

**VALUEMAX GROUP LIMITED**

(Incorporated in the Republic of Singapore)

(Company Registration No.: 200307530N)

(the "Company")

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**MINUTES OF THE ANNUAL GENERAL MEETING**

Minutes of the Annual General Meeting of the Company held at Hotel Royal @ Queens, Third Floor, Queen Room, 12 Queen Street, Singapore 188553, on Tuesday, 25 April 2023 at 10.00 a.m.

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**PRESENT**

**DIRECTORS**

Mr. Yeah Hiang Nam	- Executive Chairman
Mr. Yeah Chia Kai	- Executive Director and Chief Executive Officer
Mr. Neo Poh Kiat	- Lead Independent Director
Ms. Yeah Lee Ching	- Executive Director
Dr. Tan Guan Hiang	- Independent Non-Executive Director
Mr. Tan Soon Liang	- Independent Non-Executive Director
Mr. Lim Teck Chai, Danny	- Independent Non-Executive Director

**MEMBERS AND PROXIES**

As set out in the attendance records maintained by the Company

**IN ATTENDANCE**

Ms Carol Liew	- Chief Financial Officer
Ms Sharon Peh	- Partner, Erst & Young LLP, Auditors
Ms Lim Mei Hua Lotus Isabella	- Company Secretary

*(These minutes should be read with Appendix A which sets out details of the Questions and Answer session)*

**QUORUM**

The Chairman welcomed the shareholders to the Annual General Meeting ("AGM") of the Company. There being a quorum present, the Chairman declared the meeting open.

**NOTICE**

The Notice convening the meeting, having been in the hands of members for the requisite period was, with the concurrence of the meeting, taken as read.

**VOTING TO BE BY WAY OF A POLL**

The Chairman advised all members present that pursuant to the provisions of Article 65 of the Company's Constitution, all resolutions to be put to the vote at any general meeting of the Company, must be voted upon, by way of a poll.

The Chairman further advised, that with this in view, Entrust Advisory Pte Ltd and Tricor Singapore Pte. Ltd. have been appointed Scrutineers and Polling Agent respectively, for the conduct of the poll.

The Chairman informed the shareholders that in his capacity as Chairman of this AGM, he has been appointed by some shareholders as proxy and will be voting in accordance with their instructions.

## **REPORTS AND AUDITED FINANCIAL STATEMENTS**

The Chairman addressed the first item on the Agenda which was to receive and adopt the Report of the Directors and the audited financial statements of the Company for the financial year ended 31 December 2022. A copy of the Annual Report had been sent to the shareholders on 6 April 2023.

The following motion having been duly proposed, and seconded, was put to the vote:

**RESOLVED that the Directors' Report and the Audited Financial Statements of the Company for the financial year ended 31 December 2022 and the Auditors' Report contained therein be hereby received and adopted.**

For Ordinary Resolution 1, there were 615,427,601 shares voting in favour of the motion, representing almost 100 % of the total votes cast and 211 shares voting against the motion.

The Chairman declared the resolution carried.

## **DECLARATION OF FIRST AND FINAL DIVIDEND**

The second item on the Agenda was to approve the payment of a First and Final one-tier tax exempt dividend of 2 cents per share for the financial year ended 31 December 2022.

The following motion had been duly proposed and seconded was put to the vote:-

**RESOLVED that the payment of a first and final one-tier tax exempt dividend of 2 cents per share for the financial year ended 31 December 2022 be approved.**

For Ordinary Resolution 2, there were 615,427,601 shares voting in favour of the motion, representing almost 100 % of the total votes cast and 211 shares voting against the motion.

The Chairman declared the resolution carried.

## **DIRECTORS' FEES**

The Chairman addressed the next item on the Agenda which was the approval of payment of Directors' Fees of S\$185,000/- for the financial year ended 31 December 2022.

The following motion had been duly proposed and seconded, was put to the vote:-

**RESOLVED that the payment of Directors' Fees of S\$185,000/- for the financial year ended 31 December 2022 be approved.**

For Ordinary Resolution 3, there were 615,427,474 shares voting in favour of the motion, representing almost 100 % of the total votes cast and 211 shares voting against the motion.

The Chairman declared the resolution carried.

**RE-ELECTION OF DIRECTOR RETIRING PURSUANT TO ARTICLE 98 OF THE COMPANY'S CONSTITUTION (MR NEO POH KIAT)**

The Chairman advised that Mr Neo Poh Kiat was due to retire at the Annual General Meeting pursuant to Article 98 of the Company's Constitution, and had consented to stand for re-election

The following motion had been duly proposed and seconded was put to the vote:-

**RESOLVED that pursuant to Article 98 of the Company's Constitution, Mr Neo Poh Kiat be re-elected as a Director of the Company.**

For Ordinary Resolution 4, there were 615,427,474 shares voting in favour of the motion, representing almost 100 % of the total votes cast and 211 shares voting against the motion.

The Chairman declared the resolution carried.

