live auctions like their competitors?	The Company is looking into developing digital solutions for online pawn ticket renewal as well as enhancing our e-commerce experience.
2.	How will the low interest rate environment affect the profitability of the group? Also, will the group take advantage of the low interest rate and refinance existing loans?	The lower interest environment will help reduce the Group’s funding cost in the current challenging business environment. Management will monitor the interest rate movement and where possible, refinance existing loans to minimise funding cost.
3.	Does the company have a fixed dividend policy?	The Company does not have a fixed dividend policy. The Company will take into account various factors, including the Group’s cash flows and expected working capital requirements to support the Group’s future growth, when considering the level of dividend payment. The Company may also provide shareholders with the option of re-investing in the Company via scrip dividends.
4.	Are Directors fees paid annually or quarterly? Will director fees for 2020 decrease due to the COVID-19 situation?	The Directors fee are paid annually after obtaining shareholders’ approval. The Directors fees, which are payable to our independent directors, are not tied to financial performance of the Company.
5.	Has ValueMax been impacted by government-mandated loan repayment or interest suspensions?	The relief measures announced by the Monetary Authority of Singapore, together with the Association of Banks of Singapore (ABS) and the Finance House Association of Singapore (FHAS), on 31 March 2020 and 30 April 2020 respectively, are not mandatory. ValueMax is not a member of either ABS or FHAS. Both our pawnbroking and moneylending businesses are regulated by the

		<p>Registry of Pawnbrokers and the Registry of Moneylenders respectively.</p> <p>As part of our efforts to support our customers, ValueMax will waive the first month's interest on all pledges pawned on or before 6 April upon redemption or renewal during or after the circuit breaker period if the pawn period exceeds one month. In addition, any valid pawn ticket which expired during the circuit breaker period will be automatically granted an extension until 4 August 2020.</p> <p>For our moneylending customers who require assistance, assessments are made on a case-by-case basis.</p>
6.	Are there plans in place to suspend or modify repayment schedules to alleviate customers' cashflows?	As mentioned above, assessments are made on a case-by-case basis.
7.	Gold prices have risen substantially. What percentage of the inventory (Balance Sheet) is made up of gold? And how much is it in SGD?	<p>Over 70% of our inventory consist of gold or have some elements of gold.</p> <p>Although gold prices have risen during the year, there has been a decline in diamond prices. Part of the Group's inventory consist of diamonds and diamond jewellery, which the Group will assess for potential impairment in value and make the necessary write-downs during this financial year.</p>
8.	Does the inventory factor in the current market value of Gold? If not, how is the gold content in the inventory valued? And how much is its market value in SGD.	Please refer to page 74 of the annual report for the breakdown of inventory carried at fair value and at the lower of cost or net realisable value
9.	<p>We understand that during the circuit breaker, retail and trading operations are closed, and the pawnbroking and moneylending businesses which remain in operation.</p> <p>(a) Are we seeing significantly lower level of activity in our pawnbroking and moneylending business during this period?</p>	<p>During the circuit breaker period, only ten of our pawnbroking outlets were in operations. Overall, the Group is seeing slower activities in both the pawnbroking and moneylending businesses.</p>

	(b) For Retail and Trading operations, do we have the sense of the demand after circuit breaker is lifted, in particular with the high level of gold price?	<p>The retail operations only resumed with the start of phase 2 of the easing of COVID-19 restrictions. Given the expected contraction in the Singapore economy and the rise in unemployment, retail sales are expected to be negatively impacted.</p> <p>With higher gold prices, the Group may see higher level of revenue from our gold trading operation.</p>
10.	Impact of Covid-19: please elaborate on the operations and financial impact on each of the three segments (pawnbroking, money lending and retail & trading).	Please refer to the response to Question 9.
11.	Note 5. Other operating income - What are Interest income on loans and receivables? Which segment of business contributes to this income?	Interest income is derived from deposits with financial institutions and loans to associated companies which are not part of our business segments.
12.	Note 19: Trade receivables - How is the situation with trade receivables (both pawnbroking & money lending) from the covid19 related economic stress? Are our banking facilities affected in any way?	<p>With Singapore expecting to go into the worst recession since the Asian Financial Crisis, the Group expects to see higher level of unredeemed pledges and a higher level of expected lifetime credit loss for the moneylending business.</p> <p>The Group will monitor the trade receivables closely and take necessary measures to minimise credit loss.</p> <p>Our principal bankers have been very supportive of the Group. The Group has been able to raise additional credit facilities during this challenging economic time.</p>
13.	Bank loans: as per note 23 on page 80 of annual report, the current portion of bank loans is \$241M. Please advise if the loans have been renewed and if there is any likelihood that any of the loans will be recalled by the bank.	The Group has been well supported by our principal bankers and have been able to raise additional credit facilities to meet our funding requirements.

By Order of the Board
Lotus Isabella Lim Mei Hua
Company Secretary
22 June 2020