ValueMax GROUP 方圓

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The Value You Trust

ValueMax Group Limited

(Incorporated in the Republic of Singapore on 7 August 2003)
(Company Registration No.: 200307530N)

REGISTERED BY THE MONETARY AUTHORITY OF SINGAPORE ON 21 OCTOBER 2013

This document is important. If you are in any doubt as to the action you should take, you should consult your legal, financial, tax, or other professional adviser.

We have applied to the Singapore Exchange Securities Trading Limited (the "**SGX-ST**") for permission to deal in and for quotation of all our ordinary shares (the "**Shares**") in the capital of ValueMax Group Limited (the "**Company**") already issued, the New Shares (as defined herein) which are the subject of this Invitation (as defined herein) and the new Shares which may be issued upon the vesting of the Awards (as defined herein) granted pursuant to the ValueMax Performance Share Plan (as defined herein) (the "**Award Shares**"). Such permission will be granted when we have been admitted to the Official List of the SGX-ST. The dealing in and quotation of our Shares will be in Singapore dollars. Prior to the Invitation, there has been no public market for our Shares.

Acceptance of applications for the New Shares will be conditional upon, *inter alia*, the issue of the New Shares and permission being granted to deal in and for quotation of all of our existing issued Shares, the New Shares and the Award Shares. If completion of the Invitation does not occur because permission is not granted or for any other reason, monies paid in respect of any application accepted will be returned to you, subject to applicable laws, at your own risk, without interest or any share of revenue or other benefit arising therefrom, and you will not have any claim against us, the Issue Manager, the Underwriter or the Placement Agent (all as defined herein).

The SGX-ST assumes no responsibility for the correctness of any of the statements made, reports contained or opinions expressed in this Prospectus. Admission to the Official List of the SGX-ST is not to be taken as an indication of the merits of the Invitation, our Company, our Subsidiaries (as defined herein), our existing issued Shares, the New Shares or the Award Shares.

A copy of this Prospectus has been lodged with and registered by the Monetary Authority of Singapore (the "**Authority**") on 30 September 2013 and 21 October 2013 respectively. The Authority assumes no responsibility for the contents of this Prospectus. Registration of this Prospectus by the Authority does not imply that the Securities and Futures Act, Chapter 289 of Singapore, or any other legal or regulatory requirements, have been complied with. The Authority has not, in any way, considered the merits of our existing issued Shares, the New Shares and the Award Shares, as the case may be, being offered for investment. We have not lodged or registered this Prospectus in any other jurisdiction.

No Shares shall be allotted on the basis of this Prospectus later than six (6) months after the date of registration of this Prospectus by the Authority.

Investing in our Shares involves risks which are described in the section entitled "Risk Factors" of this Prospectus.

Applications should be received by 12.00 noon on 28 October 2013 or such further period or periods as our Directors may, in consultation with the Issue Manager, Underwriter and Placement Agent, in their absolute discretion, decide, subject to any limitations under all applicable laws.

Invitation in respect of 138,000,000 New Shares comprising:

(a) 5,000,000 Offer Shares at $0.51 each by way of Public Offer; and

(b) 133,000,000 Placement Shares at $0.51 each by way of Placement,

payable in full on application.

Issue Manager, Underwriter and Placement Agent

CANACCORD Genuity

CANACCORD GENUITY SINGAPORE PTE. LTD.
(Incorporated in the Republic of Singapore)
(Company Registration No.: 200713620D)

CORPORATE PROFILE

Having established our first pawnbroking outlet in 1988, we believe that we are 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.

We believe our strong track record as well as in-depth and extensive industry knowledge have contributed to our growth and steady expansion to 17 outlets in strategic and convenient locations across Singapore, comprising 16 pawnshops with pre-owned jewellery retail outlets as well as one (1) standalone pre-owned jewellery retail outlet. Our Singapore network also includes three (3) other pawnshops with pre-owned jewellery retail outlets operated by our associated and investee companies. In Malaysia, we operate five (5) outlets through our associated companies, which we believe makes us the only local pawnbroking chain with an overseas presence.

In recognition of our outstanding achievement in branding, we were conferred the Singapore Prestige Brand Award – Established Brands in 2010. In the same year, our Managing Director and CEO, Mr Yeah Hiang Nam, was named Entrepreneur of the Year by the Rotary Club of Singapore and the Association of Small and Medium Enterprises. In 2010, we were also conferred the Enterprise 50 Award for our enterprising accomplishments in business.

OUR BUSINESS

Pawnbroking

We provide pawnbroking services which is a form of collateralised micro-financing and is a regulated and licensed activity under the Pawnbrokers Act.

Our customers are walk-in individuals who pledge value articles as collaterals for the loans extended to them. Such articles include gold ornaments, diamonds, precious stone jewellery, branded watches, as well as gold, platinum or silver bars and coins.

The rate of interest we can charge our customers in our pawnbroking business is regulated by the Pawnbrokers Act. The current maximum interest rate we can charge is 1.5% per month.

Retail and Trading of Pre-Owned Jewellery and Gold

We are also engaged in the retail and trading of pre-owned jewellery and gold which complements our pawnbroking business. In addition to retailing unredeemed pledged articles which are reconditioned and re-sold as pre-owned jewellery, we also recondition and resell selected pre-owned jewellery and gold purchased from walk-in individuals and suppliers. We also purchase fine gold bars from refiners and gold traders for our gold trading business.

COMPETITIVE STRENGTHS

Participation in the pawnbroking, pre-owned jewellery and gold industry value chain allows us to harness revenue from complementary sources

- We are able to offer a wider range of pre-owned jewellery for retail sale as we are able to select from a larger pool of pre-owned jewellery through our gold trading business. In addition, we are able to reduce our costs due to our ability to recondition unredeemed pledged articles within our Group.
- We are also able to sell any scrap gold from our unredeemed pledged articles and relatively slower-moving stocks to refiners or melt them into gold bars to be on-sold to jewellery factories and wholesalers.

Overseas presence in Malaysia through our associated companies

- Since 2007, we have built a network of four (4) pawnshops with pre-owned jewellery retail outlets and one (1) standalone pre-owned jewellery retail outlet in Malaysia through our associated companies. We can tap on this established network to further expand in Malaysia.
- Our longstanding track record in Singapore will also enable us to extend our businesses to other countries.

Skilled, experienced and qualified work force

- We have experienced and technically competent chief appraisers who have between 10 and 50 years of experience in dealing with jewellery and valuables. Our employees are trained to deliver quality services that will enhance customer satisfaction.

Experienced and committed Board of Directors and management team

- We have an experienced and dedicated Board of Directors and management team, led by our Managing Director and CEO, Mr Yeah Hiang Nam, who has over 40 years of experience in the jewellery industry. Our management team adopts a hands-on approach in the running of our business, and is involved in the day-to-day operations of our Group, thereby ensuring a high quality of service across all our outlets.

Proprietary operational software and data management system

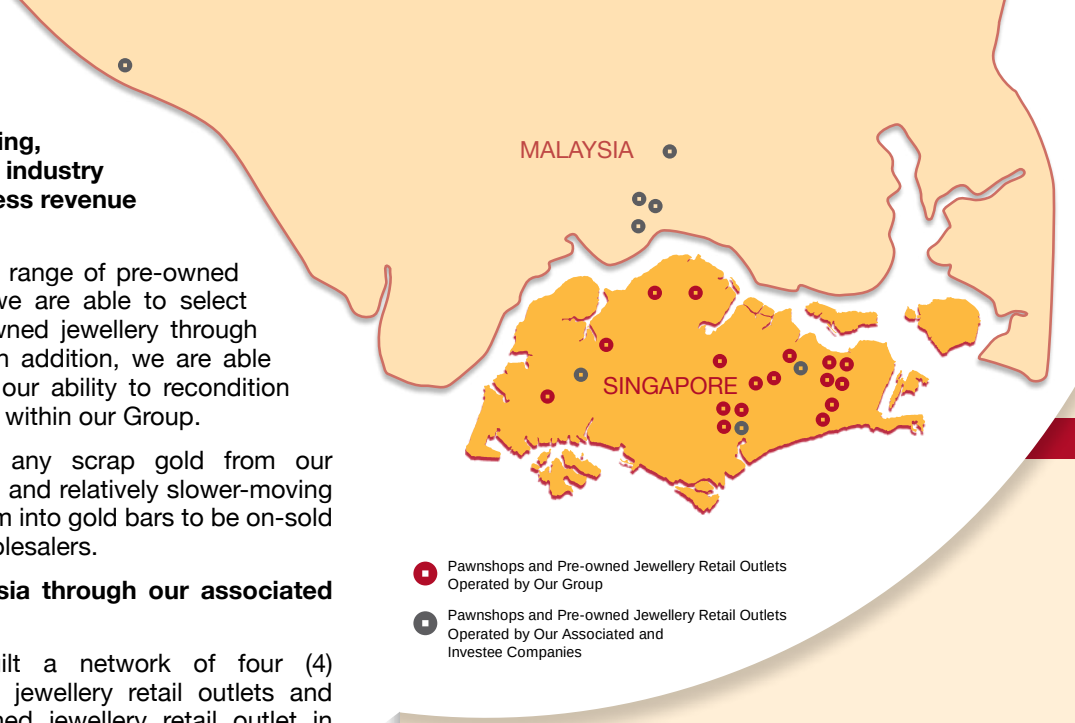
- We have developed our proprietary operational software and data management system which reduce the possibility of human error and enable operational efficiency. Our proprietary software and data management system allow us to process loans to customers easily, and also allow our customers to renew their pawn tickets at any of our outlets in Singapore since 2011.

Established market position

- We are a pawnbroking chain with one of the longest and most established track record in Singapore. We believe that we are one of the leading pawnbroking chains in Singapore in terms of financial performance, and one of the larger local gold traders in Singapore with revenue of more than $450 million in FY2012.

Established and award-winning company

- In 2010, we were conferred the Singapore Prestige Brand Award for Established Brands in recognition of our outstanding achievement in branding and the Enterprise 50 Award in recognition of our enterprising accomplishments in business.



BUSINESS STRATEGIES AND FUTURE PLANS

Expand our business operations

- Expand our network of outlets through acquisition of businesses in Singapore, and through our associated companies in Malaysia.
- Set up new pawnshops and pre-owned jewellery retail outlets in Singapore and other countries as well as through our associated companies in Malaysia.
- Establish a flagship store comprising a pawnshop and a pre-owned jewellery retail outlet in a central location in Singapore to target different customer segments, including high net worth individuals who own articles with pledge values of above $50,000.
- Further develop our pre-owned jewellery brand, "Spring Jewellery", as we believe there is a potential for growth in the retail of pre-owned jewellery business.

Strengthen our core competitive advantages

- Achieve a higher degree of integration of our businesses by offering incentives or discounts to our customers to use all the services we provide at our outlets and further leverage our businesses of pawnbroking as well as retail and trading of pre-owned jewellery and gold to provide a wider range of pre-owned jewellery items to our customers.
- Increase our branding and marketing activities to associate our brand with our long history and experience and highlight our core competencies of expertise and experience in the industries we operate in.

PROPOSED DIVIDEND PAYOUT

50% of profit after tax attributable to Shareholders for each of FY2013, FY2014 and FY2015*

**Subject to the factors outlined in the section entitled "Dividend Policy" of this Prospectus.*

PROSPECTS

Population growth in Singapore and Malaysia

- Singapore's resident population aged between 25 years and 64 years, which most of our customers are from, is estimated to have grown from approximately 1.9 million in 2000[1] to approximately 2.3 million in June 2013[2].
- Malaysia's population is projected to grow from 28.6 million in 2010 to 38.6 million in 2040[3].
- We believe growth in the population in Singapore and Malaysia provides growth potential for our business.

Growth in the pawnbroking industry and growing acceptance of pawnbroking

- We believe there is growing acceptance of pawnbroking amongst Singapore consumers as the number of pawnbrokers in Singapore has increased in the last two (2) years from 175 pawnbrokers in 2011 to 200 pawnbrokers as at 1 September 2013[4]. The number of pledged articles received and amount of loans disbursed by pawnshops in Singapore have also increased from 2007 to 2012[5].

Growth in the retail and trading of pre-owned jewellery

- We believe that pre-owned jewellery are growing in popularity amongst Singapore consumers.

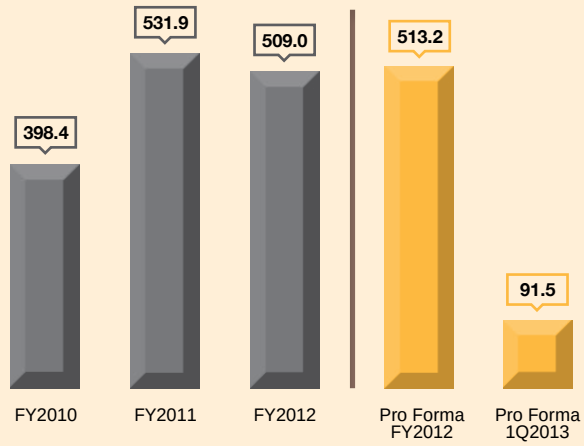
Regulatory changes favourable for our businesses

- With the Singapore Government's intention to develop a new gold refining and trading cluster in Singapore and the corresponding introduction of the GST exemption for investment-grade gold and precious metals in the Singapore Budget 2012[6], we believe that certain segments of the population may begin to accumulate gold bars to hedge against inflation. We believe that any increase in the demand for gold may have a positive impact on our retail and trading of pre-owned jewellery and gold business. Some of these investment-grade gold bars may eventually enter the pawnbroking industry as pledged articles for loans.

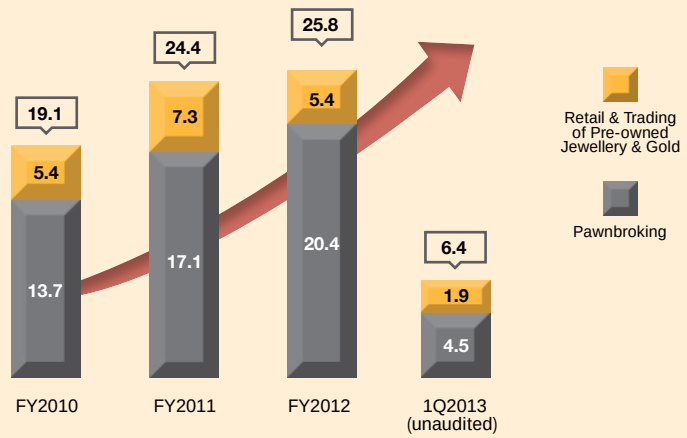
[1] "Census of Population 2000 Statistical Release 1: Demographic Characteristics" by the Department of Statistics.
[2] "Monthly Digest of Statistics Singapore September 2013" by the Department of Statistics.
[3] "Population Projection, Malaysia 2010 – 2040" by the Department of Statistics Malaysia.
[4] "No. of Pawnbrokers For Last 5 Years (up to 01 September 2013)" by the Insolvency and Public Trustee's Office.
[5] "Yearbook of Statistics Singapore 2013" by the Department of Statistics, Ministry of Trade & Industry, Republic of Singapore.
[6] Fifth Issue of the GST Bulletin issued in December 2012 by the Inland Revenue Authority of Singapore.

FINANCIAL HIGHLIGHTS

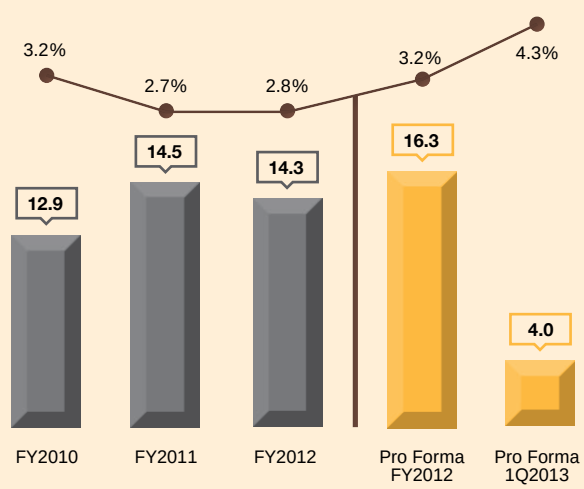
Revenue ($'m)



Gross Profit ($'m)



Profit attributable to Owners of the Company ($'m) & Profit Margin (%)



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CORPORATE INFORMATION

BOARD OF DIRECTORS	:	Phua Tin How (*Non-Executive Chairman and Independent Director*) Yeah Hiang Nam (*Managing Director and CEO*) Yeah Lee Ching (*Executive Director – Valuation and Wholesale*) Yeah Chia Kai, Steven (*Executive Director – Pawnbroking and Retail*) Lim Tong Lee (*Independent Director*) Lim Hwee Hai (*Independent Director*)
COMPANY SECRETARY	:	Lotus Isabella Lim Mei Hua (FCIS, MBA)
REGISTERED OFFICE	:	213 Bedok North Street 1 #01-121 Singapore 460213
SHARE REGISTRAR AND SHARE TRANSFER OFFICE	:	**Tricor Barbinder Share Registration Services** **(a division of Tricor Singapore Pte. Ltd.)** 80 Robinson Road #02-00 Singapore 068898
ISSUE MANAGER, UNDERWRITER AND PLACEMENT AGENT	:	**Canaccord Genuity Singapore Pte. Ltd.** 77 Robinson Road #21-02 Singapore 068896
REPORTING AUDITORS	:	**Ernst & Young LLP** One Raffles Quay Level 18 North Tower Singapore 048583 Partner-in-charge: Max Loh Khum Whai (Chartered Accountant, a member of the Institute of Singapore Chartered Accountants)
SOLICITORS TO THE INVITATION AND LEGAL ADVISERS TO THE COMPANY ON SINGAPORE LAW	:	**ATMD Bird & Bird LLP** 2 Shenton Way #18-01 SGX Centre 1 Singapore 068804
SOLICITORS TO THE ISSUE MANAGER, UNDERWRITER AND PLACEMENT AGENT	:	**TSMP Law Corporation** 6 Battery Road Level 41 Singapore 049909
LEGAL ADVISERS TO THE COMPANY ON MALAYSIAN LAW	:	**Tay & Partners** 6th Floor, Plaza See Hoy Chan Jalan Raja Chulan 50200 Kuala Lumpur Malaysia

RECEIVING BANKER	:	**United Overseas Bank Limited** 80 Raffles Place UOB Plaza Singapore 048624
PRINCIPAL BANKERS	:	**United Overseas Bank Limited** 80 Raffles Place UOB Plaza Singapore 048624 **Oversea-Chinese Banking Corporation Limited** 65 Chulia Street #09-00 OCBC Centre Singapore 049513 **DBS Bank Ltd.** 12 Marina Boulevard DBS Asia Central @ MBFC Tower 3 Singapore 018982

In this Prospectus and the accompanying Application Forms and, in relation to Electronic Applications, the instructions appearing on the screens of the ATMs of Participating Banks and the IB websites of the Participating Banks, unless the context otherwise requires, the following definitions apply throughout where the context so admits:

Companies within our Group

"Company" or "ValueMax"	:	ValueMax Group Limited
"Group"	:	Our Company and our Subsidiaries as at the date of this Prospectus