**RE-ELECTION OF DIRECTOR RETIRING PURSUANT TO ARTICLE 98 OF THE COMPANY'S CONSTITUTION (MR TAN SOON LIANG)**

The Chairman advised that Mr Tan Soon Liang was due to retire at the Annual General Meeting pursuant to Article 98 of the Company's Constitution, and had consented to stand for re-election

The following motion having been duly proposed and seconded, was put to the vote:-

**RESOLVED that pursuant to Article 98 of the Company's Constitution, Mr Tan Soon Liang be re-elected as a Director of the Company.**

For Ordinary Resolution 5, there were 615,277,474 shares voting in favour of the motion, representing almost 100% of the votes cast and 211 shares voting against the motion.

The Chairman declared the resolution carried.

**RE-ELECTION OF DIRECTOR RETIRING PURSUANT TO ARTICLE 98 OF THE COMPANY'S CONSTITUTION (MR YEAH CHIA KAI)**

The Chairman advised that Mr Yeah Chia Kai due to retire at the Annual General Meeting pursuant to Article 98 of the Company's Constitution, and had consented to stand for re-election

The following motion having duly proposed and seconded, was put to the vote:-

**RESOLVED that pursuant to Article 98 of the Company's Constitution, Mr Yeah Chia Kai, be re-elected as a Director of the Company.**

For Ordinary Resolution 6, there were 615,427,474 shares voting in favour of the motion, representing almost 100% of the votes cast and 211 shares voting against the motion.

The Chairman declared the resolution carried.

## **RE-APPOINTMENT OF AUDITORS**

The Chairman addressed item 7 on the Agenda which was 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.

There being no other nomination, the Chairman recommended that Messrs. Ernst & Young LLP, Certified Public Accountants, Singapore, be re-appointed Auditors of the Company at a remuneration to be fixed by the Directors.

The following motion having been duly proposed and seconded, was put to the vote:-

**RESOLVED that Messrs Ernst & Young LLP, Certified Public Accountants, Singapore, be and are hereby re-appointed Auditors of the Company to hold office until the conclusion of the next Annual General Meeting at a remuneration to be fixed by the Directors.**

For Ordinary Resolution 7, there were 615,427,601 shares voting in favour of the motion, representing almost 100 % of the total votes cast and 211 shares voting against the motion.

The Chairman declared the resolution carried.

## **SPECIAL BUSINESS**

### **ORDINARY RESOLUTION**

#### **AUTHORITY TO ALLOT AND ISSUE SHARES**

The Chairman advised that the Special Business of the Agenda was to consider the motion as set out in the notice convening the meeting to grant authority to the Directors to allot and issue shares in the capital of the Company pursuant to the provisions of Section 161 of the Companies Act and the listing rules of the Singapore Exchange Securities Trading Limited.

The following motion having been duly proposed and seconded, was put to the vote:-

#### **RESOLVED:**

- (a) **That pursuant to Section 161 of the Companies Act 1967 (the "Act"), 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.

For Ordinary Resolution 8, there were 615,063,184 shares voting in favour of the motion, representing 99.94 % of the total votes cast and 346,501 shares voting against the motion, representing 0.06% of the total votes cast.

The Chairman declared the resolution carried.

**ORDINARY RESOLUTION  
PROPOSED RENEWAL OF SHAREHOLDERS' GENERAL MANDATE FOR THE  
INTERESTED PERSON TRANSACTIONS**

The Chairman advised that the last item on the Agenda was to consider the motion as set out in the notice convening the meeting to approve the Proposed Shareholders' General Mandate for the Interested Person Transactions.

The following motion having been duly proposed and seconded, was put to the vote:-

**That approval be and is hereby given:**

- (a) for the purposes of Chapter 9 of the Listing Manual of the Singapore Exchange Securities Trading Limited ("Chapter 9"), for the Company, its subsidiaries 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");**
- (b) 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**
- (c) 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**

For Resolution 9, there were 7,844,946 shares voting in favour of the motion, representing 99.85 % of the total votes cast and 11,501 shares voting against the motion, representing 0.15% of the votes cast.

The Chairman declared the resolution carried unanimously.

**OTHER BUSINESS**

There being no other business, the meeting ended at 11.30 a.m. with a vote of thanks to the Chair.

**CONFIRMED AS A TRUE RECORD OF THE PROCEEDINGS**

***SIGNED***

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**YEAH HIANG NAM**  
**EXECUTIVE CHAIRMAN**

APPENDIX 1

**RESPONSES TO SUBSTANTIAL AND RELEVANT QUESTIONS FROM SHAREHOLDERS AT THE ANNUAL GENERAL MEETING (“AGM”) HELD ON 25 APRIL 2023**

The following questions has been submitted by a shareholder, via email, prior to the holding of the Company’s AGM and were addressed during the AGM

1. **Can the Board share the breakdown of the revenue by geography - i.e. what is the contribution from Malaysia with the latest acquisition? And any other?**

The Group’s revenue is derived in Singapore as all of Group’s business segments operate only in Singapore. The results of the Group’s Malaysian associated companies are accounted as share of results of associates.

