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MEDIA RELEASE

ValueMax expands into moneylending business and expects to operate 30 outlets in Singapore and Malaysia by year end

- **Group 3Q2014 revenue increases 7.5% to S$8.76 million with net profit of S$1.7 million**
- **Increase in revenue from retail and trading of pre-owned jewellery and gold business**
- **Two more outlets in Malaysia expected to start operation by end of 2014, bringing the Group's total to 30 outlets**

SINGAPORE, [13] Nov 2014 – SGX Mainboard-listed **ValueMax Group Limited** ("**ValueMax**" or "方圆集团", and together with its subsidiaries, the "Group"), one of Singapore's oldest and most established pawnbroking chains, expects to have two more outlets in Malaysia commencing business by the end of 2014, which will bring the Group's total number of operating outlets to 30.

The Group's revenue for the three months ended 30 September 2014 ("3Q2014") increased 7.5% to S$87.6 million from S$81.4 million for the three months ended 30 September 2013 ("3Q2013"). This was due to an increased contribution of S$7.5 million for the retail and trading of pre-owned jewellery and gold business, whereas the pawnbroking business declined by S$1.3 million.

Mr Yeah Hiang Nam, Managing Director and CEO of ValueMax said: ***"Weaker gold prices have slowed our pawnbroking business for this quarter but our retail and trading of pre-owned jewellery and gold business has improved over the same period last year. Our unique competitive advantage in our new moneylending business makes us poised for expansion in this sector."***

Results Highlights

The Group's net profit attributable to owners of the Company declined 43.9% from S$3.0 million in 3Q2013 to S$1.7 million in 3Q2014. For the nine months ended 30 September 2014 ("9M2014"), net profit attributable to owners of the Company decreased by 14.8% to S$7.1 million compared to S$8.3 million in the previous corresponding period ("9M2013"). Gross profit margin for 9M2014 remained relatively stable at 7.2% compared to 7.4% for 9M2013.

In 3Q2014, administrative expenses saw an increase from S$3.4 million in 3Q2013 to S$4.2 million, mainly due to increases in employee benefits expenses of S$0.5 million, rental expenses of S$0.2 million and depreciation expenses of S$0.1 million.

Share of results of associate decreased from S$1.0 million in 3Q2013 to S$0.3 million in 3Q2014 respectively. In 3Q2013, the share of results of associate included the Group's recognition of the excess of the Group's share of the net fair value of the Malaysia associated companies' identifiable net assets over the cost of investment, which amounted to $0.7 million, upon the acquisition of the Malaysian associates in August 2013.

Profit before tax decreased as a result of the above, from S$4.0 million in 3Q2013 to S$2.0 million in 3Q2014.

Outlook

At the beginning of October, gold price fell below US$1,200 per ounce. The pawnbroking business continues to face increasing competition and this is expected to continue in the foreseeable future.

In order to broaden the Group's revenue base and grow its lending business, the Group entered the moneylending business with acquisition of VM Credit Pte Ltd ("VM Credit"). The acquisition of VM Credit, affords the Group a moneylender's license, which allows it to grant secured loans against collaterals such as properties. VM Credit has entered into several loans contracts amounting to S$9.6 million since the acquisition, of which S$3.1 million has been disbursed to-date.

The Group is still actively looking for opportunities to expand its network of outlets in Singapore and Malaysia, albeit in a prudent and steady manner. The Group has currently a total of 22 outlets located around Singapore and is actively searching for a strategic location for a flagship outlet with facilities that cater to high net-worth clients. The Group is also looking to expand in Malaysia and has two outlets expected to commence operations at the end of 2014, bringing the total number of operating outlets in Malaysia to eight.

"*In addition to opening new outlets, we are also identifying potential acquisitions. Our main consideration is whether it can be profitable in the shortest time possible.*" Mr Yeah Hiang Nam added.

-End-

Note: This media release is to be read in conjunction with the results announcement issued on SGXNet on 12 November 2014.

About ValueMax Group Limited

Having established its first pawnbroking outlet in 1988, ValueMax Group Limited ("ValueMax") is one of the oldest and most established pawnbroking chains in Singapore, providing pawnbroking services and the retail and trading of pre-owned jewellery and gold. It has 22 outlets in strategic locations island-wide and three other pawnshops operated by associated and investee companies. In Malaysia, ValueMax also operates six outlets through its associated companies.

An award-winning company, ValueMax has received various awards and certifications which includes being the first CaseTrust accredited pawnshop in 2004, Singapore Prestige Brand Award – Established Brands 2010, the Enterprise 50 Award 2010, two Singapore SME 1000 Awards in 2014 and Runner-up in the Most Transparent Company award for new listings at the SIAS Investors' Choice Awards 2014. The Managing Director and CEO, Mr Yeah Hiang Nam, was also conferred the Entrepreneur of the Year Award in 2010.

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