Subsidiaries

"Ban Soon Pawnshop"	:	Ban Soon Pawnshop Pte. Ltd.
"Spring Jewellery (SG)"	:	Spring Jewellery (SG) Pte. Ltd.
"ValueMax Corporate Services"	:	ValueMax Corporate Services Pte. Ltd.
"ValueMax International"	:	ValueMax International Pte. Ltd.
"ValueMax Management"	:	ValueMax Management Pte. Ltd.
"ValueMax Pawnshop"	:	ValueMax Pawnshop Pte. Ltd.
"ValueMax Pawnshop (BD)"	:	ValueMax Pawnshop (BD) Pte. Ltd.
"ValueMax Pawnshop (BK)"	:	ValueMax Pawnshop (BK) Pte. Ltd.
"ValueMax Pawnshop (CCK)"	:	ValueMax Pawnshop (CCK) Pte. Ltd.
"ValueMax Pawnshop (EL)"	:	ValueMax Pawnshop (EL) Pte. Ltd.
"ValueMax Pawnshop (JP)"	:	ValueMax Pawnshop (JP) Pte. Ltd.
"ValueMax Pawnshop (PR)"	:	ValueMax Pawnshop (PR) Pte. Ltd.
"ValueMax Pawnshop (SG)"	:	ValueMax Pawnshop (SG) Pte. Ltd.
"ValueMax Pawnshop (WL)"	:	ValueMax Pawnshop (WL) Pte. Ltd.
"ValueMax Precious Metals"	:	ValueMax Precious Metals Pte. Ltd.
"ValueMax Retail"	:	ValueMax Retail Pte. Ltd.
"VMM Holdings"	:	VMM Holdings Sdn Bhd

Associated companies

"Ban Lian Pawnshop"	:	Ban Lian Pawnshop Pte. Ltd.
"Kedai Emas Well Chip"	:	Kedai Emas Well Chip Sdn Bhd
"Kedai Pajak Well Chip"	:	Kedai Pajak Well Chip Sdn Bhd
"Pajak Gadai Bintang"	:	Pajak Gadai Bintang Sdn Bhd

"Soon Hong Pawnshop"	:	Soon Hong Pawnshop Pte. Ltd.
"SYT Pavilion"	:	SYT Pavilion Sdn Bhd
"Thye Shing Pawnshop"	:	Thye Shing Pawnshop Sdn Bhd
Investee companies		
"Ban Seng Pawnshop"	:	Ban Seng Pawnshop Pte. Ltd.
"Fook Loy Trading"	:	Fook Loy Trading Pte. Ltd.
Other Corporations and Organisations		
"CDP"	:	The Central Depository (Pte) Limited
"CPF"	:	The Central Provident Fund
"Dormant Jewellery"	:	Dormant Jewellery Pte. Ltd.
"Dormant2 Jewellery"	:	Dormant2 Jewellery Pte. Ltd.
"Golden Goldsmith"	:	Golden Goldsmith Jewellers
"Goldjew"	:	Goldjew Sdn Bhd
"Great Prompt"	:	Great Prompt Sdn Bhd
"IRAS"	:	Inland Revenue Authority of Singapore
"Issue Manager" or "Underwriter" or "Placement Agent" or "Canaccord Genuity"	:	Canaccord Genuity Singapore Pte. Ltd.
"MAS" or "Authority"	:	The Monetary Authority of Singapore
"Participating Banks"	:	United Overseas Bank Limited and its subsidiary, Far Eastern Bank Limited (the "**UOB Group**"), DBS Bank Ltd. (including POSB) ("**DBS Bank**") and Oversea-Chinese Banking Corporation Limited ("**OCBC Bank**"), and each a "**Participating Bank**"
"SGX-ST"	:	Singapore Exchange Securities Trading Limited
"Yeah Capital"	:	Yeah Capital Pte. Ltd.
"Yeah Holdings"	:	Yeah Holdings Pte. Ltd., a family investment holding company held by Yeah Hiang Nam, Tan Hong Yee, Yeah Lee Ching, Yeah Chia Kai, Steven and Yeah Chia Wei
"Yeah Properties"	:	Yeah Properties Pte. Ltd.
General		
"1Q"	:	Financial period ended or, as the case may be, ending 31 March

"Application Forms"	:	The official printed application forms to be used for the purpose of the Invitation which form part of this Prospectus
"Application List"	:	The list of applications for subscription of the New Shares
"Articles of Association"	:	Articles of association of our Company
"ATM"	:	Automated teller machine of a Participating Bank
"Audit Committee"	:	The audit committee of our Company as at the date of this Prospectus, unless otherwise stated
"Award"	:	A contingent award of Shares granted pursuant to the rules of the ValueMax Performance Share Plan, details of which may be found in the section entitled "Directors, Management and Staff — ValueMax Performance Share Plan" of this Prospectus
"Award Shares"	:	The Shares which may be issued upon the vesting of the Awards pursuant to the ValueMax Performance Share Plan
"Board" or "Board of Directors"	:	The board of Directors of our Company as at the date of this Prospectus, unless otherwise stated
"Business Transfer"	:	The business transfer of the gold trading and retail of pre-owned jewellery businesses of Yeah Capital and Dormant2 Jewellery respectively, to our Group, pursuant to the Business Transfer Agreements
"Business Transfer Agreements"	:	The business transfer agreements dated 1 January 2013 and 1 February 2013, as amended, pursuant to which ValueMax Precious Metals and Spring Jewellery (SG) acquired the gold trading and retail of pre-owned jewellery businesses of Yeah Capital and Dormant2 Jewellery respectively
"CEO"	:	Chief Executive Officer
"Companies Act"	:	The Companies Act, Chapter 50 of Singapore, as amended, supplemented or modified from time to time, and its subsidiary legislation
"Consumer Protection (Fair Trading) Act" or "CPFTA"	:	The Consumer Protection (Fair Trading) Act, Chapter 52A of Singapore, as amended, supplemented or modified from time to time, and its subsidiary legislation
"Directors"	:	The directors of our Company as at the date of this Prospectus, unless otherwise stated
"Electronic Applications"	:	Applications for the Offer Shares made through an ATM or IB website of one of the Participating Banks, subject to and on the terms and conditions set out in this Prospectus
"EPS"	:	Earnings per share
"Executive Directors"	:	The executive Directors of our Company as at the date of this Prospectus, unless otherwise stated

"Executive Officers"	:	The executive officers of our Company as at the date of this Prospectus, unless otherwise stated
"fine gold bars"	:	Gold bars with a minimum purity of 99.5%
"FRS"	:	Singapore Financial Reporting Standards
"FY"	:	Financial year ended or, as the case may be, ending 31 December
"GDP"	:	Gross Domestic Product
"Golden Goldsmith SPA"	:	The sale and purchase agreement dated 6 August 2013 entered into between our Company and Golden Goldsmith, pursuant to which our Group acquired all the inventory of Golden Goldsmith
"Gross Margin Scheme"	:	A GST scheme under which GST is accounted for on the gross margin instead of the full value of the goods supplied
"GST"	:	Goods and Services Tax
"IB"	:	Internet banking
"Independent Directors"	:	The non-executive independent Directors of our Company as at the date of this Prospectus, unless otherwise stated
"Invitation"	:	Our invitation to the public in Singapore to subscribe for the New Shares at the Issue Price, subject to and on the terms and conditions set out in this Prospectus
"Issue Price"	:	$0.51 for each New Share
"Latest Practicable Date"	:	16 September 2013, being the latest practicable date prior to the lodgement of this Prospectus with the Authority
"Listing Date"	:	The date on which our Shares commence trading on the SGX-ST
"Listing Manual"	:	The Listing Manual of the SGX-ST, as amended, supplemented, or modified from time to time
"Malaysian Share Restructuring Agreements"	:	The agreements dated 12 August 2013 entered into between our Company, Goldjew, Great Prompt, as well as our Managing Director and CEO, Yeah Hiang Nam, and his nominees, pursuant to which our Company acquired 46.6% of the issued share capital of each of Kedai Emas Well Chip, Kedai Pajak Well Chip, SYT Pavilion and Thye Shing Pawnshop
"Market Day"	:	A day on which the SGX-ST is open for trading in securities
"Memorandum"	:	Memorandum of association of our Company
"Moneylenders Act"	:	The Moneylenders Act, Chapter 188 of Singapore, as amended, supplemented or modified from time to time, and its subsidiary legislation

"NAV"	:	Net asset value
"New Shares"	:	The 138,000,000 new Shares for which our Company invites applications to subscribe for pursuant to the Invitation, subject to and on the terms and conditions set out in this Prospectus
"Nominating Committee"	:	The nominating committee of our Company as at the date of this Prospectus, unless otherwise stated
"NTA"	:	Net tangible assets
"Offer Shares"	:	The 5,000,000 New Shares which are the subject of the Public Offer
"Pawnbrokers Act"	:	The Pawnbrokers Act, Chapter 222 of Singapore, as amended, supplemented or modified from time to time, and its subsidiary legislation, including but not limited to the Pawnbrokers Rules
"Period Under Review"	:	The financial period which comprises FY2010, FY2011, FY2012 and 1Q2013
"Placement"	:	The placement of the Placement Shares at the Issue Price by the Placement Agent on behalf of our Company, subject to and on the terms and conditions set out in this Prospectus
"Placement Shares"	:	The 133,000,000 New Shares which are the subject of the Placement
"Prospectus"	:	This prospectus dated 21 October 2013 issued by our Company in respect of the Invitation
"Public Offer"	:	The offer by our Company to the public in Singapore for subscription of the Offer Shares at the Issue Price, subject to and on the terms and conditions set out in this Prospectus
"reconditioning"	:	The process of refurbishing, repairing and polishing
"Remuneration Committee"	:	The remuneration committee of our Company as at the date of this Prospectus, unless otherwise stated
"Restructuring Exercise"	:	The restructuring exercise implemented in connection with the Invitation, more fully described in the section entitled "General Information of Our Group — Restructuring Exercise" of this Prospectus
"Secondhand Goods Dealers Act"	:	The Secondhand Goods Dealers Act, Chapter 288A of Singapore, as amended, supplemented or modified from time to time, and its subsidiary legislation
"Securities Account"	:	The securities account maintained by a depositor with CDP, excluding a securities sub-account
"Securities and Futures Act" or "SFA"	:	The Securities and Futures Act, Chapter 289 of Singapore, as amended, supplemented or modified from time to time, and its subsidiary legislation

"Service Agreements"	:	The service agreements entered into between our Company and our Executive Directors, Yeah Hiang Nam, Yeah Lee Ching and Yeah Chia Kai, Steven as described in the section entitled "Directors, Management and Staff — Service Agreements" of this Prospectus
"SFR"	:	Securities and Futures (Offers of Investments) (Shares and Debentures) Regulations 2005, as amended, supplemented or modified from time to time
"SGXNET"	:	Singapore Exchange Network, a system network used by listed companies in sending information and announcements to the SGX-ST or any other system networks prescribed by the SGX-ST
"Shares"	:	The ordinary shares in the capital of our Company
"Shareholders"	:	Registered holders of Shares, except where the registered holder is CDP, the term "**Shareholders**" shall, in relation to such Shares mean the depositors whose Securities Accounts are credited with Shares
"Share Purchase Agreement"	:	The share purchase agreement dated 1 August 2013 entered into between our Company and certain shareholders of our subsidiaries and associated companies in connection with the Restructuring Exercise
"Sub-division"	:	The sub-division of 6,084,584 Shares in the issued share capital of our Company into 395,497,960 Shares
"ValueMax Performance Share Plan"	:	The ValueMax Performance Share Plan, adopted by our Company on 11 October 2013, the terms of which are set out in the section entitled "Rules of the ValueMax Performance Share Plan" as set out in Appendix H of this Prospectus
"Yeah Family"	:	Yeah Hiang Nam, Tan Hong Yee, Yeah Lee Ching, Yeah Chia Kai, Steven, and Yeah Chia Wei

Currencies, Units and Others

"RM" or "ringgit"	:	Malaysia Ringgit, the lawful currency of Malaysia
"S$" or "$" and "cents"	:	Singapore dollars and cents respectively, the lawful currency of the Republic of Singapore
"sq ft"	:	Square feet
"sqm"	:	Square metres
"US$"	:	United States dollars, the lawful currency of the United States of America
"%" or "per cent"	:	Percentage

Names used in this Prospectus		Names in National Registration Identity Card (NRIC)
"Carol Liew"	:	Liew Shue Ching Carol
"Phua Tin How"	:	Phua Tin How @ Phua Tin Wei
"Yeah Chia Kai, Steven"	:	Yeah Chia Kai
"Yeah Hiang Nam"	:	Yeah Hiang Nam @ Yeo Hiang Nam
"Yeah Lee Ching"	:	Yeah Lee Ching (Yao Lizhen)

The expressions "Associate", "associated company", "Controlling Shareholders", "Entity At Risk", "Interested Person", "Interested Person Transaction", "Subsidiary" and "Substantial Shareholder" shall have the meanings ascribed to the terms "associate", "associated company", "controlling shareholders", "entity at risk", "interested person", "interested person transaction", "subsidiary" and "substantial shareholder" respectively in the Securities and Futures Act, the Fourth Schedule of the SFR, the Companies Act and/or the Listing Manual.

The expressions "our", "ourselves", "us", "we" or "our Group" or other grammatical variations thereof shall, unless otherwise stated, refer to our Company and our subsidiaries and subsidiary entities taken as a whole.

The expression "currently" in a statement refers to the relevant state of affairs as at the Latest Practicable Date.

The terms "depositor", "depository agent" and "depository register" shall have the same meanings ascribed to them respectively in section 130A of the Companies Act.

Words importing the singular shall, where applicable, include the plural and *vice versa* and words importing the masculine gender shall, where applicable, include the feminine and neuter genders and *vice versa*. References to persons shall include corporations.

Any discrepancies in tables, graphs and/or charts included herein between the amounts listed and the totals thereof are due to rounding. Accordingly, figures shown as totals in certain tables may not be an arithmetic aggregation of the figures which precede them. All figures and percentages disclosed in this Prospectus are rounded off.

Any reference in this Prospectus, the Application Forms and Electronic Applications to any statute or enactment is a reference to that statute or enactment for the time being amended or re-enacted. Any word defined in the Companies Act, the Securities and Futures Act, or the Listing Manual and used in this Prospectus, the Application Forms and Electronic Applications shall, where applicable, have the meaning ascribed to it under the Companies Act, the Securities and Futures Act, or the Listing Manual, as the case may be.

Any reference in this Prospectus, the Application Forms and Electronic Applications to our Shares being allotted to an applicant includes allotment to CDP for the account of that applicant.

Any reference to a time of day in this Prospectus, the Application Forms and Electronic Applications shall be a reference to Singapore time unless otherwise stated.

The information on our website or any website directly or indirectly linking to such websites does not form part of this Prospectus and should not be relied on.

All statements contained in this Prospectus, statements made in press releases and oral statements that may be made by us or our Directors, Executive Officers or employees acting on our behalf, that are not statements of historical fact, constitute "forward-looking statements". You can identify some of these statements by forward-looking terms such as "anticipate", "believe", "could", "estimate", "profit estimate", "expect", "intend", "may", "plan", "will" and "would" or similar words. However, you should note that these words are not the exclusive means of identifying forward-looking statements. All statements regarding our expected financial position, profit estimate, business strategies, plans and prospects are forward-looking statements.

These forward-looking statements, including without limitations, statements as to:

(a) our revenue and profitability;

(b) our planned expansion;

(c) any expected growth;

(d) other expected industry trends; and

(e) anticipated completion of proposed plans and other matters discussed in this Prospectus regarding matters that are not historical facts,

are only predictions.

These forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause our actual results, performance or achievements to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. These risks, uncertainties and other important factors include, amongst others, the following:

(a) changes in political, social and economic conditions and the regulatory environment in the places in which we conduct our business;

(b) our anticipated growth strategies and expected internal growth;

(c) changes in competitive conditions and our ability to compete under these conditions;

(d) changes in currency exchange rates;

(e) changes in our future capital needs and the availability of financing and capital to fund these needs;

(f) other factors beyond our control; and

(g) the factors described in the section entitled "Risk Factors" of this Prospectus.

All forward-looking statements made by or attributable to us, or persons acting on our behalf, contained in this Prospectus are expressly qualified in their entirety by such factors. Given the risks and uncertainties that may cause our actual future results, performance or achievements to be materially different than expected, expressed or implied by the forward-looking statements in this Prospectus, we advise you not to place undue reliance on those statements. Each of our Company, and the Issue Manager, Underwriter and Placement Agent is not representing or warranting to you that our Group's actual future results, performance or achievements will be as discussed in those statements. Further, each of our Company, and the Issue Manager, Underwriter and Placement Agent disclaims any responsibility to update any of those forward-looking statements to reflect future developments, events or circumstances for any reason, even if new information becomes available or other events occur in the future.

We are, however, subject to the provisions of the Securities and Futures Act and the Listing Manual regarding corporate disclosure upon our admission to the Official List of the SGX-ST. In particular, pursuant to section 241 of the Securities and Futures Act, if after the Prospectus is registered but before the close of the Invitation, our Company becomes aware of (a) a false or misleading statement or matter in the Prospectus; (b) an omission from the Prospectus of any information that should have been included in it under section 243 of the Securities and Futures Act; or (c) a new circumstance that has arisen since the Prospectus was lodged with the Authority and would have been required by section 243 of the Securities and Futures Act to be included in the Prospectus, if it had arisen before the Prospectus was lodged and that is materially adverse from the point of view of an investor, we may lodge a supplementary or replacement prospectus with the Authority.

The information contained in this summary is derived from and should be read in conjunction with the full text of this Prospectus. Terms defined elsewhere in this Prospectus have the same meanings when used herein. Prospective investors should read the entire Prospectus carefully, in particular the matters set out in the section entitled "Risk Factors" of this Prospectus, before making an investment decision.

OVERVIEW OF OUR GROUP AND OUR BUSINESS

We are involved in pawnbroking and the retail and trading of pre-owned jewellery and gold in Singapore. We have also invested in companies engaged in the businesses of pawnbroking and sale of pre-owned jewellery through our associated companies in Singapore and Malaysia.

Please refer to the section entitled "General Information of Our Group — Business Overview" of this Prospectus for more details.

OUR COMPETITIVE STRENGTHS

Our Directors believe that our competitive strengths are as follows:

- Our Group's participation in the pawnbroking, pre-owned jewellery and gold industry value chain allows us to harness revenue from complementary sources;
- Our network of associated companies in Malaysia provide us with an overseas presence;
- We have a skilled, experienced and qualified work force;
- We have an experienced and committed Board of Directors and management team;
- We have developed our proprietary operational software and data management system;
- We have an established market position with a network of pawnshops and pre-owned jewellery retail outlets in strategic and convenient locations; and
- We are an established and award-winning company, having been conferred the Singapore Prestige Brand Award for Established Brands and the Enterprise 50 Award.

A detailed discussion of our competitive strengths is set out in the section entitled "General Information of Our Group — Competitive Strengths" of this Prospectus.

OUR BUSINESS STRATEGIES AND FUTURE PLANS

We intend to implement the following business strategies and future plans:

- Acquisition of businesses in Singapore and through our associated companies in Malaysia;
- Setting up of new pawnshops and pre-owned jewellery retail outlets in Singapore and other countries, as well as through our associated companies in Malaysia;
- Establishment of a flagship store comprising a pawnshop and a pre-owned jewellery retail outlet;
- Further development of our retail of pre-owned jewellery brand, "Spring Jewellery";
- Achieve a higher degree of integration of our businesses; and
- Increase our branding and marketing activities.