2. **From the business segment results - in terms of profitability,**
  - a. **Money Lending did well with better interest spread than the pawnbroking and retail businesses?**
  - b. **Are the Money Lending mostly secured? Any unsecured lending? What is the secured vs unsecured lending percentage?**
  - c. **Pawnbroking - is the pledged book enlarged with the Malaysia acquisition? How much has the Malaysia operations contributed to this FY earnings?**
  - d. **The dismal performance of the retails is due mainly to higher interest rate? or any other reasons?**

- a. Moneylending generated a PBT margin higher than pawnbroking. This is mainly because of the higher overheads from rental, staff cost etc incurred by over 40 pawnbroking outlets. Moneylending on the other hand, only operates from the Waterloo location.
- b. As at end of FY2022, over 95% of the Moneylending loan book is secured against properties or motor vehicles
- c. The group did not acquire any Malaysian companies.
- d. The lower profit generated by the retail and trading business was due mainly to the lower revenue from the trading activities in 2022.

3. **Interest rate ranged from 2% to 5%. What is the effective interest rate on the current bank loans of \$515m and non-current \$33m?**

The effective interest rate is between 2% to 5.9%. The total bank loans comprised a mixed of revolving loans and term loans. The portion of term loans payable within the next 12 months forms part of the bank loans sitting under current liabilities.

4. **Page 68: Finance cost for Overdraft is 34K  
Finance cost for CP is 1109K  
Finance cost for bank loans is 15,674K**
  - a. **what is the rationale to use Commercial Paper despite being more expensive?**
  - b. **Is it to meet SGX query in March 2023 on cashflow?**

The Company established its Commercial Paper programme to have a diversified source of funding. Effective interest rate of 5-5.2% was lower than some of the Group's borrowings which ranges between 2% and 5.9%.

**5. Page 84: Hedging strategy**

**The derivative contract currently covers 394K vs the total Bank Loans of 548m at an average fixed rate of 2.15% over 3 years.**

- a. **As all the business segments are sensitive to interest rate, is the current hedging sufficient? Is the effectiveness of hedges monitored? By who? OR Is this covered in the non-audit service?**
- b. **Bank Loan interest rate ranged from 2% to 5%, what is the effective interest rate after the hedging? 2.15%?**

The Group has hedged \$10m of its borrowings by switching floating to fixed interest rate of 2.15%. It is a direct hedge against the designated loan. The hedge is monitored by the Financial Controller of the Group.

**6. Page 69 Non-audit fee. What is the non-audit fee(160K) for? It is almost half of the audit fee of 404K. Did the Audit Committee assess the impact on the independence of the company auditor?**

The non-audit fee is paid for non-statutory audit reviews which includes, *inter alia*, agreed-upon procedure reports issued by our auditors to the Registrar of Pawnbrokers and Registrar of Moneylenders as required by regulation.

**The following questions has been raised by shareholders and addressed during the Company's AGM**

**7. What is the percentage of loans under the moneylending segment as set out in the Annual Report are secured loans.?**

As at end of FY2022, over 95% of the total moneylending loans are loans secured by immovable properties and motor vehicles.

**8. Most of the security for the larger loans are in the form of property.**

- a. **With the fluctuations in the value of properties from time to time, what are the steps taken by Management to prevent losses form loans which are secured by properties?**
- b. **What is the rate of default cases?**

By granting secured loans at prudent loan-to-value ratios, the Group typically has a comfortable margin of safety to provide sufficient buffer against any drop in the value of such properties and the possibility of the Group suffering material losses.

In respect of loans secured on motor vehicles, the risk of loss may be higher. Management has therefore capped the amount on this business segment to ensure a smaller exposure to mitigate the risk of losses.

To-date, there have not been many cases of enforcement action against the collateral.

**9. Interest rates are on a rising trend.**

- a. How does this impact the Group's Finance cost?**
- b. What is the expected increase in Finance costs?**

With the rising interest rate, the Group's finance cost has increased compared to FY2021 and is expected to be higher in FY2023. The extend of increment is dependent on a number of factors, including global interest rate movement and the Group's funding needs.

**10. Do the fluctuating gold prices affect the value of the gold held by the Group and how much gold is being held by the Group?**

The Group holds gold for both trading as well as for retail. Over 70% of the Group's inventory holdings consist of gold or have some elements of gold, with rest in the form of watches and gemstones, etc.

With the Group's retail stock, there is certain margin to buffer against fluctuation in gold price while the gold for trading is hedged on a daily basis. In 2013, when the gold price fell by almost 40% from peak to trough at one point, the Group remained profitable.

**11. At IPO, the share price was 45cts per shares, whilst the share price is currently at 36 cts per share, even though Profit before tax and Net Asset Value is double, the share price has not doubled. What is Management doing to increase the share price?**

Management is focused on growing the businesses of the Group. A lot of companies listed on the SGX are profitable and financially strong, but somehow, there are not much movements in their share prices. The most active counters are generally companies on the Straits Times Index.

**12. Does the Company accept lab grown diamonds as collateral in the pawnbroking segment?**

The Company is of the view that there is an unlimited supply of lab grown diamonds and does not accept lab grown diamonds as a form of collateral.