

VALUEMAX GROUP LIMITED
(Incorporated in the Republic of Singapore)
(Company Registration No. 200307530N)

PROPOSED NON-RENOUCEABLE NON-UNDERWRITTEN RIGHTS ISSUE

1. Introduction

- 1.1. The board of directors (the “**Board**”) of ValueMax Goup Limited (the “**Company**”, and together with its subsidiaries, the “**Group**”) wishes to announce that the Company is proposing to undertake a non-renounceable non-underwritten rights issue of up to 116,401,122 new ordinary shares in the capital of the Company (the “**Rights Shares**”) at an issue price of S\$0.36 for each Rights Share (the “**Issue Price**”), on the basis of one (1) Rights Share for every five (5) existing ordinary shares in the capital of the Company (“**Shares**”) held by the shareholders of the Company (“**Shareholders**”) (the “**Rights Issue**”) as at a record date to be determined by the Board, at and on which the register of members of the Company and the transfer books will be closed to determine the provisional allotment of the Rights Shares of the Entitled Shareholders (as defined below) (the “**Record Date**”), fractional entitlements to be disregarded. In accordance with Rule 821 of the listing manual of the Mainboard (“**Listing Manual**”) of the Singapore Exchange Securities Trading Limited (“**SGX-ST**”), the Record Date shall only be determined after the Rights Issue has been approved by the SGX-ST.
- 1.2. The Rights Shares are intended to be issued and allotted pursuant to and within the limits of the general share issue mandate (the “**General Mandate**”) to issue new ordinary shares in the capital of the Company whether by way of rights, bonus or otherwise, to be approved by Shareholders’ at the forthcoming annual general meeting of the Company (the “**AGM**”).

2. Proposed Principal Terms of the Rights Issue

Proposed Principal Terms of the Issue	Description
Price	S\$0.36 per Rights Share.
Discount (specifying benchmarks and periods)	The Issue Price represents a discount of approximately: (a) 8.116% to the volume weighted average price of S\$0.3918 per Share for Shares traded on the Mainboard of the SGX-ST on 9 April 2021, being the full market day on which the Shares were traded immediately preceding this announcement; and (b) 6.856% to the theoretical ex-rights price ⁽¹⁾ of S\$0.3865 per Share. Note: (1) The theoretical ex-rights trading price is the theoretical market price of each Share assuming the maximum 116,401,122 Rights Shares are issued pursuant to the Rights Issue, and is computed based on the volume weighted average price of

	S\$0.3918 per Share for Shares traded on the Mainboard of the SGX-ST on 9 April 2021, being the last full market day on which the Shares were traded immediately preceding this announcement.
Allotment Ratio	One (1) Rights Share for every five (5) existing Shares held by Shareholders as at the Record Date, fractional entitlements to be disregarded.
Purpose of Issue	Please refer to paragraph 3 of this announcement for details on the purpose of the Rights Issue.

The terms and conditions of the Rights Issue are subject to such changes as the Directors may deem fit. The final terms and conditions of the Rights Issue including procedures for acceptances and applications for the Rights Shares will be contained in an instructions booklet to be despatched by the Company to Entitled Shareholders (as defined below) in due course (the “**Instructions Booklet**”). A further announcement on the despatch of the Instructions Booklet will be made by the Company at the appropriate time.

Further details on the principal terms and conditions of the Rights Issue are set out below.

2.1. **Basis of Provisional Allotment**

Pursuant to the Rights Issue, up to 116,401,122 Rights Shares will be offered at the Issue Price, on a pro rata, non-renounceable and non-underwritten basis of one (1) Rights Share for every five (5) Shares held by the Shareholders as at the Record Date, fractional entitlements to be disregarded.

2.2. **Size of the Rights Issue**

Based on the Company’s issued and paid-up share capital comprising 582,005,613 Shares (excluding treasury shares) as at the date of this announcement and assuming no new Shares are issued on or prior to the Record Date and all Entitled Shareholders (as defined below) subscribe in full and pay for their *pro rata* entitlements of Rights Shares, the Company will issue up to 116,401,122 Rights Shares under the Rights Issue and the share capital of the Company will increase to comprise 698,406,735 Shares (excluding treasury shares). The Rights Issue cannot be withdrawn after the commencement of ex-rights trading. The Company has no existing warrants or other convertible securities as at the date of this announcement.