A detailed discussion of our future plans is set out in the section entitled "Prospects, Business Strategies and Future Plans — Business Strategies and Future Plans" of this Prospectus.

OUR FINANCIAL HIGHLIGHTS

The following tables present a summary of the financial highlights of our Group and should be read in conjunction with the full text of this Prospectus, including the "Audited Combined Financial Statements of ValueMax Group Limited and its Subsidiaries for the Financial Years Ended 31 December 2010, 2011 and 2012", the "Unaudited Interim Combined Financial Statements of ValueMax Group Limited and its Subsidiaries for the Three-Month Period Ended 31 March 2013" and the "Unaudited Pro Forma Combined Financial Information of ValueMax Group Limited and its Subsidiaries for the Financial Year Ended 31 December 2012 and the Three-Month Period Ended 31 March 2013" as set out in Appendices A, B and C of this Prospectus respectively, and the section entitled "Management's Discussion and Analysis of Results of Operations and Financial Position" of this Prospectus.

Selected Items from the Combined Statements of Comprehensive Income

	← Audited →			← Unaudited →			
($'000)	**FY2010**	**FY2011**	**FY2012**	**Pro Forma FY2012**	**1Q2012**	**1Q2013**	**Pro Forma 1Q2013**
Revenue	398,393	531,948	508,984	513,165	147,601	90,427	91,515
Gross profit	19,093	24,434	25,781	27,813	7,412	6,367	6,935
Profit before tax	14,968	17,442	16,893	19,172	6,001	3,798	4,329
Profit attributable to owners of the Company	12,906	14,506	14,346	16,282	5,262	3,467	3,951
EPS (cents)[(1)]	3.26	3.67	3.63	4.12	1.33	0.88	1.00
EPS as adjusted for the Invitation (cents)[(2)]	2.42	2.72	2.69	3.05	0.99	0.65	0.74

Notes:

(1) For comparative purposes, the EPS for the Period Under Review have been computed based on the profit attributable to owners of the Company and our pre-Invitation share capital of 395,497,960 Shares.

(2) For comparative purposes, the EPS for the Period Under Review have been computed based on the profit attributable to owners of the Company and our post-Invitation share capital of 533,497,960 Shares.

Selected Items from the Combined Statements of Financial Position

($'000)	Audited as at 31 December 2012	Unaudited: Pro Forma as at 31 December 2012	Unaudited: As at 31 March 2013	Unaudited: Pro Forma as at 31 March 2013
Non-current assets	6,445	10,270	6,568	10,696
Current assets	182,089	197,021	161,754	176,190
Current liabilities	114,395	125,676	98,217	108,860
Non-current liabilities	80	81	79	79
Net assets	74,059	81,534	70,026	77,947
Equity attributable to owners of the Company				
Share capital	5,742	10,159	5,742	10,159
Retained earnings	64,667	66,145	68,134	70,096
Other reserves	1,843	1,813	(5,756)	(5,786)
Non-controlling interests	1,807	3,417	1,906	3,478
Total equity	74,059	81,534	70,026	77,947
NTA per Share (cents)[1]	18.27	19.75	17.22	18.83

Note:

(1) The NTA per Share as at the end of the Period Under Review have been computed based on our equity attributable to owners of the Company (excluding non-controlling interests) and our pre-Invitation share capital of 395,497,960 Shares.

OUR CONTACT DETAILS

Our registered office and principal place of business is located at 213 Bedok North Street 1 #01-121 Singapore 460213. Our telephone and facsimile numbers are +65 6448 6686 and +65 6441 7195 respectively. Our Company Registration Number is 200307530N. Our internet addresses are http://www.valuemax.com.sg, http://www.valuemaxjewellery.com.sg and http://www.springjewellery.com.sg. **Information contained on our websites does not constitute part of this Prospectus.**

We have applied to the SGX-ST for permission to deal in, and for quotation of, all our Shares already issued, the New Shares and the Award Shares on the Official List of the SGX-ST. Such permission will be granted when we have been admitted to the Official List of the SGX-ST. Acceptance for applications of the New Shares will be conditional upon the completion of the Invitation, which is subject to certain conditions, including the SGX-ST granting permission to deal in, and for quotation of, all our existing issued Shares, the New Shares and the Award Shares.

If the said permission from the SGX-ST is not granted, monies paid in respect of any application accepted will be returned to you at your own risk, without interest or any share of revenue or other benefit arising therefrom and you will not have any claim against our Company, and/or the Issue Manager, Underwriter and Placement Agent.

Under the Securities and Futures Act, the Authority may, in certain circumstances issue a stop order (the "**Stop Order**") to our Company, directing that no New Shares or no further Shares to which this Prospectus relates, be allotted, issued or sold. Such circumstances will include a situation where this Prospectus (i) contains a statement or matter, which in the opinion of the Authority is false or misleading; (ii) omits any information that should be included in accordance with the Securities and Futures Act; or (iii) does not, in the opinion of the Authority, comply with the requirements of the Securities and Futures Act. A Stop Order may also be issued if the Authority is of the opinion that it is in the public interest to do so.

In the event that the Authority issues a Stop Order and applications to subscribe for the New Shares to which this Prospectus relates have been made prior to the Stop Order, then:

(a) where the New Shares have not been issued to you, your applications shall be deemed to have been withdrawn and cancelled and our Company shall, within 14 days from the date of the Stop Order, return to you all monies you have paid on account of your applications for the New Shares; or

(b) where the New Shares have been issued to you, the Securities and Futures Act provides that the issue of our New Shares shall be deemed to be void and our Company is required, within 14 days from the date of the Stop Order, to return to you all monies paid by you for our New Shares.

The SGX-ST assumes no responsibility for the correctness of any of the statements made, reports contained or opinions expressed in this Prospectus. Admission to the Official List of the SGX-ST is not to be taken as an indication of the merits of the Invitation, our Company, our Subsidiaries, our existing issued Shares, the New Shares and the Award Shares.

A copy of this Prospectus together with copies of the Application Forms have been lodged with and registered by the Authority on 30 September 2013 and 21 October 2013 respectively. The Authority assumes no responsibility for the contents of this Prospectus. Registration of this Prospectus by the Authority does not imply that the Securities and Futures Act, or any other legal or regulatory requirements, have been complied with. The Authority has not, in any way, considered the merits of the Invitation, our Company, our Subsidiaries, our existing issued Shares, the New Shares and the Award Shares, as the case may be, being offered or in respect of which the Invitation is made, for investment. We have not lodged or registered this Prospectus in any other jurisdiction.

None of our Company, the Issue Manager, Underwriter and Placement Agent, the experts nor any other parties involved in the Invitation is making any representation to any person regarding the legality of an investment in our Shares by such person under any investment or other laws or regulations. No information in this Prospectus should be considered as being business, legal or tax advice. You should consult your own professional or other advisers for business, legal or tax advice regarding an investment in our Shares. No person has been or is authorised to give any information or to make any representation not contained in this Prospectus in connection with the Invitation and, if given or made, such information or representation must not be relied upon as having been authorised by our Company, or the Issue Manager, Underwriter and Placement Agent.

Neither the delivery of this Prospectus and the Application Forms nor any document relating to the Invitation shall, under any circumstances, constitute a continuing representation or create any suggestion or implication that there has been no change in our affairs or in the statements of fact or information contained in this Prospectus since the date of this Prospectus. Where such changes occur and are material or are required to be disclosed by law, we will promptly make an announcement of the same to the SGX-ST and to the public and, if required, lodge a supplementary or replacement prospectus with the Authority and make an announcement of the same to the SGX-ST and to the public and will comply with the requirements of the Securities and Futures Act. You should take note of any such announcement and, upon release of such an announcement, our Company shall be deemed to have given notice of such changes. Save as expressly stated in this Prospectus, nothing herein is, or may be relied upon as, a promise or representation as to the future performance or policies of our Company or our Subsidiaries.

In the event that a supplementary or replacement prospectus is lodged with the Authority, the Invitation shall be kept open for at least 14 days after the lodgement of such supplementary or replacement prospectus.

We are subject to the provisions of the Securities and Futures Act and the Listing Manual regarding corporate disclosure. In particular, if after this Prospectus is registered but before the close of the Invitation, we become aware of:

(a) a false or misleading statement in this Prospectus;

(b) an omission from this Prospectus of any information that should have been included in it under section 243 of the Securities and Futures Act; or

(c) a new circumstance that has arisen since the Prospectus was lodged with the Authority which would have been required by section 243 of the Securities and Futures Act to be included in this Prospectus if it had arisen before this Prospectus was lodged,

that is materially adverse from the point of view of an investor, we may lodge a supplementary or replacement prospectus with the Authority pursuant to section 241 of the Securities and Futures Act.

Where prior to the lodgement of the supplementary or replacement prospectus, applications have been made under this Prospectus to subscribe for our New Shares and:

(a) where the New Shares have not been issued to you, our Company shall either:

  (i) (A) within two (2) days (excluding any Saturday, Sunday or public holiday) from the date of lodgement of the supplementary or replacement prospectus, give you notice in writing of how to obtain, or arrange to receive a copy of the supplementary or replacement prospectus, as the case may be, and to provide you with an option to withdraw your application; and (B) take all reasonable steps to make available within a reasonable period the supplementary or replacement prospectus, as the case may be, to you, where you have indicated that you wish to obtain, or have arranged to receive, a copy of the supplementary or replacement prospectus; or

  (ii) within seven (7) days from the date of lodgement of the supplementary or replacement prospectus, give you the supplementary or replacement prospectus, as the case may be, and provide you with an option to withdraw your application; or

  (iii) treat the applications as withdrawn and cancelled, in which case your application shall be deemed to have been withdrawn and cancelled, and our Company shall within seven (7) days from the date of lodgement of the supplementary or replacement prospectus, return all monies paid in respect of any application to you; or

(b) where the New Shares have been issued to you, our Company shall either:

(i) (A) within two (2) days (excluding any Saturday, Sunday or public holiday) from the date of lodgement of the supplementary or replacement prospectus, give you notice in writing of how to obtain, or arrange to receive a copy of the supplementary or replacement prospectus, as the case may be, and to provide you with an option to return to our Company, the New Shares which you do not wish to retain title in; and (B) take all reasonable steps to make available within a reasonable period the supplementary or replacement prospectus, as the case may be, to you, where you have indicated that you wish to obtain, or have arranged to receive, a copy of the supplementary or replacement prospectus; or

(ii) within seven (7) days from the date of lodgement of the supplementary or replacement prospectus, give you the supplementary or replacement prospectus, as the case may be, and provide you with an option to return to our Company, the New Shares which you do not wish to retain title in; or

(iii) treat the issue of our Shares as void, in which case the issue shall be deemed void and our Company shall within seven (7) days from the date of lodgement of the supplementary or replacement prospectus, return all monies paid in respect of any application to you.

If you wish to exercise your option under paragraph (a)(i) or (a)(ii) above to withdraw your application in respect of the New Shares, you shall, within 14 days from the date of lodgement of the supplementary or replacement prospectus, notify our Company of this, whereupon our Company shall within seven (7) days from the receipt of such notification, return to you all monies you have paid on account of your application for such New Shares.

If you wish to exercise your option under paragraph (b)(i) or (b)(ii) above to return the New Shares issued to you, you shall, within 14 days from the date of lodgement of the supplementary or replacement prospectus, notify our Company of this and return all documents, if any, purporting to be evidence of title to those Shares, to our Company, whereupon our Company shall within seven (7) days from the receipt of such notification and documents, if any, return to you all monies you have paid for those New Shares and the issue of those Shares shall be deemed to be void.

Where monies are to be returned to you for the New Shares, it shall be paid to you without any interest or share of revenue or other benefit arising therefrom at your own risk, and you will not have any claim against us, and the Issue Manager, Underwriter and Placement Agent.

This Prospectus has been prepared solely for the purpose of the Invitation and may only be relied upon by you in connection with your application for the New Shares and may not be relied upon by any other person or for any other purpose.

This Prospectus does not constitute an offer of, or invitation or solicitation to subscribe for the New Shares in any jurisdiction in which such offer or invitation or solicitation is unauthorised or unlawful nor does it constitute an offer or invitation or solicitation to any person to whom it is unlawful to make such offer or invitation or solicitation.

Copies of this Prospectus and the Application Forms and envelopes may be obtained on request, during office hours, subject to availability, from:

Canaccord Genuity Singapore Pte. Ltd.
77 Robinson Road
#21-02
Singapore 068896

A copy of this Prospectus is also available on the SGX-ST website at http://www.sgx.com and the Authority website at http://masnet.mas.gov.sg/opera/sdrprosp.nsf.

The Invitation will be open from 5.00 p.m. on 21 October 2013 to 12.00 noon on 28 October 2013 or such further period or periods as our Directors may, in consultation with the Issue Manager, Underwriter and Placement Agent, in their absolute discretion, decide, subject to any limitations under all applicable laws, PROVIDED ALWAYS THAT where a supplementary or replacement prospectus has been lodged with the Authority pursuant to section 241 of the Securities and Futures Act, the Invitation shall be kept open for at least 14 days after the lodgement of the supplementary or replacement prospectus.

Details for the procedures for application for the New Shares are set out in Appendix I entitled "Terms, Conditions and Procedures for Application and Acceptance" of this Prospectus.

DETAILS OF THE INVITATION

Invitation Size	:	138,000,000 New Shares offered in Singapore comprising 5,000,000 Offer Shares and 133,000,000 Placement Shares. The New Shares, upon issue and allotment, will rank *pari passu* in all respects with the existing issued Shares.
Issue Price	:	$0.51 for each New Share.
The Public Offer	:	The Public Offer comprises an offer by our Company to the public in Singapore to subscribe for 5,000,000 Offer Shares at the Issue Price, subject to and on the terms and conditions set out in this Prospectus. In the event that any of the Offer Shares are not taken up, they will be made available to satisfy excess application for the Placement Shares.
The Placement	:	The Placement comprises a placement of 133,000,000 Placement Shares at the Issue Price, subject to and on the terms and conditions set out in this Prospectus. In the event that any of the Placement Shares are not taken up, they will be made available to satisfy excess application for the Offer Shares.
Purpose of the Invitation	:	Our Directors believe that the listing of our Company and the quotation of our Shares on the Official List of the SGX-ST will enhance our public image and enable us to tap the capital markets to fund our business growth. The Invitation will also provide members of the public, our employees, business associates and those who have contributed to our success with an opportunity to participate in the equity of our Company. The Invitation will also enlarge our capital base for continued expansion of our business.
Listing Status	:	Prior to the Invitation, there had been no public market for our Shares. Our Shares will be quoted in Singapore dollars on the Main Board of the SGX-ST, subject to admission of our Company to the Official List of the SGX-ST and permission for dealing in, and for quotation of, our Shares being granted by the SGX-ST, and the Authority not issuing a Stop Order.
Risk Factors	:	Investing in our Shares involves risks which are described in the section entitled “Risk Factors” of this Prospectus.
Use of Proceeds	:	Please refer to the section entitled “Use of Proceeds and Listing Expenses” of this Prospectus for more details.

INVITATION STATISTICS

Issue Price	51.00 cents
NAV	
NAV per Share based on the unaudited pro forma combined statement of financial position of our Group as at 31 December 2012[1]:	
(a) before adjusting for the estimated net proceeds from the issue of the New Shares and based on the pre-Invitation share capital of 395,497,960 Shares	19.75 cents
(b) after adjusting for the estimated net proceeds from the issue of the New Shares and based on the post-Invitation share capital of 533,497,960 Shares	27.08 cents
Premium of Issue Price over the pro forma NAV per Share as at 31 December 2012:	
(a) before adjusting for the estimated net proceeds from the issue of the New Shares and based on the pre-Invitation share capital of 395,497,960 Shares	1.58 times
(b) after adjusting for the estimated net proceeds from the issue of the New Shares and based on the post-Invitation share capital of 533,497,960 Shares	0.88 times
Earnings[2]	
Unaudited pro forma net EPS of our Group for FY2012 based on the pre-Invitation share capital of 395,497,960 Shares	4.12 cents
Unaudited pro forma net EPS of our Group for FY2012 based on the pre-Invitation share capital of 395,497,960 Shares, assuming that the Service Agreements had been in place in FY2012	4.05 cents
Price Earnings Ratio	
Pro forma price earnings ratio based on the unaudited pro forma net EPS of our Group for FY2012	12.38 times
Pro forma price earnings ratio based on the unaudited pro forma net EPS of our Group for FY2012, assuming that the Service Agreements had been in place in FY2012	12.59 times
Net Operating Cash Flows[3]	
Unaudited pro forma net operating cash flows per Share of our Group for FY2012 based on the pre-Invitation share capital of 395,497,960 Shares	3.92 cents
Unaudited pro forma net operating cash flows per Share of our Group for FY2012 based on the pre-Invitation share capital of 395,497,960 Shares, assuming that the Service Agreements had been in place in FY2012	3.84 cents
Price to Net Operating Cash Flows Ratio	
Pro forma price to net operating cash flows ratio based on the unaudited pro forma net operating cash flows per Share for FY2012 and the pre-Invitation share capital of 395,497,960 Shares	13.01 times
Pro forma price to net operating cash flows ratio based on the unaudited pro forma net operating cash flows per Share for FY2012 and the pre-Invitation share capital of 395,497,960 Shares, assuming that the Service Agreements had been in place in FY2012	13.28 times

Market Capitalisation

Market capitalisation based on the Issue Price and the post-Invitation share capital of 533,497,960 Shares	$272.1 million

Notes:

(1) Please refer to Appendix C entitled "Unaudited Pro Forma Combined Financial Information of ValueMax Group Limited and its Subsidiaries for the Financial Year Ended 31 December 2012 and the Three-Month Period Ended 31 March 2013" of this Prospectus for details.

(2) The EPS is computed based on profit attributable to owners of the Company. Please refer to the section entitled "Unaudited Pro Forma Combined Statements of Comprehensive Income for the Financial Year Ended 31 December 2012 and the Three-Month Period Ended 31 March 2013" in Appendix C entitled "Unaudited Pro Forma Combined Financial Information of ValueMax Group Limited and its Subsidiaries for the Financial Year Ended 31 December 2012 and the Three-Month Period Ended 31 March 2013" of this Prospectus for details.

(3) Net operating cash flows is defined as net cash flows from operating activities. Please refer to the section entitled "Unaudited Pro Forma Combined Statements of Cash Flows for the Financial Year Ended 31 December 2012 and the Three-Month Period Ended 31 March 2013" in Appendix C entitled "Unaudited Pro Forma Combined Financial Information of ValueMax Group Limited and its Subsidiaries for the Financial Year Ended 31 December 2012 and the Three-Month Period Ended 31 March 2013" of this Prospectus for details.

PLAN OF DISTRIBUTION

The Invitation is for 138,000,000 New Shares offered in Singapore by way of public offer and placement comprising 5,000,000 Offer Shares and 133,000,000 Placement Shares managed and underwritten by Canaccord Genuity.

The Issue Price is determined by us in consultation with the Issue Manager, Underwriter and Placement Agent after taking into consideration, *inter alia*, prevailing market conditions and estimated market demand for our Shares determined through a book-building process. The Issue Price is the same for each New Share and is payable in full on application.

