
ACQUISITION OF A NEW SUBSIDIARY

INTRODUCTION

The Board of Directors (the “**Board**”) of ValueMax Group Limited (the “**Company**”, and together with its subsidiaries, the “**Group**”) is pleased to announce that on 26 August 2022, the Company has entered into a share purchase agreement (“**Agreement**”) for the proposed acquisition of 100% of the issued and paid-up share capital, comprising 2,230,000 fully paid-up ordinary shares (“**Sale Shares**”) in the capital of Zheng Gang Pawnshop Pte. Ltd., (“**Zheng Gang**”), a company incorporated in Singapore (the “**Acquisition**”). Zheng Gang will, upon completion of the Acquisition, become a wholly-owned subsidiary of the Company.

CONSIDERATION AND PAYMENT

The total consideration for the Acquisition is S\$5,785,255.55, which is to be fully satisfied in cash. The consideration was arrived at on a willing buyer, willing seller basis, taking into account the value of the loan book and inventory.

The consideration will be fully satisfied by the internal resources of the Group.

NET ASSET VALUE

The audited net asset value of Zheng Gang for the year ended 31 December 2021 was S\$3.82 million.

RATIONALE FOR THE ACQUISITION

The Acquisition is intended to provide an additional revenue stream to the Group and is in line with the Group’s expansion strategy.

CONDITIONS PRECEDENT

The completion of the Acquisition is conditional upon, amongst others, the approval from the Housing Development Board of Singapore to the sale of the Sale Shares and approval of the Registrar of Pawnbrokers for the share transfer.

Additionally, the Company will be extending a loan which shall not exceed

S\$3,200,000.00 (“**Purchaser’s Loan**”) for Zheng Gang to meet its obligation to repay in full the loans granted by the shareholders of Zheng Gang (“**ZG Shareholders**”) to Zheng Gang and the interests on such loans (if any) (collectively, the “**ZG Shareholders’ Loans**”), following which Zheng Gang shall, amongst others, settle all ZG Shareholders’ Loans within five (5) days from provision of the Purchaser’s Loan.

RELATIVE FIGURES

As none of the relative figures computed on the applicable bases under Rule 1006 of the Listing Manual of the Singapore Exchange Securities Trading Limited (the “**Listing Manual**”) exceeds 5%, the Acquisition constitutes a non-discloseable transaction under Chapter 10 of the Listing Manual.

FINANCIAL EFFECT OF THE ACQUISITION

The Acquisition is not expected to have a material impact on the consolidated net tangible assets and earnings per share of the Group for the financial year ending 31 December 2022.

INTERESTS OF THE DIRECTORS AND CONTROLLING SHAREHOLDERS

None of the Directors or Controlling Shareholders of the Company has any interest, direct or indirect (other than through their shareholdings in the Company) in the Acquisition.

COMPLETION

The Company will make the relevant announcement(s) in accordance with the requirements of the Listing Manual upon the completion of the Acquisition.

By Order of the Board

Lotus Isabella Lim Mei Hua

Company Secretary

26 August 2022