2.3. **Authority to issue the Rights Shares**

The Rights Shares are intended to be issued and allotted pursuant to and within the limits of the General Mandate.

If approved by Shareholders, the General Mandate will authorise the Directors to allot and issue Shares, whether by way of rights, bonus or otherwise, of up to 50% of the total number of issued Shares (excluding treasury shares) as at the date of the AGM, of which the aggregate number of Shares that may be issued other than on a pro-rata basis to Shareholders must not be more than 20% of the total number of issued Shares (excluding treasury shares) as at the date of the AGM.

As at the date of this announcement, the total number of issued Shares (excluding treasury shares) of the Company is 582,005,613. Assuming that no further Shares are issued prior to

and following the AGM, the total number of Shares that may be issued pursuant to the General Mandate is 291,002,806 Shares, of which the maximum number of Shares that can be issued on a pro rata basis is 291,002,806 Shares and the maximum number of Shares that can be issued other than on a pro rata basis is 116,401,122 Shares.

2.4. **Provisional Allotments and Excess Applications**

Entitled Shareholders (as defined below) will be at liberty to accept (in full or in part), or decline their provisional allotments of Rights Shares and will be eligible to apply for additional Rights Shares ("**Excess Rights Shares**") in excess of their provisional allotments under the Rights Issue.

Fractional entitlements to the Rights Shares will be disregarded in arriving at the Entitled Shareholders' provisional allotments of Rights Shares and will, together with the provisional allotments of Rights Shares which are not taken up or allotted for any reason, be aggregated and allotted to satisfy excess applications for Rights Shares, or otherwise dealt with in such manner as the directors of the Company ("**Directors**") may, in their absolute discretion, deem fit in the best interests of the Company, subject to applicable laws and the Listing Manual.

In the allotment of Excess Rights Shares, preference will be given to Shareholders for the rounding of odd lots, whereas Directors and substantial Shareholders who have control or influence over the Company in connection with the day-to-day affairs of the Company, or the terms of the Rights Issue, or have a representation (direct or through a nominee) on the Board, will rank last in priority for the rounding of odd lots and allotment of Excess Rights Shares. The Company will not make any allotment and issue of any Excess Rights Shares that will result in a transfer of controlling interest in the Company unless otherwise approved by Shareholders in general meeting.

AS THE RIGHTS ISSUE IS MADE ON A NON-RENOUCEABLE BASIS, ENTITLED SHAREHOLDERS SHOULD NOTE THAT THE PROVISIONAL ALLOTMENT OF RIGHTS SHARES CANNOT BE RENOUNCED IN PART OR IN WHOLE IN FAVOUR OF A THIRD PARTY, OR TRADED ON THE SGX-ST.

2.5. **Scaling Down of Subscriptions**

Depending on the level of subscription for the Rights Issue, the Company may, if necessary and upon the approval of the SGX-ST, scale down the Rights Shares subscribed by any Shareholder to avoid placing such Shareholder and/or parties acting in concert with it (as defined in the Singapore Code on Take-overs and mergers (the "**Takeover Code**")) in the position of incurring an obligation to make a mandatory general offer under the Takeover Code as a result of other Entitled Shareholders (as defined below) not taking up, whether partly or in full, their provisional allotments of the Rights Shares.

2.6. **Ranking of the Rights Shares**

The Rights Shares will be payable in full upon acceptance and/or application. The Rights Shares, when allotted and issued, will rank *pari passu* in all respects with the then existing Shares, except that they will not rank for any dividends, rights, allotments or other distributions that may be declared or paid, the record date for which falls before the date of issue of the Rights Shares. For this purpose, a "**record date**" means, in relation to any dividends, rights, allotments or other distributions, the date as at the close of business (or such other time as may have been notified by the Company) on which the Shareholders must be registered with the

Company or The Central Depository (Pte) Limited (“**CDP**”), as the case may be, in order to participate in such dividends, rights, allotments or other distributions.

2.7. **Non-underwritten basis of the Rights Issue**

The Rights Issue will not be underwritten. In the reasonable opinion of the Directors, and in view of the Irrevocable Undertaking (as defined below), there is no minimum amount which must be raised from the Rights Issue. After taking into consideration the aforementioned, the costs of engaging an underwriter and having to pay commission in relation to the underwriting, the Directors have decided that it is not feasible nor practical for the Rights Issue to be underwritten by a financial institution.