Offer Shares

The Offer Shares are made available to the members of the public in Singapore for subscription at the Issue Price. Members of the public may apply for the Offer Shares by way of printed Application Forms or by Electronic Applications as described under "Terms, Conditions and Procedures for Application and Acceptance" set out in Appendix I of this Prospectus.

Pursuant to the Management and Underwriting Agreement entered into between us and Canaccord Genuity as set out in the section entitled "Other General Information — Management and Underwriting Agreement and Placement Agreement" of this Prospectus, we have appointed Canaccord Genuity to manage the Invitation and to underwrite the 5,000,000 Offer Shares. Canaccord Genuity will receive an underwriting commission of 2.5% of the Issue Price for the Offer Shares payable by us for subscribing, or procuring subscribers, for such Offer Shares. Canaccord Genuity may, at its absolute discretion, appoint one or more sub-underwriter(s) for the Offer Shares.

In the event of an under-subscription for the Offer Shares as at the close of the Application List, that number of Offer Shares not subscribed for shall be made available to satisfy excess applications for the Placement Shares to the extent there is an over-subscription for the Placement Shares as at the close of the Application List.

In the event of an over-subscription for the Offer Shares as at the close of the Application List and/or the Placement Shares are fully subscribed or over-subscribed for as at the close of the Application List, the successful applications for the Offer Shares will be determined by ballot or otherwise as determined by our Directors after consultation with the Issue Manager, and approved by the SGX-ST, if required.

Placement Shares

The Placement Shares are made available to retail and institutional investors who apply through their brokers or financial institutions. Applications for Placement Shares may only be made by way of printed Application Forms as described under "Terms, Conditions and Procedures for Application and Acceptance" set out in Appendix I of this Prospectus.

Pursuant to the Placement Agreement entered into between us and Canaccord Genuity as set out in the section entitled "Other General Information — Management and Underwriting Agreement and Placement Agreement" of this Prospectus, Canaccord Genuity agreed to subscribe for and/or procure subscribers for the 133,000,000 Placement Shares for a placement commission of 2.5% of the Issue Price for the Placement Shares payable by us. Canaccord Genuity may, at its absolute discretion, appoint one or more sub-placement agent(s) for the Placement Shares.

In the event of an under-subscription for the Placement Shares as at the close of the Application List, that number of Placement Shares not subscribed for shall be made available to satisfy excess applications for the Offer Shares to the extent that there is an over-subscription for the Offer Shares as at the close of the Application List.

Subscribers of the Placement Shares may be required to pay brokerage of up to 1.0% of the Issue Price (plus GST thereon, if applicable) to the Placement Agent or any sub-placement agent(s) that may be appointed by the Placement Agent.

Subscription for the New Shares

None of our Directors or our Controlling Shareholders intends to subscribe for the New Shares in the Invitation.

To the best of our knowledge, we are unaware of any person who intends to subscribe for 5.0% or more of the New Shares. However, through the book-building process to assess market demand for our Shares, there may be person(s) who may indicate an interest to subscribe for 5.0% or more of the New Shares. If such person(s) were to make an application for 5.0% or more of the New Shares pursuant to the Invitation and subsequently be allotted such number of Shares, we will make the necessary announcements at an appropriate time. The final allotment of Shares will be in accordance with the shareholding spread and distribution guidelines as set out in Rule 210 of the Listing Manual.

No Shares shall be allotted on the basis of this Prospectus later than six (6) months after the date of registration of this Prospectus by the Authority.

Please also refer to the section entitled "Other General Information — Management and Underwriting Agreement and Placement Agreement" of this Prospectus for further details on our Management and Underwriting Agreement and Placement Agreement.

Singapore

This Prospectus does not constitute an offer, solicitation or invitation to subscribe for the New Shares in any jurisdiction in which such offer, solicitation or invitation is unlawful or is not authorised or to any person to whom it is unlawful to make such an offer, solicitation or invitation. No action has been or will be taken under the requirements of the legislation or regulations of, or of the legal or regulatory authorities of, any jurisdiction, except for the lodgement and/or registration of this Prospectus in Singapore in order to permit a public offering of the New Shares and the distribution of this Prospectus in Singapore. The distribution of this Prospectus and the offering of the New Shares in certain jurisdictions may be restricted by the relevant laws in such jurisdictions. Persons who may come into possession of this Prospectus are required by our Company, and the Issue Manager, Underwriter and Placement Agent to inform themselves about, and to observe and comply with, any such restrictions at their own expense and without liability to our Company, and the Issue Manager, Underwriter and Placement Agent. Persons to whom a copy of this Prospectus has been issued shall not circulate to any other person, reproduce or otherwise distribute this Prospectus or any information herein for any purpose whatsoever nor permit or cause the same to occur.

Hong Kong

This Prospectus does not constitute an offer to the public in Hong Kong to subscribe for the New Shares.

This Prospectus has not been and will not be registered with the Registrar of Companies in Hong Kong. Accordingly, except as mentioned below, no copy of this Prospectus may be issued, circulated or distributed in Hong Kong.

A copy of this Prospectus may, however, be distributed by the Issue Manager, Underwriter and Placement Agent or their designated sub-placement agents to a limited number of professional investors (within the meaning of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)) for the Placement Shares in Hong Kong, or otherwise pursuant to, and in accordance with the conditions of, any applicable exemptions as set out in the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) in a manner which does not constitute an invitation or offer of the Placement Shares to the public in Hong Kong or an issue, circulation or distribution in Hong Kong of a prospectus for the purposes of the Companies Ordinance (Chapter 32 of the Laws of Hong Kong). The offer of the Placement Shares is personal to the person named in the accompanying Application Form, and application for the Placement Shares will only be accepted from such person. An application for the Placement Shares is not invited from any person in Hong Kong other than a person to whom a copy of this Prospectus has been issued by the Issue Manager, Underwriter and Placement Agent or its designated sub-placement agents, and if made, will not be accepted, unless the applicant satisfies the Issue Manager, Underwriter and Placement Agent or its designated sub-placement agents that he is a professional investor as defined in the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

No person to whom a copy of this Prospectus is issued may issue, circulate or distribute this Prospectus in Hong Kong or make or give a copy of this Prospectus to any other person, other than their legal, financial, tax or other appropriate advisers who are subject to a duty of confidentiality to such person.

The Issue Manager, Underwriter and Placement Agent has agreed with our Company that they (and their sub-placement agents, if any) have not offered or sold, and will not offer or sell, in Hong Kong, by means of any document, any of our Shares other than (i) as permitted under the Companies Ordinance (Chapter 32 of the Laws of Hong Kong) and the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) or (ii) in circumstances which do not constitute an offer of the Placement Shares to the public within the meaning of the Companies Ordinance (Chapter 32 of the Laws of Hong Kong).

SELLING RESTRICTIONS

This document is for distribution in Hong Kong only to persons who are "Professional Investors" within the meaning of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) and any rules made under that Ordinance.

The contents of this document have not been reviewed by the Securities and Futures Commission of Hong Kong or any regulatory authority in Hong Kong. You are advised to exercise caution in relation to the Invitation. If you are in any doubt about any of the contents of this document, you should obtain independent professional advice.

By accepting this document you agree to be bound by the foregoing limitations.

No part of this material may be (i) copied, photocopied or duplicated in any form by any means or (ii) distributed or passed on, directly or indirectly, to any other person in whole or in part, for any purpose.

Upon listing and quotation on the Main Board of the SGX-ST, our Shares will be traded under the book-entry settlement system of the CDP and all dealings in and transactions of the Shares through the Main Board of the SGX-ST will be effected in accordance with the terms and conditions for the operation of Securities Accounts with the CDP, as amended from time to time.

Our Shares will be registered in the name of CDP and held by CDP for and on behalf of persons who maintain, either directly or through depository agents, Securities Accounts with CDP. Persons named as direct securities account holders and depository agents in the depository register maintained by the CDP, other than CDP itself, will be treated, under our Articles of Association and the Companies Act, as members of our Company in respect of the number of Shares credited to their respective Securities Accounts.

Persons holding our Shares in a Securities Account with CDP may withdraw the number of Shares they own from the book-entry settlement system in the form of physical share certificate(s). Such share certificates will, however, not be valid for delivery pursuant to trades transacted on the Main Board of the SGX-ST, although they will be *prima facie* evidence of title and may be transferred in accordance with our Articles of Association. A fee of $10.00 for each withdrawal of 1,000 Shares or less and a fee of $25.00 for each withdrawal of more than 1,000 Shares is payable upon withdrawing our Shares from the book-entry settlement system and obtaining physical share certificates. In addition, a fee of $2.00 or such other amount as our Directors may decide, is payable to the share registrar for each share certificate issued and a stamp duty of $0.20 per $100.00 or part thereof of the last transacted price is also payable where our Shares are withdrawn in the name of a third party. Persons holding physical share certificates who wish to trade on the Main Board of the SGX-ST must deposit with CDP their share certificates together with the duly executed and stamped instruments of transfer in favour of CDP and have their respective Securities Accounts credited with the number of Shares deposited before they can effect the desired trades. A deposit fee of $10.00 is payable upon the deposit of each instrument of transfer with CDP.

Transactions in our Shares under the book-entry settlement system will be reflected by the seller's Securities Account being debited with the number of Shares sold and the buyer's Securities Account being credited with the number of Shares acquired. No transfer stamp duty is currently payable for Shares that are settled on a book-entry basis.

A Singapore clearing fee for trades in our Shares on the Main Board of the SGX-ST is payable at the rate of 0.04% of the transaction value subject to a maximum of $600.00 per transaction. The clearing fee, instrument of transfer, deposit fee and share withdrawal fee may be subject to GST currently at 7.0%.

Dealings of our Shares will be carried out in Singapore dollars and will be effected for settlement through CDP on a scripless basis. Settlement of trades on a normal "ready" basis on the Main Board of the SGX-ST generally takes place on the third Market Day following the transaction date and payment for the securities is generally settled on the following business day. CDP holds securities on behalf of investors in Securities Accounts. An investor may open an account with CDP or a sub-account with a CDP depository agent. The CDP depository agent may be a member company of the SGX-ST, bank, merchant bank or trust company.

An indicative timetable is set out below for your reference:

Indicative time/date	Event
21 October 2013, 5.00 p.m.	Commencement of the Invitation
28 October 2013, 12.00 noon	Close of Application List
29 October 2013	Balloting of applications, if necessary (in the event of over-subscription for the Offer Shares)
29 October 2013	Commence returning or refunding of application monies to unsuccessful or partially successful applicants
30 October 2013, 9.00 a.m.	Commence trading on a "ready" basis
4 November 2013	Settlement date for all trades done on a "ready" basis

The above timetable is only indicative as it assumes that the closing of the Application List is 28 October 2013, the date of admission of our Company to the Official List of the SGX-ST is 30 October 2013, the SGX-ST's shareholding spread requirement will be complied with and the New Shares will be issued and fully paid-up prior to 9.00 a.m. on 30 October 2013. The actual date on which our Shares will commence trading on a "ready" basis will be announced when it is confirmed by the SGX-ST.

The above timetable and procedures may be subject to such modifications as the SGX-ST may, in its discretion, decide, including the decision to permit trading on a "ready" basis and the commencement date of such trading.

Investors should consult the SGX-ST announcement on the "ready" trading date on the internet (at the SGX-ST website, http://www.sgx.com), or the newspapers, or check with their brokers on the date on which trading on a "ready" basis will commence.

In the event of any changes in the closure of the Application List or the shortening or extension of the time period during which the Invitation is open, we will publicly announce the same:

(a) through a SGXNET announcement to be posted on the internet at the SGX-ST website, http://www.sgx.com; and

(b) in a local English newspaper, such as The Straits Times or The Business Times.

We will provide details of the results of the Invitation (including the level of subscription and the basis of allotment of the New Shares pursuant to the Invitation), as soon as it is practicable after the close of the Application List through the channels described in (a) and (b) above.

We reserve the right to reject or accept, in whole or in part, or to scale down or ballot any application for the Offer Shares, without assigning any reason therefor, and no enquiry and/or correspondence on our decision will be entertained. In deciding the basis of allotment, due consideration will be given to the desirability of allotting our Shares to a reasonable number of applicants with a view to establish an adequate market for our Shares.

Based on the Issue Price, our estimated net proceeds from the issue of New Shares, after deducting the underwriting commission, placement commission, brokerage and other estimated expenses payable in relation to the issue of New Shares (estimated to be approximately $4.1 million), will be approximately $66.3 million.

We intend to use the net proceeds from the issue of New Shares ("**Net Proceeds**") for the following purposes:

Intended Use	Amount ($'million)	As a percentage of net proceeds allocated for each dollar (%)
Expansion of our business	39.8	60.0
Working capital purposes	26.5	40.0
Total	**66.3**	**100.0**

Please see the section entitled "Prospects, Business Strategies and Future Plans" of this Prospectus for more details on the future plans of the Group.

Our Group is of the view that bank overdrafts and revolving credit facilities are an integral part of the working capital funding of our pawnbroking business as our Group utilises such credit facilities to finance the loans granted to our customers. Such bank overdrafts and revolving credit facilities accounted for 94.6% of our total bank borrowings during the Period Under Review. Accordingly, the Net Proceeds may be used to reduce the utilisation of bank overdrafts and revolving credit facilities for our working capital purposes. Pending the deployment of the Net Proceeds as aforesaid, the Net Proceeds may be placed as deposits with banks or financial institutions, or used for investment in short-term money market or debt instruments, as our Directors may deem appropriate in their absolute discretion.

The foregoing discussion represents our best estimate of the allocation of the Net Proceeds based on our current plans and estimated expenditures. Actual expenditures may vary from these estimates and we may find it necessary or advisable to reallocate the Net Proceeds within the categories described above or to use portions of the Net Proceeds for other purposes.

In the event that any part of our proposed uses of the Net Proceeds does not materialise or proceed as planned, our Directors may reallocate the proceeds to other purposes and/or hold such funds on short-term deposits for so long as our Directors deem it to be in the interest of our Company and our Shareholders, taken as a whole. Any change in the use of the Net Proceeds will be subject to the listing rules of the SGX-ST and we will publicly announce our intention to do so through a SGXNET announcement to be posted on the SGX-ST website, http://www.sgx.com.

We have undertaken to announce periodically via SGXNET the use of the Net Proceeds as and when these are materially disbursed, and to provide a status report on the use of the Net Proceeds in the annual report(s) of our Company.

Save as disclosed above, none of the Net Proceeds will be used to discharge, reduce or retire any indebtedness of our Group.

In the opinion of our Directors, no minimum amount must be raised from the Invitation.

Expenses incurred in connection with the Invitation

The estimated amount of the expenses in relation to the Invitation, is approximately $4.1 million (exclusive of GST). A breakdown of these estimated expenses is as follows:

Invitation Expenses	Estimated amount ($'million)	As a percentage of gross proceeds (%)
Professional fees	1.5	2.1
Underwriting commission[(1)], placement commission[(2)] and brokerage[(3)]	1.8	2.5
Miscellaneous expenses (including listing fees)	0.8	1.2
Total	**4.1**	**5.8**

Notes:

(1) Pursuant to the Management and Underwriting Agreement, the Underwriter has agreed to subscribe for and/or procure subscribers for the Offer Shares for a commission of 2.5% of the Issue Price for each Offer Share, payable by our Company pursuant to the Invitation.

(2) Pursuant to the Placement Agreement, the Placement Agent has agreed to subscribe for and/or procure subscribers for the Placement Shares for a placement commission of 2.5% of the Issue Price for each Placement Share, payable by our Company pursuant to the Invitation.

(3) Brokerage will be paid by our Company on the Offer Shares in the proportion in which the Offer Shares are offered by our Company to members of the SGX-ST, merchant banks and members of the Association of Banks in Singapore in respect of accepted applications made on Application Forms bearing their respective stamps, and to the Participating Banks in respect of successful applications made through Electronic Applications, at the rate of 0.25% of the Issue Price for each Offer Share for UOB Group and OCBC Bank and 0.75% of the Issue Price for each Offer Share (subject to a minimum amount of $10,000) for DBS Bank.

Please refer to the section entitled "The Invitation – Plan of Distribution" of this Prospectus for more details on our management, underwriting and placement arrangements.

You should evaluate carefully each of the following considerations and all of the other information set forth in this Prospectus before deciding to invest in our Shares. Some of the following considerations relate principally to the industry in which we operate and our business in general. Other considerations relate principally to general, social, economic, political and regulatory conditions, the securities market and ownership of our Shares, including possible future dilution in value of our Shares. If any of the following considerations and uncertainties develops into actual events, our business, financial position and/or results of operations could be materially and adversely affected. In such a case, the trading price of our Shares could decline due to any of these considerations, and you may lose all or part of your investment in our Shares.

This Prospectus also contains forward-looking statements having direct and/or indirect implications on our future performance. Our actual results may differ materially from those anticipated by these forward-looking statements due to certain factors, including the risks and uncertainties faced by us, as described below and elsewhere in this Prospectus.

RISKS RELATING TO OUR BUSINESS AND INDUSTRY

We are subject to regulatory risks associated with pawnbroking as well as retail and trading of pre-owned jewellery and gold, and our business may be adversely affected if we are unable to maintain our existing licences, registrations, permits, approvals or exemptions

Our pawnbroking business as well as retail and trading of pre-owned jewellery and gold business are subject to several laws and regulations in Singapore, including but not limited to the Pawnbrokers Act and the Secondhand Goods Dealers Act respectively. Please refer to the section entitled "Government Regulations" as set out in Appendix D of this Prospectus for further details of these laws and regulations.

As at the Latest Practicable Date, our pawnshops and pre-owned jewellery retail outlets have obtained the necessary licences and exemptions (as applicable) for the operation of these businesses. Our ability to continue our pawnbroking and retail and trading of pre-owned jewellery and gold businesses is dependent, respectively, on the relevant licences and exemptions. Each of our pawnshops obtains an individual licence for its respective pawnbroking business. Such licences are valid for a period of one (1) year, with their renewal based on our compliance with the requirements imposed by the relevant authorities. As for the exemptions granted to us in respect of our dealing in secondhand goods, our exempt status is subject to our continued compliance with the requirements imposed by the relevant authorities. No specific licence is required for our gold trading business.

While there have been no previous instances of failure to obtain the licence renewals or maintain our exempt status as a secondhand goods dealer, there is no assurance that our licences will be renewed when they expire in future or that our said exempt status will be maintained.

The revocation or suspension of the licences of any of our pawnshops, or the revocation or suspension of our exemption status as a secondhand goods dealer, or the imposition of any penalties, whether as a result of the infringement of regulatory requirements or otherwise, may have an adverse and material impact on our business and financial performance.

We may be affected by changes in government legislation, regulations or policies which affect the pawnbroking and/or retail and trading of pre-owned jewellery and gold industries

As we derive our revenue from the pawnbroking as well as retail and trading of pre-owned jewellery and gold businesses, any changes in government legislation, regulations or policies affecting these industries could affect our business operations. If there are any changes in legislation, regulations or policies governing the pawnbroking and/or retail and trading of pre-owned jewellery and gold businesses, such that more restrictions and/or additional compliance requirements are imposed by the regulatory authorities in Singapore on us which would restrict the conduct of our business and/or result in higher costs for us, our business and/or financial performance may be adversely affected. In the event that it would not be viable to build in such increased costs to our prices, we will have to absorb these cost increments and this would affect our profitability.

Public consultations were conducted by the Ministry of Law from 8 April 2013 to 6 May 2013 in connection with some proposed amendments to the Pawnbrokers Act. The material proposed amendments include, *inter alia*, the removal of the existing auction system and the increase in security deposit from the current sum of $20,000 to $100,000 by way of a cash deposit or a banker's guarantee for each pawnbroking licence. While the proposed amendments such as the removal of the existing auction system would likely eliminate the substantial administrative work involved and hence generate cost savings for our Group, other amendments may adversely affect the operation of our pawnbroking business. As an example, while the proposed increase in security deposit for each pawnbroking licence, if effected, would increase the barriers to entry, it may also affect our Group's operating cash flows and expenses.

There is no assurance that the Parliament will adopt the proposed amendments, whether in part or in entirety or at all. There is also no assurance that the final amendments to the Pawnbrokers Act, when enacted, will not have an adverse effect on our financial performance and financial position.

The persons with whom we have business relations may become the subject of regulatory investigations or sanctions

The persons with whom our Group has business relations in the ordinary course of our business may become the subject of regulatory investigations or sanctions. While we have not experienced any material adverse financial impact or negative publicity as a result of such business relations during the Period Under Review, there is no assurance that business relations with such persons will not cause reputational damage to our Group and/or have an adverse effect on our financial performance and financial position.

Our business requires substantial capital and any disruption in funding sources or increases in interest rates on our funding would have a material adverse effect on our liquidity and financial condition

Our business requires substantial capital and our liquidity and profitability are, in large part, dependent upon our timely access to, and the costs associated with raising capital. We have been financing our operations mainly through a combination of shareholders' equity (including retained earnings), net cash flows generated from our operating activities, borrowings from financial institutions and advances from our Directors and Shareholders. Please refer to the section entitled "Interested Person Transactions and Conflicts of Interests" of this Prospectus for details on such advances.

The use of credit facilities by our pawnbroking subsidiaries for each month is limited to 80.0% of such subsidiaries' pledge book size of the prior month. As at 31 March 2013, our indebtedness (including shareholders' loans) amounted to approximately $81.9 million and our Group's total cost of financing for 1Q2013 was approximately 11.2% of our profit before tax. As a result of an increased use in bank overdrafts due to the growth in our pawnbroking business, we recorded a negative cash and cash equivalents position of $22.2 million, $25.3 million and $8.4 million as at 31 December 2010, 31 December 2011 and 31 December 2012 respectively. We recorded a cash and cash equivalents position of $672,000 as at 31 March 2013. Please refer to the section entitled "Management's Discussion and Analysis of Results of Operations and Financial Position – Liquidity and Capital Resources" of this Prospectus for more details.

Our Group's revolving credit facilities are at floating rates which are contractually re-priced at intervals of six (6) months or less. Our borrowing cost is determined taking into account the interest rates paid on our funding and our creditworthiness. Any material increase in general interest rates or a deterioration of our creditworthiness may adversely impact our profitability by increasing our cost of sales. As the maximum interest rate chargeable by us to our customers in our pawnbroking business is regulated by legislation (currently a maximum rate of 1.5% per month), any increase in the cost of sales will adversely affect our gross profit margin.

In addition, any such increase in interest rates may also affect our ability to meet financial obligations when they become due. In the event that we are unable to obtain loans, bank overdrafts or other credit facilities or funds on reasonable terms, we may not be able to implement our business and operational strategies. This would adversely affect our business growth and financial performance.

Gold price volatility may affect our profitability

The profitability of our operations is significantly affected by changes in gold price. We buy and sell gold and jewellery to and from individuals, jewellery traders/dealers, pawnshops and jewellery factories.

Gold prices can fluctuate widely and is affected by numerous factors beyond our control, including demand and supply, inflation and expectations with respect to the rate of inflation, the strength of the US$ and of other currencies, interest rates, gold sales by central banks and international institutions, forward sales by producers, global or regional political or economic events, and production and cost levels in major gold-producing regions such as South Africa and China. In addition, gold price is sometimes subject to rapid short-term changes because of speculative activities. While we have a policy to hedge our gold positions daily for our gold trading business, there is no assurance that our exposure to gold price fluctuations can be mitigated in full or effectively. Any failure by our employees to effectively carry out such hedges may materially affect our financial performance.

Through our gold trading business, we have gold and US$ positions with refiners and gold traders. To the extent that we have not hedged our gold positions (quoted in US$) against our US$ positions, we will be exposed to adverse fluctuations of US$ against the Singapore dollar (which is our trading currency), which would adversely affect our earnings.

In our pawnbroking business, we extend loans secured by, *inter alia*, gold jewellery and/or gold bars as collateral. The loans are based on a certain loan to value ratio which will factor in a buffer for potential fluctuations in gold prices and non-payment of interest. Please refer to the section entitled "General Information of Our Group – Internal Control and Risk Management – Valuation" of this Prospectus for details on our valuation procedures. However, a significant prolonged downward movement in the gold price will result in a fall in collateral values. If the customers do not redeem their pledges and the collateralised gold items decrease significantly in value, our financial position and results of operations would be adversely and materially affected. The price of gold has declined from a high of over US$1,770 per ounce in September 2012 to under US$1,200 per ounce in June 2013. In view of the recent downward movement in gold price, we have made allowances of $0.7 million for each of FY2012 and 1Q2013 respectively, for potential losses arising from loss of interests and if the value of unredeemed pledged articles following auctions does not cover the value of the loans granted on these pledged articles. On the other hand, increasing gold prices may also have an adverse effect on consumer demand, reducing the affordability of jewellery, thereby affecting our business in the retail of pre-owned jewellery. Any significant fluctuation in the price of gold may also have an adverse and material effect on our gold trading business.

We are dependent on our key personnel for our continued success

Our Managing Director and CEO, Yeah Hiang Nam, and our Executive Directors have been instrumental in formulating our business strategies and spearheading the growth of our business operations. Our success to date has been largely attributable to their efforts in implementing our Group's business strategies. Please refer to the section entitled "Directors, Management and Staff — Directors" of this Prospectus for details of their qualifications and working experience.

There is no assurance that we will be able to retain the services of our key management personnel notwithstanding that all our Executive Directors have each entered into a Service Agreement with our Company. For details of the Service Agreements, please refer to the section entitled "Directors, Management and Staff – Service Agreements" of this Prospectus.

The loss of the services of our key management personnel without suitable and/or timely replacements, and an inability to attract or retain qualified and experienced management personnel, may lead to the loss or deterioration of important business relations as well as management's capability to implement plans and maintain operational effectiveness which will have an adverse impact on our business and financial performance.

We are dependent on our continued ability to attract and retain skilled and qualified personnel

Our Directors consider that retaining skilled and qualified personnel is one of the key factors for the growth and future success of our Group. In particular, we require a large number of capable staff to fill the appraisal, sales and management positions for the existing pawnshops and pre-owned jewellery retail outlets and any new pawnshops and/or retail outlets to be opened by our Group in the future. Our Group may face difficulties in recruiting or retaining suitable personnel, in particular, those with extensive experience and knowledge of pawnbroking and retail and trading of pre-owned jewellery and gold. If our Group fails to maintain or expand our working team or if we are unable to replace any possible loss of such skilled and qualified personnel, our operations and financial performance may be adversely affected and our future expansion plan may not be implemented effectively.

We may not be able to appraise the value of collaterals or pledged articles accurately

The articles pledged to us may not be sufficient to cover the amount of the pawn loans granted.

There is no assurance that we will be able to properly appraise the value of the collaterals or pledged articles. If our employees are unable to perform the valuation of the collaterals or pledged articles accurately, the amount of pawn loans granted may exceed the value of the pledged articles. This may result in us incurring losses on these loans as we have no recourse against our pawnbroking customers. Further, any failure to recover the loan through the sale of unredeemed pledged articles could expose us to a potential loss if the loan extended based on the initial appraised value is higher than its realised value. Any such losses arising from significant differences in value of our loan portfolio will adversely affect our liquidity, financial position and results of operations.

Please refer to the section entitled "General Information of Our Group – Internal Control and Risk Management – Valuation" of this Prospectus for details on the procedures we have in place to prevent such incidents.

Our insurance coverage may not adequately protect us against certain operational risks

We maintain general insurance policies with policy specifications and insured limits which we believe are reasonable, covering both our assets and employees in line with general business practices in the pawnbroking and retail and trading of pre-owned jewellery and gold industries.

The occurrence of certain incidents, including fraud or other misconduct committed by our employees or third parties, theft, fire, severe weather conditions, earthquake, war, flooding and power outage, and the consequences resulting therefrom may not be covered adequately, if at all, by our insurance policies.

From time to time, we may make claims under our insurance policies for losses arising when pledged articles are confiscated by the relevant authorities for their investigations. Typically, this arises when a pledged article has been pawned fraudulently by our customers, or if any of our counterparties are under investigation by the authorities. During the Period Under Review, the aggregate quantum of the claims we have made under our insurance policies in each year has not been material and the amount of losses we have incurred arising from such circumstances, after insurance claims, was less than $100,000 in each financial year.

However, in the event we are unable to succeed in any proceedings against third parties in claims and if we incur substantial liabilities which are not covered by our insurance policies, we may incur expenses and losses that would materially and adversely affect our financial position and results of operations. Please refer to the section entitled "General Information of Our Group – Insurance" of this Prospectus for further details.

We may be subject to misappropriation of cash or assets

As at the date of this Prospectus, we have 17 outlets in Singapore, comprising 16 pawnshops with pre-owned jewellery retail outlets as well as one (1) standalone pre-owned jewellery retail outlet. The pre-owned jewellery retail outlets which are located within the premises of our pawnshops are operated by our subsidiary, ValueMax Retail, while our standalone pre-owned jewellery retail outlet is operated by our subsidiary, Spring Jewellery (SG). While we have adopted various cash management systems and security measures for our operations, there is no assurance that we will not be susceptible to misappropriation of cash or assets by third parties or by our own employees. In the event that such misappropriation occurs, we may be subject to financial losses and our financial position and results of operations may be adversely affected. During the Period Under Review, save for losses incurred from two (2) incidents of misappropriation of assets and cash by employees of approximately $107,000 in FY2012 and $4,000 in 1Q2013, we have not incurred any other losses due to any such misappropriation.

Please refer to the section entitled "General Information of Our Group – Internal Control and Risk Management" of this Prospectus for details on our operations and compliance procedures, and insurance policies.

Our business may be affected by non-renewal of leases or increase in rental of our shops

All our pawnshops and pre-owned jewellery retail outlets are located at strategic locations which are accessible to customers. Several of these shops are leased from independent third parties.

There is no assurance that each of our leases can be renewed upon expiry or can be renewed on terms and conditions favourable to us. While we have not had any incidents of a failure to renew our existing leases, in the event that we are unable to renew our existing leases upon expiry or on terms and conditions favourable to us, our financial performance will be adversely affected.

Should we fail to renew any leases upon expiry, and our shops are required to be relocated to less convenient and accessible areas, our revenue may be adversely affected. We will also have to incur costs for renovation and removal. Our shops may also face closure if the increase in rental is excessive or if we are unable to find alternative locations. We may also experience a loss of customers if alternative locations that we find are situated far away from their original locations. In such cases, our Group will face a decline in revenue.

Rental cost is one of the main costs of our business operations. Rental cost accounted for approximately $1.0 million, $1.4 million, $2.1 million and $0.7 million for FY2010, FY2011, FY2012 and 1Q2013, representing approximately 16.3%, 15.7%, 19.0% and 19.8% of our total operating expenses, respectively. Any substantial increase in rental costs in the future will adversely impact our financial position and results of operations.

Competition in the industries we operate in is intense and any decline in our competitiveness could result in us losing market share and revenues

The industries in which we operate are highly competitive. We compete with major pawnshops and retail chains such as the Maxi-Cash and MoneyMax chains of pawnshops and pre-owned jewellery retail outlets as well as other smaller players who mostly operate individual pawnshops and major scrap gold traders such as Central Precious Metals Pte Ltd and First Jewellery & Watches Pte Ltd. Our success depends on our ability to compete effectively against our competitors. There is no assurance that we will be able to do so successfully in the future. In the event that we do not succeed in retaining existing customers and attracting new customers, our market share and/or growth in the market share will be adversely affected. In the event we are unable to acquire pre-owned jewellery and/or gold from our suppliers at competitive prices, or in the event increased competition forces us to lower our prices, our profit margins and results of operations will be adversely affected.

Please refer to the sections entitled "General Information of Our Group – Competition" and "General Information of Our Group – Competitive Strengths" of this Prospectus for further details.

We are reliant on our "ValueMax" brand name

We market our business under our "ValueMax" brand name and we believe that our business will depend in part on increasing brand recognition amongst consumers. Failure to maintain the image of our brand name and quality standards associated with our brand name may have an adverse impact on our business and financial performance.

We may be affected by complaints from customers and negative publicity

If we fail to deliver our pawnbroking services in an efficient and professional manner or if the secondhand goods that we sell through our pre-owned jewellery retail outlets are defective, we may, from time to time, be subject to complaints and/or claims by our customers, which may also lead to negative publicity.

Further, under the Consumer Protection (Fair Trading) Act, the consumer has the right to require the vendor to repair, replace, reduce the amount paid or rescind the contract of sale if the goods purchased do not conform to the applicable sale and purchase contract at the time of delivery. In order to determine whether an item sold is of satisfactory quality, factors such as the goods' age at the time of delivery and the price paid will be taken into account. Please refer to the section entitled "Government Regulations" as set out in Appendix D of this Prospectus for more details on the Consumer Protection (Fair Trading) Act. We ensure that our employees highlight any defects or limitations of goods we sell at the point of sale. We have not experienced any material adverse impact on our business and financial performance as a result of any complaints from customers or negative publicity in the past. However, there can be no assurance that we will not be subject to any claims, complaints, returns of our products or negative publicity in the future. In the event of such incidents, we may also have to incur substantial costs in defending any such claims or in correcting the negative publicity.

We are exposed to the risks of intellectual property infringement or may face litigation suits for intellectual property infringement

Unauthorised use of our trademark and brand names may damage the brand and reputation of our Group. We have registered our trademark in Singapore. While we have not experienced any incidents of intellectual property infringement or litigation suits in relation to the infringement of intellectual property, in the event that we are not able to protect our intellectual property rights, our brand reputation and sales volume may be adversely affected. There can be no assurance that there will be no misuse and/or infringement of these trademarks by third parties during the period when these trademarks are in the process of being renewed.

There can be no assurance that third parties may not initiate litigation against us alleging infringement of their proprietary rights. While we are not aware that we are currently in infringement of any intellectual property rights of third parties, we cannot be certain about this and there can be no assurance that we will not infringe any trademark or proprietary rights of third parties, in the future.

Any claims or litigation, involving infringement of intellectual property rights of third parties, whether with or without merit, may result in a diversion of our resources and our financial results or operations may be adversely affected.

Please refer to the section entitled "General Information of Our Group — Intellectual Property" of this Prospectus for further details on our intellectual property.

We do not have operational and management control over our associated companies

We do not manage the operations of all our associated companies both in Singapore and Malaysia. We are not represented on the board of directors of our Malaysia associated companies and we also do not have majority board representation on the board of directors of all our associated companies in Singapore. Accordingly, we do not have control over the businesses of these companies. Our associated companies for the Period Under Review (namely Ban Soon Pawnshop and Soon Hong Pawnshop prior to completion of the Share Purchase Agreement) contributed $0.8 million, $0.9 million, $0.8 million and $0.2 million to our Group's profit before tax for FY2010, FY2011, FY2012 and 1Q2013 respectively.

There is no guarantee that the outcome of voting on resolutions tabled before the board of directors or the shareholders of any of our associated companies will be favourable to us. There is also no assurance that our shareholdings in any of our associated companies will not be diluted due to any share issues to other shareholders or third parties. In the event of such dilution or any sale of our shareholdings in any of our associated companies, our financial performance and financial position may be materially and adversely affected.

There is also no assurance that our associated companies will continue to grow and remain profitable.

We are dependent on automated systems to operate our business

We have developed our own proprietary operational software and data management system that support our business operations, reduce possibility of human error and enable our services to be faster and more efficient. Our database also holds business related information such as our list of blacklisted customers. Further, our operational software and data management system have resulted in faster and easier loan processing, and allow our customers to renew their pawn tickets at any of our outlets in Singapore. We have not experienced any incidents of system disruption or failure that resulted in an adverse impact on our Group. However, although we have devised and implemented a data recovery plan, including multiple back-ups, any system disruption or failure could reduce customer satisfaction and/or adversely affect our reputation, operations and future growth.

Fashion trends and consumer tastes may affect the liquidity of our stocks for our retail of pre-owned jewellery business

Where there are changes in fashion trends and consumer tastes, our supplies of pre-owned jewellery may not appeal to our customers. This may result in a decline in the sale or prices of our pre-owned jewellery or slow-moving inventory. While we are able to disassemble such pre-owned jewellery affected by low consumer demand into its components of gold and precious gems for sale, these may not command as attractive a price. There may also be an adverse impact on our business and financial performance should there be a decrease in the price of gold or such precious gems.

We may face uncertainties associated with the expansion of our business

The successful implementation of our growth strategies depends on our ability to identify suitable sites for new pawnshops and pre-owned jewellery retail outlets, identify acquisition targets as well as strengthen our brand recognition through our brand management and marketing strategies. There can be no assurance that we will be able to execute such growth strategies successfully. If we fail to manage our expansion plans and the related risks and costs, our business and financial performance would be adversely affected.

In addition, we are subject to regulations in Singapore regarding:

(a) the grant of new licences for new pawnshops. Under the Pawnbrokers Act, a licence is required for each pawnshop. Any restriction in the issue of new licences will impede our business expansion; and

(b) the grant of an exempt status or licences (as the case may be) for our new retail outlets dealing in secondhand goods under the Secondhand Goods Dealers Act. A dealer in secondhand goods regulated under the Secondhand Goods Dealers Act is required to obtain a licence for each shop unless otherwise exempted. Any restriction in the issue of licences or the grant of an exemption status will similarly impede our business expansion.

Please refer to the sections entitled “Risk Factors – Risks Relating to our Business and Industry – We are subject to regulatory risks associated with pawnbroking as well as retail and trading of pre-owned jewellery and gold, and our business may be adversely affected if we are unable to maintain our existing licences, registrations, permits, approvals or exemptions” and “Government Regulations” as set out in Appendix D of this Prospectus for further details.

We may require additional funding for our future growth

Although we have identified our future growth plans as set out in the section entitled "Prospects, Business Strategies and Future Plans — Business Strategies and Future Plans" of this Prospectus, the proceeds from the Invitation may not be sufficient to cover the estimated costs of implementing all these plans. We may also find future opportunities to grow through acquisitions which we have not identified at this juncture. Under such circumstances, we may need to obtain additional debt and/or equity financing to implement these growth opportunities.

Any funding, if raised through the issuance of equity or convertible securities, may be priced at a discount to the then prevailing market price of our Shares, resulting in a dilution of our Shareholders' equity interests. If we fail to utilise the new equity to generate a commensurate increase in earnings, our EPS may be diluted, and this could lead to a decline in our Share price.

Alternatively, if our funding requirements are met by way of additional debt financing, we may have restrictions placed on us through such debt financing arrangements, which may:

(a) limit our ability to pay dividends;

(b) increase our vulnerability to general adverse economic and industry conditions;

(c) limit our ability to pursue our growth plans;

(d) require us to dedicate a substantial portion of our cash flows from operations to payments on our debt, thereby reducing the availability of our cash flows to fund capital expenditure, working capital and other requirements; and/or

(e) limit our flexibility in planning for, or reacting to, changes in our business and our industry.