3. **Rationale**

The Company is presently exploring alternative means of fundraising in addition to external borrowings and issuing debt instruments, and is undertaking the Rights Issue to strengthen the financial position and capital base of the Group. In view of the current financial circumstances, the Company believes that the proposed Rights Issue will strengthen the Company’s balance sheet, for which a stronger financial position will provide financial flexibility for the Group for its working capital needs and also allow the Group to seize opportunities for business growth and expansion in a timely manner and as and when the opportunities arise.

- 3.1. In addition, the Rights Issue will also provide existing Shareholders who are confident of the future prospects of the Company with an opportunity to maintain their equity participation in the Company.

4. **Use of Proceeds**

- 4.1. On the assumption that:

- (a) (i) none of the Shareholders except for the Undertaking Shareholder (as defined below) subscribes for their respective *pro rata* entitlements to Rights Shares under the Rights Issue; and (ii) the Undertaking Shareholder (as defined below) subscribes for its *pro rata* entitlement to the Rights Shares only and not any of the Excess Rights Shares pursuant to the Irrevocable Undertaking (as defined below), (the “**Minimum Subscription Scenario**”), the Company expects to receive net proceeds of approximately S\$26.8 million from the Rights Issue, after deducting estimated expenses of approximately S\$0.2 million; and
- (b) all Shareholders subscribe for their respective *pro rata* entitlements to Rights Shares under the Rights Issue (the “**Maximum Subscription Scenario**”), the Company expects to receive net proceeds of approximately S\$41.7 million from the Rights Issue, after deducting estimated expenses of approximately S\$0.2 million.

- 4.2. In all the scenarios mentioned in paragraph 4.1 above, the Company intends to use the net proceeds (“**Net Proceeds**”) from the Rights Issue in the following manner and proportions:

No.	Use of Net Proceeds	Percentage of Net Proceeds (%)
1.	For the expansion of the Group’s moneylending business segment.	60

2.	For the working capital requirements of the Group	40
Total		100

The Company is of the view that the minimum proceeds raised (based on the Irrevocable Undertaking (as defined below)) from the Rights Issue in the Minimum Subscription Scenario will be sufficient to meet the Company's present funding requirements.

- 4.3. The Company will make periodic announcements on the utilisation of the Net Proceeds as and when such proceeds are materially disbursed and whether such disbursements are in accordance with the stated use of proceeds, and subsequently provide a status report on the use of such proceeds in its annual report. Where the proceeds have been used for working capital purposes, the Company will provide a breakdown with specific details on how the proceeds have been applied in the Company's announcements and the annual report. Where there is any material deviation from the stated use of proceeds, the Company will announce the reasons for such deviation.
- 4.4. Pending the deployment of the proceeds raised from the Rights Issue for the use(s) mentioned above, the proceeds may be placed as deposits with financial institutions, or invested in short-term money market or debt instruments, or for any other purposes on a short-term basis as the Directors may deem fit in the interests of the Group.

5. Opinion of Directors

- 5.1. The Directors are of the opinion that, after taking into consideration the Group's present bank facilities, the working capital available to the group is sufficient to meet its present requirements. Nonetheless, the Company is undertaking the Rights Issue to raise additional funds to strengthen the Company's balance sheet to allow the Group to seize opportunities to grow and expand its existing moneylending business in a timely manner and as and when the opportunities arise and for the working capital needs of the Group.
- 5.2. The Directors are of the opinion, after taking into consideration the rationale for the Rights Issue as set out in paragraph 3 of this announcement that the Rights Issue is in the interests of the Company.
- 5.3. In determining the discount as set out in paragraph 2 of this announcement, the Directors had taken into consideration the volume weighted average price of the Shares as at 9 April 2021 and the theoretical ex-rights price computed on the same.