We are unable to assure you that we will be able to obtain the additional debt and/or equity financing on terms that are acceptable to us or at all. Any inability to secure additional debt and/or equity financing may materially and adversely affect our business, implementation of our business strategies and future plans and financial position.

There is no assurance on the sustainability of our growth

During the Period Under Review, our revenue grew from $398.4 million in FY2010 to $509.0 million in FY2012.

Apart from our future plans and business strategies, other factors, such as intense market competition and changes in customers' preferences, and our ability to obtain sufficient funding at reasonable interest rates, some of which are beyond our control, may also affect our growth. If we are unable to acquire pre-owned jewellery and gold at competitive prices, our revenue and profit may also be adversely affected. There is no assurance that we will be able to achieve or maintain similar levels of growth in revenue and profit in the future. The results of our Group during the Period Under Review should not be used as an indicator of our future performance.

Changes in the economic, political and social conditions of Singapore and policies adopted by the Singapore Government may adversely affect our Group's business, growth strategies, financial conditions and results of operations

For the Period Under Review, our revenue was derived from our operations in Singapore. As a result, our business is significantly subject to the economic, political and social developments of Singapore. Changes in the economic, political and social conditions or the relevant policies of the Singapore Government, such as changes in laws and regulations (or the interpretation thereof) or restrictive financial measures, could have adverse effects on the overall economic growth of Singapore and the pawnbroking and retail and trading of pre-owned jewellery and gold industries, which could subsequently hinder our current or future business, growth strategies, financial position and results of operations.

We may be affected by disruptions in the global financial markets and any associated impacts

Our business may be materially and adversely affected by conditions in the financial markets and the economy in Singapore.

In the second half of 2008, a disruption in the global credit markets and the general slowdown in the global economy had created turbulent and difficult conditions in the financial markets. These conditions resulted in much economic volatility, less liquidity, tightening of credit and a lack of price transparency in certain markets.

These conditions have also resulted in the failures of a number of financial institutions in the United States of America and unprecedented action by government authorities and central banks around the world. Any further government intervention, restrictions or regulation could have a material adverse effect on our business, results of operations, financial performance and prospects. This economic situation is further exacerbated by the debt crises in Greece, Portugal, Spain, Ireland and Italy and the potential impact of these crises on the rest of Europe and the world. It is difficult to predict the extent to which global markets are affected by these conditions and the extent and nature of such effects on our markets, products and business. The continuation or intensification of such disruptions may lead to additional adverse effects including, among others, lack of availability of credit to businesses, which could lead to a further weakening of the global economies. Any prolonged downturn in general economic conditions would present risks for our business, such as a potential slowdown in our sales to customers.

Although there are signs that the financial markets and economies in Singapore, Asia and the global economy may be improving, whether a full and sustainable recovery will occur, and the pace of the recovery, if any, or whether the global economy or parts of it could relapse into recessionary conditions, remain uncertain. Any adverse economic developments in the markets that we operate in or that have an indirect impact on our business could have material and adverse effects on our business, results of operations and financial position.

We may be affected by terrorist attacks and other acts of violence, wars, or outbreaks of diseases

Any fresh occurrence of terrorist attacks such as those which occurred in the United States of America, India and Indonesia or acts of violence may lead to uncertainty in the economic outlook of our market. All these could have a negative impact on the demand for our services and our business.

Several countries in Asia have suffered or are suffering from outbreaks of communicable diseases such as Influenza A and Middle East Respiratory Syndrome (MERS). An outbreak of any communicable diseases in Singapore may adversely affect our business operations, financial performance and financial condition. If an outbreak of such infectious diseases occurs in Singapore, customer sentiment and spending could be adversely affected and this may have a negative impact on our business, results of operations and financial position. In the event that an outbreak occurs at any of our pawnshops and pre-owned jewellery retail outlets, we may be required to temporarily suspend part of our operations and quarantine all affected employees, which could materially and adversely affect our business, results of operations and financial position.

RISKS RELATING TO OUR OPERATIONS IN MALAYSIA

We are subject to risks relating to the economic, political, legal or social environment in Malaysia

Our business, earnings, asset values, prospects and the value of our Shares may be materially and adversely affected by developments with respect to inflation, interest rates, currency fluctuations, government policies, price and wage controls, exchange control regulations, taxation, expropriation, social instability and other political, legal, economic or diplomatic developments in or affecting Malaysia, where applicable. We have no control over such conditions and developments and can provide no assurance that such conditions and developments will not have a material adverse effect on our operations or the price of or market for our Shares.

In particular, any adverse development in the political situation and economic uncertainties in Malaysia could materially and adversely affect the financial performance of our Group. We may be affected by changes in the political leadership and/or government policies in Malaysia. Such political or regulatory changes include (but are not limited to) the introduction of new laws and regulations which impose and/or increase restrictions on imports, the conduct of business, the repatriation of profits, the imposition of capital controls and changes in interest rates.

For example, there is proposed legislation in Malaysia on the taxation of goods and services (the "**Proposed GST in Malaysia**"). Any potential impact of the Proposed GST in Malaysia on our Group's business, financial condition and results of operations is uncertain. There is no assurance that any changes in such regulations or policies imposed by the Malaysian government from time to time will not have an adverse effect on our business, financial condition, results of operations and prospects. While Malaysia registered a GDP growth of 5.1% in 2012, there is no assurance that the Malaysian economy will continue to grow or that GDP in Malaysia will not decrease.

Terrorist attacks and other acts of violence or war may negatively affect the Malaysian economy and may also adversely affect financial markets globally. These acts may also result in a loss of consumer confidence, decrease the demand for our products and ultimately adversely affect our business. In addition, any such activities in Malaysia or its neighbouring countries in Southeast Asia might result in concern about the stability in the region, which could adversely affect our business, financial conditions, results of operations and prospects.

We are subject to laws, regulations and guidelines in connection with our business operations in Malaysia

Our associated companies in Malaysia hold pawnbroking licences as required under the Pawnbrokers Act 1972. These licences are usually issued for a period of two (2) years, subject to their renewal on or before expiry. To the best of our Directors' knowledge and belief, our associated companies in Malaysia have not encountered any difficulty in the renewal of their licences. However, there is no assurance that the relevant licences will be renewed or will not be revoked. At present, there is no equity condition attached to the issuance of pawnbroking licences in Malaysia. However, there is no guarantee that no changes will be made by the relevant authorities in Malaysia to the current regulations governing foreign ownership of pawnbroking business.

Any non-renewal or revocation of our licences or any changes to the relevant regulations in the future could affect our investments in these Malaysia associated companies. In the event there is a change of policies relating to equity participation, we may be required by the Malaysian authorities to restructure our equity interests in these associated companies.

In addition, the successful implementation of our growth strategies in Malaysia is also subject to regulations in Malaysia regarding, *inter alia*, the grant of licences and policies in relation to equity participation in Malaysia companies. There can be no assurance that we will be able to execute our growth strategies successfully. If we fail to manage our expansion plans in Malaysia and the related risks and costs, our business and financial performance would be adversely affected.

There is also no assurance that the laws, regulations and guidelines which are applicable to the business of our associated companies will not change. In the event of any such amendments, we may need to ensure compliance with such new laws, regulations and guidelines. To the best of our Directors' knowledge and belief, our associated companies have not experienced any failure to comply with the laws and regulations in Malaysia in connection with their business operations. In addition, we may also need to comply with new licensing requirements under such laws and regulations. In the event that our Malaysia associated companies are unable to comply with the requirements under such laws and regulations or are unable to obtain such new licences, our financial performance may be adversely affected. Please refer to the section entitled "Government Regulations" as set out in Appendix D of this Prospectus for further details of these laws and regulations.

We are affected by foreign exchange controls in Malaysia

There are foreign exchange policies in Malaysia which support the monitoring of capital flows into and out of the country in order to preserve its financial and economic stability. The foreign exchange policies are controlled by the Governor of the central bank of Malaysia ("**Bank Negara Malaysia**") and administered by the Foreign Exchange Administration, an arm of Bank Negara Malaysia. The foreign exchange policies monitor and regulate both residents and non-residents. Under the current Notices on Foreign Exchange Administration Rules and Foreign Exchange Administration Policies issued by Bank Negara Malaysia, non-residents are free to repatriate any amount of funds in Malaysia at any time, including capital, divestment proceeds, profits, dividends, rental, fees and interest arising from investment in Malaysia, provided that such repatriation is carried out in foreign currency. Such repatriation of funds will be subject to the applicable withholding tax. In the event Bank Negara Malaysia introduces any restrictions in the future, we may be affected in our ability to receive dividends from our Malaysia associated companies. Please refer to the section entitled "Exchange Controls" of this Prospectus for details on the exchange controls in Malaysia.

RISKS RELATING TO INVESTMENT IN OUR SHARES

There are inherent risks in the stock market

There exists both a potential for risks and benefits when an investor participates in the stock market. Our Share price is determined not only by internal factors such as our Group's profit margins and development prospects, but may also be adversely affected by changes in macro political and economic conditions. Our Share price is also subject to extraneous factors such as the market demand and supply conditions, prevailing interest rates, inflation, the prevailing investor sentiment and other unforeseeable factors. All these factors can give rise to a deviating share value which can, directly or indirectly, cause the investor to suffer a loss whilst investing in the stock market.

Our Share price may be volatile, which could result in substantial losses for investors acquiring our Shares pursuant to the Invitation

The Issue Price was determined through a book-building exercise and arrived at after consultation between our Company, and the Issue Manager, Underwriter and Placement Agent and after taking into consideration, *inter alia*, prevailing market conditions and estimated market demand for the New Shares. The Issue Price may not be indicative of prices which will prevail in the trading market after the Invitation and investors may not be able to resell their Shares at or above the Issue Price. Volatility in the trading price of our Shares may be caused by factors beyond our control and may not correlate with or be proportionate to our operating results. Further, the market price of our Shares may fluctuate significantly and rapidly in response to, *inter alia*, the following factors, some of which are beyond our control:

(a) variations in our operating results;

(b) changes in securities analysts' estimates of our financial performance;

(c) changes in market valuations of similar companies;

(d) announcements by our competitors or ourselves of the gain or loss resulting from significant acquisitions and/or disposals;

(e) strategic partnerships, joint ventures or capital commitments;

(f) fluctuations in stock market price and volume;

(g) our involvement in litigation;

(h) changes in general economic and stock market conditions;

(i) departures of key personnel;

(j) the perceived prospects of our business and investments;

(k) the market value of our assets;

(l) our ability to implement successfully our investment and growth strategies; and

(m) broad market fluctuations, including weakness of the equity market and increases in interest rates.

For these reasons, among others, our Shares may trade at prices that are higher or lower than the NAV per share. To the extent that there is any retention of operating cash flows for investment purposes, working capital requirements or other purposes, these retained funds, while increasing the value of our underlying assets, may not correspondingly increase the market price of our Shares. Any failure on our part to meet market expectations with regard to future earnings and cash distributions may adversely affect the market price for our Shares.

In addition, our Shares are not capital-safe products and there is no guarantee that holders of our Shares can realise a higher amount or even the principal amount of their investment.

In case of liquidation of our Company, it is possible that investors may lose all or a part of their investment in our Shares.

There has been no prior market for our Shares, and the Invitation may not result in an active or liquid market for our Shares

Prior to the Invitation, there has been no public market for our Shares. Therefore, we cannot assure investors that an active public market will develop or be sustained after the Invitation. The Issue Price was determined through a book-building exercise and arrived at after consultation between our Company, and the Issue Manager, Underwriter and Placement Agent and after taking into consideration, *inter alia*, prevailing market conditions and estimated market demand for the New Shares. The Issue Price may not be indicative of prices which will prevail in the trading market after the Invitation and investors may not be able to resell their Shares at or above the Issue Price.

Control by Yeah Holdings, our Managing Director and CEO, Yeah Hiang Nam, and his spouse, Tan Hong Yee, may limit your ability to influence the outcome of decisions requiring the approval of Shareholders

Upon the completion of the Invitation, we anticipate that our Controlling Shareholder, namely Yeah Holdings, our Managing Director and CEO, Yeah Hiang Nam, and his spouse, Tan Hong Yee, will own an aggregate of approximately 74.1% of our Group's post-Invitation share capital. As a result, these Shareholders would be able to exercise significant influence over all matters requiring Shareholders' approval including our corporate actions such as mergers or takeover attempts in a manner that could conflict with the interests of our public Shareholders. It will also have veto power with respect to any Shareholder action or approval requiring a majority vote except where such Shareholders are required by any law, rule or regulation to abstain from voting. Such concentration of ownership may also have the effect of delaying, preventing or deterring a change in control of our Group which may benefit our Shareholders.

Any future sale or issuance of our Shares could adversely affect our Share price

Any future sale or issuance of Shares could exert a downward pressure on our Share price. The sale of a significant amount of our Shares in the public market after the Invitation, or the perception that such sale may occur, could materially and adversely affect the market price of our Shares. These factors would also affect our ability to sell or place additional equity securities. Except as otherwise described in the section entitled "Share Capital and Shareholders – Moratorium" of this Prospectus, there will be no restriction on the ability of the Substantial Shareholders to sell or place their Shares either on the SGX-ST or otherwise.

Investors may not be able to participate in future fund-raising by our Group

In the event that our Group issues new shares, we will be under no obligation to offer those shares to our existing Shareholders at the time of issue, except where we elect to conduct a rights issue. Further, even if we were to raise funds in the future by way of a rights issue, any Shareholder who is unable or unwilling to participate in such fund raising will suffer dilution in his shareholding. In addition, our Group may not offer such rights to our existing Shareholders having an address in jurisdictions outside Singapore. Accordingly, holders of our Shares may be unable to participate in future fund-raisings by our Group through offerings of our Shares and may experience dilution of their shareholdings as a result.

New investors will incur immediate dilution and may experience further dilution

The Issue Price of our Shares is higher than our NAV per Share immediately after the Invitation of approximately 27.08 cents (based on the NAV as referred to in the section entitled "The Invitation – Invitation Statistics" of this Prospectus and as adjusted for the estimated net proceeds from the Invitation). In addition, we intend to grant our employees share awards under the ValueMax Performance Share Plan. To the extent that such options are granted and exercised, there will be future dilution to investors from this Invitation. Please refer to the section entitled "Dilution" of this Prospectus for further details of the immediate dilution of our Shares incurred by new investors. We may also in the future expand our capabilities and business through acquisitions, joint ventures, strategic partnerships and alliances with parties who can add value to our business. We may also require additional equity funding after the Invitation to finance future acquisitions, joint ventures and strategic partnerships and alliances which may result in a dilution of the equity interest of our Shareholders.

Negative publicity which includes those relating to our Group or any of our Directors, Executive Officers or Substantial Shareholders may adversely affect our Share price

Any change in controlling ownership of our Company may generate negative publicity which might adversely affect our Share price. In addition, negative publicity or announcements relating to our Group or any of our Directors, Executive Officers or Substantial Shareholders may adversely affect the market perception or the stock performance of our Company, whether or not it is justified. Examples of these include unsuccessful attempts in joint ventures, acquisitions, takeovers or involvement in insolvency or bankruptcy proceedings.

We may not be able to pay dividends in the future

Although we currently do not have a formal dividend policy, we intend to distribute 50.0% of our profit after tax attributable to our Shareholders for FY2013, FY2014 and FY2015 as dividends (which could include scrip dividends), as we wish to reward our Shareholders for participating in our Group's growth. Our ability to declare dividends to our Shareholders will depend on our future financial performance and distributable reserves of our Company, which, in turn, depends on us successfully implementing our strategies and on financial, competitive, regulatory, technical and other factors, general economic conditions, demand for and selling prices of our products and services and other factors specific to our industry, many of which are beyond our control. As such, there is no assurance that our Company will be able to pay dividends to our Shareholders in the future. While there is currently no loan agreement entered into by our Group with any financial institutions or debt securities issued by our Group which contains covenants restricting our Group's ability to pay dividends, in the event that our Company enters into any loan agreements in the future, covenants therein may also limit when and how much dividends we can declare and pay. For a description of our dividend policy, please refer to the section entitled "Dividend Policy" of this Prospectus.

Singapore

Currently, no foreign exchange control restrictions exist in Singapore.

Malaysia

There are foreign exchange control policies in Malaysia that serve to monitor capital inflows and outflows into and out of the country.

The Malaysian Government first implemented exchange control in 1939. Over time, exchange control policies and rules have been amended in tandem with Malaysia's changing economic development. The objectives of implementing exchange control includes ensuring that the country's limited resources are used for beneficial purpose and as a tool to monitor inflow and outflow of funds.

Bank Negara Malaysia is entrusted to administer exchange control in accordance with the Financial Services Act 2013 with the Governor acting as the Controller of Foreign Exchange. By the power vested by the Financial Services Act 2013, Bank Negara Malaysia issues exchange control notices from time to time. In line with the Malaysia Government's objective to relax foreign exchange administration rules, Bank Negara Malaysia has issued the Notices on Foreign Exchange Administration Rules to attain this objective. Amongst others, non-residents are free to repatriate profits, commissions, dividends, fees, rental income, royalties or divestment proceeds related to their investments in Malaysia, provided that such repatriation is carried out in foreign currency. The repatriation of funds will be subject to applicable withholding tax. Currently, no Malaysian withholding taxes are imposed on dividends paid by Malaysian resident companies to non-resident shareholders. Any interest paid by a Malaysian resident company to a non-resident lender is subject to Malaysian withholding tax of 15.0%. However, under the Malaysia-Singapore Double Taxation Agreement, the withholding tax rate is reduced to 10.0% when the interest is paid by a Malaysian resident to a Singapore resident.

Since incorporation, our Company has not declared any dividends.

Although we currently do not have a formal dividend policy, we intend to distribute 50.0% of our profit after tax attributable to our Shareholders for each of FY2013, FY2014 and FY2015 as dividends (which could include scrip dividends) ("**Proposed Dividend**"), as we wish to reward our Shareholders for participating in our Group's growth. Such dividends will depend on our actual and projected operating results, financial condition such as our cash position and retained earnings, other cash requirements including future capital expenditure, restrictions on payment of dividends imposed on us by our financing arrangements (if any) and other factors deemed relevant by our Directors. A scrip dividend scheme will be adopted in accordance with the Listing Manual should a decision be made by our Directors to issue scrip dividends. Investors should not treat the Proposed Dividend as an indication of our Group's future dividend policy.

In considering the level of dividend payments, if any, we will take into account various factors, including:

(a) our Company's financial position, results of operations, cash flows, expected future earnings and investment plans;

(b) the ability of our Subsidiaries to make dividend payment to our Company;

(c) our Company's expected working capital requirements to support our Company's future growth; and

(d) general economic conditions and such other external factors that our Company believes to have an impact on the business operations of our Company.

Any final dividend paid by us must be approved by an ordinary resolution of our Shareholders at a general meeting and must not exceed the amount recommended by our Board. Our Directors may, without the approval of our Shareholders, also declare an interim dividend. We must pay dividends out of our profits.

You should note that all the foregoing statements are merely statements of our present intention and do not constitute a legally binding obligation on the part of our Company in respect of the payment of any dividends, which may be subject to modification (including any reduction or non-declaration thereof) in our Directors' sole and absolute discretion. There can be no assurance that dividends will be paid in the future or of the amount or the timing of any dividends that are to be paid in the future.

No inference should or can be made from any of the foregoing statements as to our actual profitability or our ability to pay dividends in the future or any of the periods discussed.

Information relating to taxes payable on dividends is set out in the section entitled "Taxation" as set out in Appendix E of this Prospectus.

The following table shows the cash and bank balances as well as capitalisation and indebtedness of our Group as at 31 August 2013:

(a) based on the management accounts of our Group as at 31 August 2013; and

(b) as adjusted for the Business Transfer, the Restructuring Exercise and the estimated net proceeds from the issue of New Shares.

You should read this table in conjunction with:

(a) the audited combined financial statements of our Group as set out in Appendix A entitled "Audited Combined Financial Statements of ValueMax Group Limited and its Subsidiaries for the Financial Years Ended 31 December 2010, 2011 and 2012", Appendix B entitled "Unaudited Interim Combined Financial Statements of ValueMax Group Limited and its Subsidiaries for the Three-Month Period Ended 31 March 2013" and Appendix C entitled "Unaudited Pro Forma Combined Financial Information of ValueMax Group Limited and its Subsidiaries for the Financial Year Ended 31 December 2012 and the Three-Month Period Ended 31 March 2013" of this Prospectus, the related notes and the other financial information contained elsewhere in those documents; and

(b) the sections entitled "Management's Discussion and Analysis of Results of Operations and Financial Position" and "Selected Combined Financial Information" of this Prospectus.

($'000)	As at 31 August 2013	As adjusted for the Business Transfer, the Restructuring Exercise and the estimated net proceeds from the issue of New Shares
Cash and Bank Balances	2,923	66,872
Indebtedness		
Current		
Secured and guaranteed	73,919	79,124
Secured and non-guaranteed	3	3
Unsecured and guaranteed	8,254	8,254
Unsecured and non-guaranteed	7,723	7,723
Non-current		
Secured and guaranteed	–	–
Secured and non-guaranteed	–	–
Unsecured and guaranteed	–	–
Unsecured and non-guaranteed	–	–
Total Indebtedness(1)	89,899	95,104
Total Shareholders' Equity	76,380	147,126
Total Capitalisation and Indebtedness	166,279	242,230

Note:

(1) Our indebtedness comprises bank overdrafts, revolving credit facilities, shareholders' loans, a loan from an unrelated third party and finance lease liabilities. The loan from an unrelated third party amounted to $1.8 million as at 31 August 2013 and the interest payable on this loan is 2.5% per annum. The indebtedness is mainly utilised for general working capital purposes, including financing our loans granted in our pawnbroking business. As at 31 August 2013, the total outstanding loans granted to our customers of our pawnbroking business amounted to approximately $131.9 million.

Save for the scheduled monthly repayments of our borrowings, changes in the working capital and retained earnings arising from the day-to-day operations in the ordinary course of our business, there were no material changes in our cash and cash equivalents, capitalisation and indebtedness since 1 September 2013 to the Latest Practicable Date.

Bank Borrowings and Finance Leases

Details of the credit facilities of our Group as at the Latest Practicable Date are as follows:

Type of facility	Amount of facilities granted ($'000)	Amount utilised ($'000)	Amount owing ($'000)	Interest rates per annum	Maturity profile/ Terms of repayment
Bank overdrafts and revolving credit facilities[1]	149,650	87,264	87,264	Bank overdrafts: 2.28% - 5.68% (Variable) Revolving credit facilities: 1.49% - 4.04% (Variable)	Revolving
Finance lease[2]	7	7	3	2.96%	12 months
Performance guarantees[3]	1,000	419	–	1.0%	–
Credit cards[4]	108	1	–	–	–
Interest rate derivative[5]	6,000	–	–	–	–
Total	156,765	87,691	87,267	–	–

Notes:

(1) The bank overdraft and revolving credit facilities comprised the following amounts: $81,900,000 from the UOB Group, $28,500,000 from DBS Bank, $26,750,000 from OCBC Bank, $5,500,000 from Habib Bank Limited, $4,000,000 from CIMB Bank Berhad, $2,000,000 from the Bank of East Asia and $1,000,000 from RHB Bank Berhad.

(2) The finance lease was granted by Orix Leasing Singapore Limited in relation to office equipment.

(3) The performance guarantees were granted by the UOB Group.

(4) The credit card facilities were granted by the UOB Group. The credit cards are corporate credit cards held by our Directors in their own names.

(5) The interest rate derivative facilities were granted to our Group by OCBC Bank. These facilities are not standalone facilities and were offered as part of the banking facilities extended to our Group. Such facilities allow us to enter into interest rate swaps to hedge against interest rate movements. As at the Latest Practicable Date, we have not utilised these facilities.

As at the Latest Practicable Date, our Group had credit facilities amounting to $156.8 million granted by various financial institutions of which $87.7 million were utilised.

The utilisation of credit facilities by our pawnbroking subsidiaries each month is limited to 80.0% of such subsidiaries' pledge book size for the prior month. Save as disclosed above, there are no restrictions on the use of any of our facilities.

Our indebtedness bears interests at fixed and floating rates. The effective interest rates per annum for our borrowings as at the Latest Practicable Date were a range of between 1.49% and 5.68%.

Our borrowings (other than finance lease liabilities, shareholders' loans and a loan from an unrelated third party) are secured by a combination of fixed and floating charge over assets of the relevant subsidiary within our Group taking out the loans, legal mortgages over our properties at 213 Bedok North Street 1 and 101 Yishun Avenue 5, and personal guarantees from Yeah Hiang Nam, Yeah Lee Ching, Yeah Chia Kai, Steven, Tan Hong Yee and Yeah Chia Wei. Please refer to the section entitled "Interested Person Transactions and Conflicts of Interests" of this Prospectus for further details of the guarantees provided by certain Directors of our Company.

Our Group has not been in default of either the principal or interests payments of any of the credit facilities to date. Our Group is not currently in breach of any of the terms or conditions or covenants associated with any credit arrangement, loan agreements or debt issues which could materially affect our Group's financial position or results of operations. In addition, our Group has not encountered any difficulties in procuring credit facilities during the Period Under Review.

There is no loan agreement entered into by our Group with any financial institutions or debt securities issued by our Group which contains covenants restricting our Group's ability to pay dividends.

Certain of our credit facilities as described in this section contain provisions whereunder the bank's written consent for any change in shareholders is required. As at the date of this Prospectus, our Group has obtained letters of waivers in relation to such provisions from the relevant financial institutions in connection with the Restructuring Exercise and the proposed admission of our Company to the Official List of the SGX-ST. Save for the above, there are no covenants in our Group's credit facilities that are linked to the shareholding of our Controlling Shareholders and/or Directors.

Contingent liabilities

As at the Latest Practicable Date, we do not have any contingent liabilities.

Dilution is defined as the amount by which the Issue Price paid by the investors for our New Shares in the Invitation ("**New Investors**") exceeds our unaudited pro forma NAV per Share immediately after the Invitation. Our unaudited pro forma NAV per Share as at 31 December 2012 before adjusting for the estimated net proceeds from the Invitation and based on the pre-Invitation issued share capital of 395,497,960 Shares was 19.75 cents per Share.

Pursuant to the Invitation in respect of 138,000,000 New Shares at the Issue Price, the unaudited pro forma NAV per Share after adjusting for the estimated net proceeds from the Invitation and based on the post-Invitation issued and paid-up share capital of 533,497,960 Shares would have been 27.08 cents per Share. This represents an immediate increase in the unaudited pro forma NAV per Share of 7.33 cents per Share to our existing Shareholders and an immediate dilution in the unaudited pro forma NAV per Share of 23.92 cents per Share to the New Investors. The following table illustrates such dilution on a per Share basis:

	Cents
Issue Price	51.00
Unaudited pro forma NAV per Share as at 31 December 2012 before adjusting for the estimated net proceeds from the Invitation and based on the pre-Invitation issued and paid-up share capital of 395,497,960 Shares	19.75
Increase in unaudited pro forma NAV per Share pursuant to the Invitation attributable to the existing Shareholders	7.33
Unaudited pro forma NAV per Share after adjusting for the estimated net proceeds from the Invitation and based on the post-Invitation issued and paid-up share capital of 533,497,960 Shares	27.08
Dilution in unaudited pro forma NAV per Share to the New Investors	23.92

The following table summarises the total number of Shares issued by us, the total consideration and the average price per Share paid by our existing Shareholders (after adjusting for the Restructuring Exercise and Sub-division), prior to the Invitation, for Shares acquired by them during the period of three (3) years prior to the date of lodgement of this Prospectus and the price per Share to be paid by our New Investors pursuant to the Invitation:

	Number of Shares	Total consideration ($)	Average price per Share ($)
Yeah Hiang Nam	39,728,000	611,200	0.015
Tan Hong Yee	39,728,000	611,200	0.015
Yeah Holdings	316,041,960 (1)	8,937,076	0.028
New Investors	138,000,000	70,380,000	0.510

Note:

(1) This comprises (i) 293,779,525 Shares (after adjusting for the Sub-division) which were transferred from the members of the Yeah Family to Yeah Holdings as their family investment holding company prior to the Restructuring Exercise; and (ii) 22,262,435 Shares (after adjusting for the Sub-division) which were transferred to Yeah Holdings pursuant to the Restructuring Exercise.

OUR HISTORY

Our Company, an investment holding company originally known as "Fang Yuan Holdings Pte. Ltd.", was incorporated in Singapore on 7 August 2003 under the Companies Act as a private company limited by shares. We changed our name to "ValueMax Group Pte. Ltd." on 7 April 2004. To facilitate the listing of our Company on the Official List of the SGX-ST, we undertook the Restructuring Exercise.

Our Managing Director and CEO, Yeah Hiang Nam, had worked in the retail and trading of pre-owned jewellery and gold industry for more than 40 years. His wealth of experience in this industry has been instrumental in the development and growth of our Group.

In 2010, we were conferred the Singapore Prestige Brand Award – Established Brands in recognition of our outstanding achievement in branding. We were also one of the recipients of the Enterprise 50 Awards organised by KPMG and The Business Times. In recognition of his entrepreneurial efforts and as testament to the success of our Group, our Managing Director and CEO, Yeah Hiang Nam, was also conferred the Entrepreneur of the Year Award jointly by the Rotary Club of Singapore and the Association of Small and Medium Enterprises in 2010.

As at the date of this Prospectus, we have 17 outlets in Singapore, comprising 16 pawnshops with pre-owned jewellery retail outlets as well as one (1) standalone pre-owned jewellery retail outlet. The pre-owned jewellery retail outlets which are located within the premises of our pawnshops are operated by our subsidiary, ValueMax Retail, while our standalone pre-owned jewellery retail outlet is operated by our subsidiary, Spring Jewellery (SG). Our associated companies, Ban Lian Pawnshop and Soon Hong Pawnshop, operate two (2) other pawnshops with pre-owned jewellery retail outlets in Singapore. Our presence in Malaysia comprises five (5) outlets, consisting of four (4) pawnshops with pre-owned jewellery retail outlets and one (1) standalone pre-owned jewellery retail outlet, which are operated by our associated companies, Pajak Gadai Bintang, Kedai Emas Well Chip, Kedai Pajak Well Chip and Thye Shing Pawnshop.

As one of the first pawnshops to set up a chain business in Singapore, "ValueMax" has become an established name in the pawnbroking industry with a reputation we believe for providing valuations that customers trust. We have since developed a diversified business comprising pawnbroking and the retail and trading of pre-owned jewellery and gold. We believe that we have a strong track record, given the establishment of our first pawnbroking outlet in Singapore in 1988 and having been profitable since FY2004, being the first financial year following our Group's incorporation in 2003. We are also one of the few pawnbroking chains with a large network of pawnshops and pre-owned jewellery retail outlets in 16 strategic and convenient locations in Singapore. We also believe that our reputation, in-depth and extensive industry knowledge, and adaptability over the years have enabled and will continue to allow us to sustain our business in the long run.

Pawnbroking

The origins of our Group can be traced back to 1988, when our Managing Director and CEO, Yeah Hiang Nam, founded Ban Soon Pawnshop together with third parties. Ban Soon Pawnshop originally operated from an outlet at Bukit Merah Central and later relocated to its current location at Yishun Avenue 5. Through the experience gained in the operation of Ban Soon Pawnshop, our Managing Director and CEO, Yeah Hiang Nam, subsequently invested in our associated company, Ban Lian Pawnshop, in 1995.

With an accumulated experience of more than 10 years in the pawnbroking industry, we operated our first pawnshop outlet at Woodlands Drive 44 in 2001 through our subsidiary, ValueMax Pawnshop (WL). This was followed by the establishment of another 14 pawnshops.

In 2004, we invested in our associated company, Soon Hong Pawnshop. We also established our subsidiary, ValueMax Pawnshop, which we believe was the first pawnshop to be awarded the CaseTrust accreditation.

We typically accept value articles (such as gold ornaments, diamonds, precious stone jewellery and branded watches) as collaterals for the loans extended to our customers. We also accept gold, platinum or silver bars and coins.

Retail and trading of pre-owned jewellery and gold

Since 2001, to complement our pawnbroking business, we established our business of retailing of pre-owned jewellery from our unredeemed pledged articles. Over the years, each of our pawnshops extended its business to the sale of pre-owned jewellery within its premise. Tapping on our Managing Director and CEO, Yeah Hiang Nam's expertise in the reconditioning of pre-owned jewellery, our Group is able to recondition and sell unredeemed pledged articles from our pawnbroking business such as gold ornaments, diamonds, precious stone jewellery and branded watches. In 2009, Dormant2 Jewellery (formerly known as Spring Jewellery Pte. Ltd.), set up a standalone retail outlet focusing on the retail of pre-owned jewellery.

In 2009, harnessing the strengths of our Managing Director and CEO, Yeah Hiang Nam's knowledge and expertise in scrap gold trading, our Group further diversified into this business. Our gold trading business enables us to dispose of unredeemed pledged articles that are damaged or have little customer demand. In addition, we are able to purchase scrap gold, including scrap gold jewellery, scrap gold bars and scrap gold ornaments, from other pawnshops, secondhand dealers, as well as goldsmiths and jewellery shops and factories. Where possible, we will recondition the scrap gold jewellery purchased to sell as pre-owned jewellery. Otherwise, the scrap gold is sold to refiners or melted into gold bars to be on-sold to factories and wholesalers. As part of our gold trading business, we also purchase fine gold bars from our suppliers which are then sold to our customers in its original form or processed for sale into such quantities as agreed upon between ourselves and our customers, which include jewellery retailers and factories.

In 2010, to further streamline our operations, we incorporated ValueMax Retail to expand and concentrate on our retail of pre-owned jewellery business.

Pursuant to the Business Transfer Agreements, in 2013, ValueMax Precious Metals and Spring Jewellery (SG) purchased the gold trading and retail of pre-owned jewellery businesses of each of Yeah Capital and Dormant2 Jewellery. The purchase consideration for the retail of pre-owned jewellery business of Dormant2 Jewellery was $1,786,766, being the carrying value of the net assets of the retail of pre-owned jewellery business of Dormant2 Jewellery acquired by our Group as at 31 January 2013. The purchase consideration for the gold trading business of Yeah Capital was $12,438,096, being the carrying value of the net assets of the gold trading business of Yeah Capital acquired by our Group as at 31 December 2012. The purchase consideration for each of Yeah Capital and Dormant2 Jewellery was satisfied in cash to Yeah Capital and Dormant2 Jewellery respectively.

Malaysia associated companies

To expand our geographical reach, we ventured into Malaysia through the establishment of an associated company, Kedai Pajak Well Chip. The setting up of Kedai Pajak Well Chip was at the initiative of Yeow Choong Kuan, who is the nephew of our Managing Director and CEO, Yeah Hiang Nam. Yeow Choong Kuan used to be a partner of Chye Seng Goldsmith Jewellers which was engaged in the gold jewellery manufacturing and trading business in Malaysia, and in the course of his business dealings, he saw the business potential of pawnbroking in Malaysia. Thus, in early 2006, Yeow Choong Kuan, together with some members of his immediate family as well as his relatives (which included Yeah Hiang Nam), established Kedai Pajak Well Chip and subsequently applied for a pawnbroking licence.

Kedai Pajak Well Chip commenced business at Taman Pandan, Johor Bahru, Malaysia in September 2007. In 2010, we invested in another associated company, Thye Shing Pawnshop, which operated a pawnshop located at Batu Pahat, Johor, Malaysia. The pawnbroking businesses grew and we continued to partner our Malaysia business associates and expanded into the retail of pre-owned jewellery business at Taman Pandan, Johor Bahru, Malaysia, under Kedai Emas Well Chip in 2010. This business later expanded to operate in the premises of Thye Shing Pawnshop in 2011. In 2012, we further expanded our presence in Malaysia through an investment in Pajak Gadai Bintang which operated a pawnshop located at Larkin Jaya, Johor Bahru, Malaysia. The retail of pre-owned jewellery business also extended to the premises of Pajak Gadai Bintang in the same year. In 2013, our associated company, Kedai Pajak Well Chip commenced operations of its second pawnshop in Taman Daya, Johor Bahru, Malaysia. In the same year, the retail of pre-owned jewellery business under Kedai Emas Well Chip also extended to operate in this premise.

Yeah Hiang Nam held a beneficial interest of 46.6% in the shares of each of Kedai Pajak Well Chip, Kedai Emas Well Chip, Thye Shing Pawnshop and Pajak Gadai Bintang when he initially invested in these companies. Upon completion of the Malaysian Share Restructuring Agreements, his beneficial interests in these companies were transferred to our Group. Our interest in Pajak Gadai Bintang is held through our 46.6% shareholding in SYT Pavilion, which wholly owns Pajak Gadai Bintang. The remaining 53.4% shareholdings in these companies are held by our business associates in Malaysia. The proportion of shareholdings in these Malaysia associated companies was agreed upon after due commercial consideration amongst the shareholders. Management control over these Malaysia associated companies rests with the Malaysian shareholders who are more familiar with the local business conditions and are thus better positioned to guide the companies in responding more efficiently to any business and regulatory matters.

Please refer to the section entitled "General Information of Our Group – Restructuring Exercise" for details on the other shareholders of these Malaysia associated companies.

RESTRUCTURING EXERCISE

The following was undertaken in the Restructuring Exercise prior to the Invitation in preparation for the listing of our Company:

1. Share Purchase Agreement

Pursuant to the Share Purchase Agreement entered into between our Company (as purchaser) and certain shareholders of the companies set out below ("**Existing Shareholders**"), our Company acquired the shares held by the Existing Shareholders in these companies for an aggregate consideration of $2,927,654. Save for Ban Seng Pawnshop, the purchase consideration was arrived at based on the latest audited net asset value of the companies as at 31 December 2012 after adjusting for dividends paid after the financial year end. The purchase consideration for the Company's 19.0% interest in Ban Seng Pawnshop amounted to $688,000. This represents a premium of approximately $272,000 above the latest audited net asset value of Ban Seng Pawnshop as at 31 December 2012, adjusted for dividends paid after the financial year end. The purchase consideration was satisfied by (a) the issue and allotment of 53,344 Shares at $12.90 per Share (being the approximate NAV per Share of the Group as at 31 December 2012), credited as fully paid, by our Company to the Existing Shareholders; and (b) in cash of an amount of $2,239,654 to the Existing Shareholders. The Existing Shareholders then renounced and transferred all the 53,344 Shares received as purchase consideration to Yeah Holdings.