6. Eligibility to Participate in the Rights Issue

- 6.1. The Company proposes to provisionally allot the Rights Shares to all Shareholders who are eligible to participate in the Rights Issue on the basis of their shareholdings in the Company as at the Record Date ("**Entitled Shareholders**"). The Entitled Shareholders comprise Entitled Depositors and Entitled Scripholders (both as defined below).
- 6.2. "**Entitled Depositors**" are Entitled Shareholders whose securities accounts with CDP are credited with Shares as at 5.00 p.m. (Singapore time) on the Record Date, provided that such Entitled Depositors have registered addresses in Singapore with CDP as at the Record Date or if they have registered addresses outside Singapore, they have provided CDP with a registered address in Singapore no later than 5.00 p.m. (Singapore time) on the date being three (3) market days (being a day on which the SGX-ST is open for trading in securities) prior to the Record Date.

- 6.3. **“Entitled Scripholders”** are Entitled Shareholders whose share certificates are not deposited with CDP and who have tendered to Tricor Barbinder Share Registration Services (**“Share Registrar”**) at 80 Robinson Road #11-02, Singapore 068898 valid transfers of their Shares and the certificates relating thereto for registration up to the Record Date, provided that such Entitled Scripholders have registered addresses in Singapore with the Share Registrar as at the Record Date or if they have registered addresses outside Singapore, they have provided the Share Registrar with a registered address in Singapore, in Singapore no later than 5.00 pm. (Singapore time) on the date being three (3) market days (being a day on which the SGX-ST is open for trading in securities) prior to the Record Date.

6.4. **CPF Investment Scheme**

Shareholders who have previously purchased Shares using their Central Provident Fund (**“CPF”**) account savings (**“CPF Funds”**) under the Central Provident Fund Investment Scheme (**“CPFIS”**) may only use their CPF Funds for the payment of the Issue Price to subscribe for their provisional allotments of Rights Shares and (if applicable) to apply for Excess Rights Shares, subject to the applicable CPF rules and regulations. Such Shareholders who wish to accept provisional allotments of the Rights Shares and (if applicable) apply for Excess Rights Shares using CPF Funds will need to instruct their respective approved CPF agent banks with whom they hold their CPF investment accounts, to accept the provisional allotments of the Rights Shares and (if applicable) apply for Excess Rights Shares on their behalf in accordance with the terms and conditions in the Instructions Booklet.

6.5. **Foreign Shareholders**

For practical reasons and to avoid any violation of the relevant legislation applicable in countries other than Singapore, the Rights Shares will not be offered to Shareholders with registered addresses outside Singapore as at 5.00 p.m. (Singapore time) on the Record Date and who have not, by no later than 5.00 p.m. (Singapore time) on the date being three (3) market days (being a day on which the SGX-ST is open for trading in securities) prior to the Record Date, provided to the Share Registrar or CDP, as the case may be, with registered addresses in Singapore for the service of notices and documents (the **“Foreign Shareholders”**), and the Instructions Booklets and its accompanying documents will not be despatched to Foreign Shareholders. Accordingly, no provisional allotments of the Rights Shares will be made to Foreign Shareholders and no purported acceptance thereof or application by Foreign Shareholders will be valid.

SHAREHOLDERS WITH REGISTERED ADDRESSES OUTSIDE SINGAPORE WHO WISH TO PARTICIPATE IN THE RIGHTS ISSUE SHOULD PROVIDE CDP OR THE SHARE REGISTRAR, AS THE CASE MAY BE, WITH ADDRESSES IN SINGAPORE FOR THE SERVICE OF NOTICES AND DOCUMENTS, AT LEAST THREE (3) MARKET DAYS PRIOR TO THE RECORD DATE.

7. **Irrevocable Undertaking**

- 7.1. As at the date of this announcement, Yeah Holdings Pte. Ltd. (the **“Undertaking Shareholder”**), a controlling shareholder of the Company and the Undertaking Shareholder, directly holds 375,523,791 Shares, representing 64.52% of the total number of issued Shares of the Company.
- 7.2. As an indication of its support and commitment to the Company and the Rights Issue, the Undertaking Shareholder will be providing an irrevocable undertaking in favour of the Company (**“Irrevocable Undertaking”**), pursuant to which the Undertaking Shareholder will, subject to certain conditions, irrevocably undertaken to the Company that, among others:

- (a) as at the Record Date, the number of Shares held by the Undertaking Shareholder will not be less than the number of Shares held by it as at the date of the Irrevocable Undertaking;
 - (b) it will, not later than the last day for acceptance and payment of the Rights Shares, subscribe for and pay in full for and/or procure the subscription of and payment in full for its pro rata entitlement to the Rights Shares under the Rights Issue in relation to Shares held by it as at the Record Date, in accordance with the terms and conditions of the Rights Issue.
- 7.3. The Undertaking Shareholder shall procure confirmations from financial institutions that it has sufficient financial resources to fulfil its obligations under the Irrevocable Undertaking.
- 7.4. The Irrevocable Undertaking will be conditional upon, among others, the receipt of the approval in-principle of the SGX-ST for the dealing in, listing of and quotation for the Rights Shares on the Mainboard of the SGX-ST, such approval not having been withdrawn or revoked as at the date of completion of the Rights Issue, and if such approval is granted subject to conditions, such conditions being acceptable to the Company. approved by the Independent Shareholders (as defined below) at the EGM.

Resultant Shareholdings based on the Minimum Subscription Scenario and Maximum Subscription Scenario

- 7.5. Assuming the Minimum Subscription Scenario, the aggregate voting rights of the Undertaking Shareholder after the close of the Rights Issue will increase from approximately 64.52% as at the date of this announcement to approximately 68.58% of the Company's aggregate voting rights of the enlarged share capital of the Company after the Rights Issue.
- 7.6. Assuming the Maximum Subscription Scenario, the aggregate voting rights of the Undertaking Shareholder after the close of the Rights Issue will remain unchanged at approximately 64.52% of the Company's aggregate voting rights (based on the enlarged share capital of the Company after the Rights Issue).
- 7.7. As the Undertaking Shareholder holds more than 50% of the issued share capital of the Company, the obligations under the Irrevocable Undertaking will not trigger an obligation under the Takeover Code to make a mandatory general offer for the Shares of the Company.

8. Previous Equity Fund Raising in the Past 12 Months

The Company has not undertaken any previous equity fund raising in the past 12 months.

9. Approvals

- 9.1. Shareholders should note that the Rights Issue is subject to, *inter alia*, the receipt of the approval in-principle of the SGX-ST for the dealing in, listing of and quotation for the Rights Shares on the Mainboard of the SGX-ST, such approval not having been withdrawn or revoked as at the date of completion of the Rights Issue, and if such approval is granted subject to conditions, such conditions being acceptable to the Company.
- 9.2. An application will be made to the SGX-ST for permission to deal in and for the listing of and quotation for the Rights Shares on the Mainboard of the SGX-ST. An appropriate announcement will be made in due course when the Company receives the approval-in-

principle for the Rights Shares from the SGX-ST.

- 9.3. The Record Date will also be fixed in due course after obtaining the approval in-principle of the SGX-ST, for which an announcement on the Record Date will be separately made by the Company in due course.

10. Interests of Directors and Substantial Shareholders

The following persons are directors and/or shareholders of the Undertaking Shareholder:

- (a) Yeah Hiang Nam, the Managing Director and Chief Executive officer of the Company, and his wife, Tan Hong Yee, each hold a 35% direct shareholding interest in the Undertaking Shareholder;
- (b) Yeah Lee Ching, the Executive Director of the Company, holds a 10% direct shareholding interest in the Undertaking Shareholder; and
- (c) Yeah Chia Kai, the Executive Director of the Company, holds a 10% direct shareholding interest in the Undertaking Shareholder.

Save as disclosed in this announcement, none of the Directors nor, to the best of the Directors' knowledge, any of the substantial Shareholders, has any interest, whether direct or indirect, in the Rights Issue other than through their respective shareholding interests, direct and/or indirect, in the Company (if any).

11. Cautionary Statement

Shareholders and potential investors are advised to exercise caution when dealing or trading in the Shares. The completion of the Rights Issue is subject to certain conditions. As at the date of this announcement, there is no certainty or assurance that the Rights Issue will be completed or that no changes will be made to the terms thereof. The Company will make the necessary announcements when there are further developments. Shareholders and potential investors are advised to read this announcement and any further announcements by the Company carefully. Shareholders and potential investors should consult their stockbrokers, bank managers, solicitors, accountants, tax advisers or other professional advisers if they have any doubt about the actions they should take.

By Order of the Board

Yeah Lee Ching
Executive Director
9 April 2021