Entity	Existing Shareholders	No. of shares of entity acquired	Percentage shareholding in entity	NAV as at 31 December 2012 after adjusting for dividends paid after the financial year end
ValueMax Pawnshop (BD)	Yeah Capital	50,000	1.60%	$4.84 million
	Yeah Hiang Nam	1,000	0.03%	
	Tan Hong Yee	1,000	0.03%	
	Yeah Lee Ching	1,000	0.03%	
	Yeah Chia Wei	1,000	0.03%	
	Yeah Chia Kai, Steven	1,000	0.03%	
ValueMax Pawnshop (WL)	Yeah Capital	75,000	2.50%	$3.60 million
	Yeah Hiang Nam	1,500	0.05%	
	Tan Hong Yee	1,500	0.05%	
	Yeah Lee Ching	1,500	0.05%	
	Yeah Chia Wei	1,500	0.05%	
	Yeah Chia Kai, Steven	1,500	0.05%	
ValueMax Pawnshop (PR)	Yeah Capital	1,500	0.05%	$4.21 million
	Yeah Hiang Nam	1,500	0.05%	
	Tan Hong Yee	1,500	0.05%	
	Yeah Lee Ching	1,500	0.05%	
	Yeah Chia Wei	1,500	0.05%	
ValueMax Pawnshop	Yeah Capital	1,000	0.03%	$4.19 million
	Yeah Hiang Nam	1,000	0.03%	
	Tan Hong Yee	1,000	0.03%	
	Yeah Lee Ching	1,000	0.03%	
	Yeah Chia Wei	1,000	0.03%	
ValueMax Pawnshop (CCK)	Yeah Capital	1,000	0.05%	$2.80 million
	Yeah Hiang Nam	2,000	0.10%	
	Tan Hong Yee	1,000	0.05%	
	Yeah Lee Ching	1,000	0.05%	
ValueMax Pawnshop (SG)	Yeah Hiang Nam	1	n.m.	$5.06 million
	Yeah Lee Ching	1	n.m.	

Entity	Existing Shareholders	No. of shares of entity acquired	Percentage shareholding in entity	NAV as at 31 December 2012 after adjusting for dividends paid after the financial year end
ValueMax Pawnshop (BK)	Yeah Hiang Nam Tan Hong Yee	1 1	n.m. n.m.	$1.89 million
ValueMax Retail	Yeah Hiang Nam	10,000	10.00%	$4.45 million
ValueMax Pawnshop (EL)	Yeah Hiang Nam	200,000	10.00%	$2.24 million
Ban Soon Pawnshop	Yeah Hiang Nam Tan Hong Yee	280,000 77,000	14.00% 3.80%	$4.86 million
Ban Lian Pawnshop	Tan Hong Yee	330,000	9.20%	$5.12 million
Soon Hong Pawnshop	Yeah Capital Yeah Hiang Nam Tan Hong Yee Yeah Lee Ching Yeah Chia Wei	1,000 1,000 1,000 1,000 1,000	0.05% 0.05% 0.05% 0.05% 0.05%	$3.03 million
Ban Seng Pawnshop	Yeah Hiang Nam Tan Hong Yee	200,000 200,000	9.50% 9.50%	$2.19 million
Fook Loy Trading	Yeah Hiang Nam Tan Hong Yee	2,000 2,000	9.50% 9.50%	$0.07 million

Note:

(1) n.m. denotes percentage shareholding is less than 0.01%.

Upon completion of the Share Purchase Agreement, our issued and paid-up share capital increased to $6,430,085, comprising 5,795,429 Shares.

2. Malaysian Share Restructuring Agreements

Pursuant to the Malaysian Share Restructuring Agreements entered into between our Company, Goldjew, Great Prompt as well as our Managing Director and CEO, Yeah Hiang Nam, and his nominees, our Company acquired 46.6% in the issued share capital of each of Kedai Emas Well Chip, Kedai Pajak Well Chip, SYT Pavilion and Thye Shing Pawnshop, (collectively, the "**Transfer Companies**") for an aggregate purchase consideration of $3,729,400. VMM Holdings, our wholly-owned subsidiary, was nominated to receive the shares. The aggregrate purchase consideration was arrived at based on the latest audited net asset value of the Transfer Companies as at 31 December 2012 of RM20.0 million (approximately $8.0 million), and was satisfied fully by the allotment and issue of 147,245, 55,278 and 86,632 Shares at $12.90 per Share (being the approximate NAV per Share of the Group as at 31 December 2012), credited as fully paid, to Yeah Hiang Nam, Goldjew and Great Prompt respectively.

Goldjew and Great Prompt are investment holding companies. They own various assets including real estate in Malaysia and are not in the business of pawnbroking. The shares of Goldjew and Great Prompt are benefically owned by our Managing Director and CEO, Yeah Hiang Nam.

Each of Goldjew and Great Prompt subsequently declared a dividend in specie in favour of our Managing Director and CEO, Yeah Hiang Nam, whereupon the aggregate 141,910 Shares which Goldjew and Great Prompt received pursuant to the Malaysian Share Restructuring Agreements were distributed to Yeah Hiang Nam. Goldjew and Great Prompt consequently ceased to hold any Shares in our Company.

Yeah Hiang Nam thereafter renounced and transferred all the 289,155 Shares received pursuant to the Malaysian Share Restructuring Agreements to Yeah Holdings.

Upon completion of the Malaysian Share Restructuring Agreements, our issued and paid-up share capital increased to $10,159,485, comprising 6,084,584 Shares.

The shareholders of each of Kedai Emas Well Chip, Kedai Pajak Well Chip, SYT Pavilion and Thye Shing Pawnshop upon completion of the Malaysian Share Restructuring Agreements are as follows:

Shareholders	% of shares held in Kedai Emas Well Chip	% of shares held in Kedai Pajak Well Chip	% of shares held in SYT Pavilion	% of shares held in Thye Shing Pawnshop	Familial Relationship with Yeah Hiang Nam
VMM Holdings	46.6%	46.6%	46.6%	46.6%	–
Yeo Mooi Huang	6.8%	6.8%	6.8%	6.8%	Sibling
Yeow Hean Sneah	3.4%	2.8%	2.8%	3.4%	Sibling
Chua Swee Heong	2.8%	2.8%	2.8%	2.8%	Sister-in-law
Yeow Choong Kuan	5.4%	5.4%	5.4%	5.4%	Nephew
Yeow Chun Huat	4.6%	4.6%	4.6%	4.6%	Nephew
Ng Yah Ching	3.1%	3.1%	3.1%	3.1%	Nephew
Ng Heah Joo	0.6%	0.6%	0.6%	0.6%	Nephew
Yeow Chuen Chai	–	0.3%	0.3%	–	Nephew
Yeow Choong Meng	–	0.3%	0.3%	–	Nephew
Yeow Lee Choo	1.5%	1.5%	1.5%	1.5%	Niece
Yeow Lee Hong	0.9%	0.9%	0.9%	0.9%	Niece
Yeo Kiat Li	0.6%	0.6%	0.6%	0.6%	Niece
Ng Hooi Lang	5.1%	5.1%	5.1%	5.2%	Niece
Ng Hooi Hwang	2.8%	2.8%	2.8%	2.8%	Niece
Ng Hui Chin	2.5%	2.5%	2.5%	4.0%	Niece
Ng Kooi Eng	0.6%	0.6%	0.6%	0.6%	Niece
Yeow Jia Hao	–	0.6%	0.6%	–	Grand nephew

Shareholders	% of shares held in Kedai Emas Well Chip	% of shares held in Kedai Pajak Well Chip	% of shares held in SYT Pavilion	% of shares held in Thye Shing Pawnshop	Familial Relationship with Yeah Hiang Nam
Chow Wen Kee	0.9%	0.9%	0.9%	0.9%	Nephew-in-law
Poon Foo Wha	0.9%	0.9%	0.9%	0.9%	Nephew-in-law
Fang Kui Chin	2.3%	1.7%	1.7%	2.3%	Niece-in-law
Lee Moi Keow	0.6%	0.6%	0.6%	0.6%	Niece-in-law
Tang Soo Yen	4.6%	4.6%	4.6%	4.6%	Niece-in-law
Kok Wai See	–	–	–	1.5%	Niece-in-law
Teow Moy Wha	3.1%	3.1%	3.1%	–	–
	100.0%	100.0%	100.0%	100.0%	

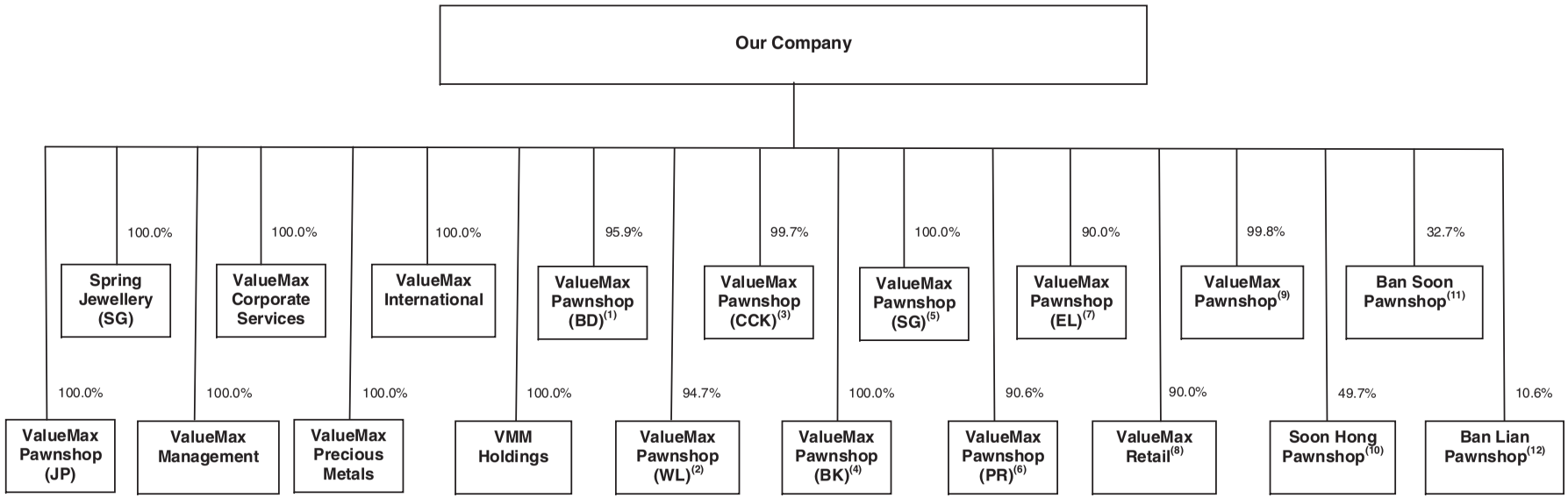
Upon completion of the Malaysian Share Restructuring Agreements, none of the shareholders of our associated companies in Malaysia as set out in the table above or any of their Associates is holding shares in any of our associated companies in Malaysia as a proxy for, or for and on behalf of, any of our Directors, Controlling Shareholders or their Associates.

3. Conversion into a public limited company

On 16 October 2013, our Company converted into a public limited company and changed our name to "ValueMax Group Limited".

GROUP STRUCTURE

Our Group structure prior to the Restructuring Exercise is as follows:



Notes:

(1) Yeah Capital, Yeah Lee Ching, Yeah Chia Wei, Yeah Chia Kai, Steven, Yeah Hiang Nam and Tan Hong Yee hold an aggregate of 1.8% of the shareholdings in ValueMax Pawnshop (BD).

(2) Yeah Capital, Yeah Lee Ching, Yeah Chia Wei, Yeah Chia Kai, Steven, Yeah Hiang Nam and Tan Hong Yee hold an aggregate of 2.8% of the shareholdings in ValueMax Pawnshop (WL).

(3) Yeah Capital, Yeah Lee Ching, Yeah Hiang Nam and Tan Hong Yee hold an aggregate of 0.3% of the shareholdings in ValueMax Pawnshop (CCK).

(4) Yeah Hiang Nam and Tan Hong Yee each hold one (1) share in ValueMax Pawnshop (BK).

(5) Yeah Lee Ching and Yeah Hiang Nam each hold one (1) share in ValueMax Pawnshop (SG).

(6) Yeah Capital, Yeah Lee Ching, Yeah Chia Wei, Yeah Hiang Nam and Tan Hong Yee hold an aggregate of 0.3% of the shareholdings in ValueMax Pawnshop (PR).

(7) Yeah Hiang Nam holds 10.0% of the shareholdings in ValueMax Pawnshop (EL).

(8) Yeah Hiang Nam holds 10.0% of the shareholdings in ValueMax Retail.

(9) Yeah Capital, Yeah Lee Ching, Yeah Chia Wei, Yeah Hiang Nam and Tan Hong Yee hold an aggregate of 0.2% of the shareholdings in ValueMax Pawnshop.

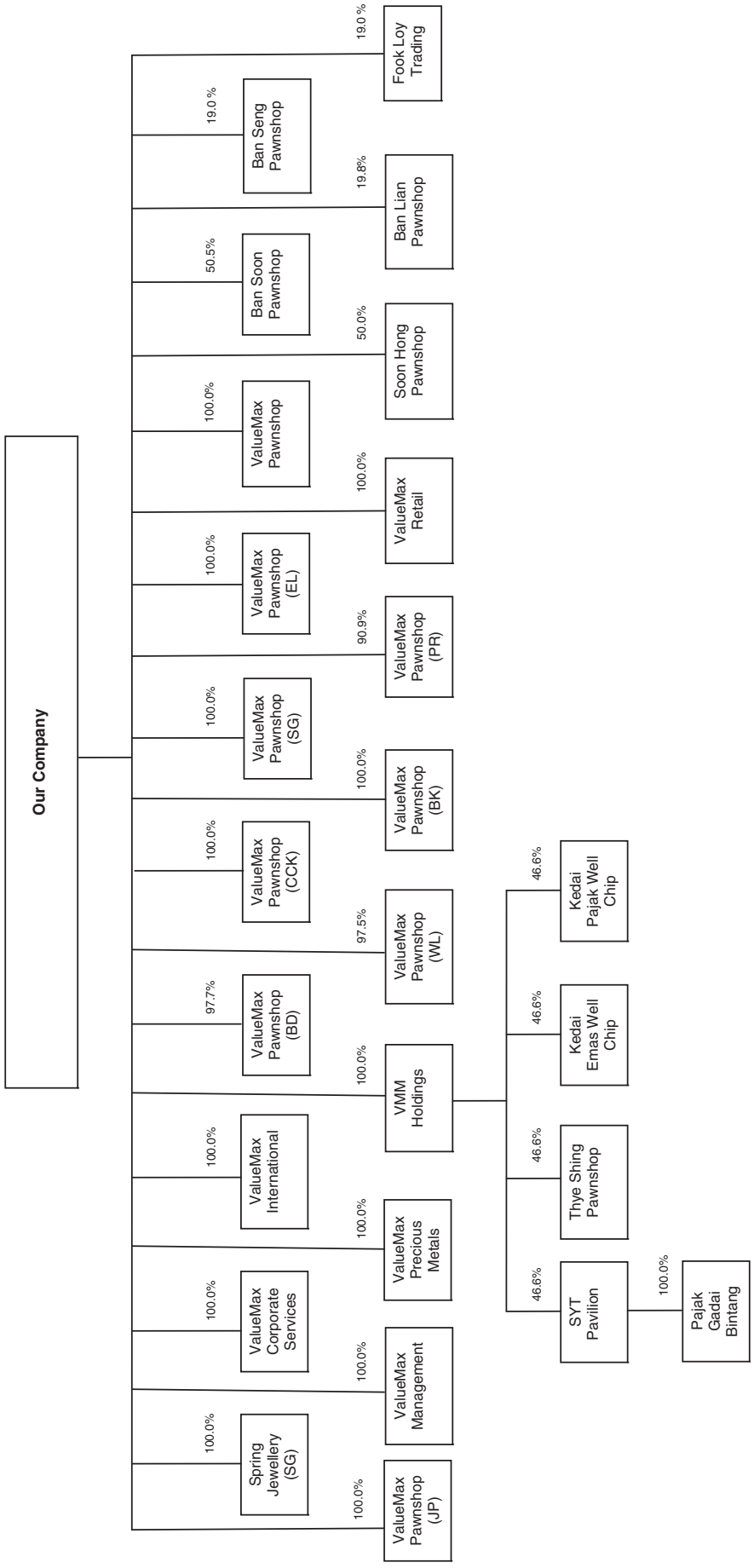
(10) Yeah Capital, Yeah Lee Ching, Yeah Chia Wei, Yeah Hiang Nam and Tan Hong Yee hold an aggregate of 0.3% of the shareholdings in Soon Hong Pawnshop.

(11) Yeah Hiang Nam and Tan Hong Yee hold an aggregate of 17.8% of the shareholdings in Ban Soon Pawnshop.

(12) Tan Hong Yee holds 9.2% of the shareholdings in Ban Lian Pawnshop.

(13) Please refer to the sections entitled "General Information of Our Group – Restructuring Exercise" and "General Information of Our Group – Our Subsidiaries and Associated Companies" of this Prospectus for details on the other shareholders in the companies listed in the group structure above.

Our Group structure immediately after the Restructuring Exercise and as at the Latest Practicable Date is as follows:



OUR SUBSIDIARIES AND ASSOCIATED COMPANIES

The details of our Subsidiaries and associated companies as at the date of this Prospectus are as follows:

	Date/place of registration	Principal place of business	Principal business activities	Issued and paid-up capital	Effective equity interest held by our Group
Subsidiaries					
Ban Soon Pawnshop	29 April 1988 / Singapore	Singapore	Pawnbroking	$2,002,000	50.5%(1)
ValueMax Pawnshop (PR)	10 August 1993 / Singapore	Singapore	Pawnbroking	$3,048,000	90.9%(2)
ValueMax Pawnshop (BD)	17 November 1999 / Singapore	Singapore	Pawnbroking	$3,050,000	97.7%(3)
ValueMax Pawnshop (WL)	11 March 2000 / Singapore	Singapore	Pawnbroking	$3,000,000	97.5%(4)
ValueMax Pawnshop	29 October 2003 / Singapore	Singapore	Pawnbroking	$3,000,000	100.0%
ValueMax International	5 April 2005 / Singapore	Singapore	Investment holding and provision of management services	$180,000	100.0%
ValueMax Pawnshop (CCK)	27 January 2006 / Singapore	Singapore	Pawnbroking	$2,000,000	100.0%
ValueMax Pawnshop (BK)	27 April 2006 / Singapore	Singapore	Pawnbroking	$2,000,000	100.0%
ValueMax Pawnshop (JP)	6 November 2007 / Singapore	Singapore	Pawnbroking	$4,000,000	100.0%
ValueMax Pawnshop (SG)	6 March 2008 / Singapore	Singapore	Pawnbroking	$5,000,000	100.0%
ValueMax Pawnshop (EL)	22 July 2008 / Singapore	Singapore	Pawnbroking	$2,000,000	100.0%
ValueMax Management	20 August 2010 / Singapore	Singapore	Provision of management and IT services	$2.00	100.0%
ValueMax Retail	31 August 2010 / Singapore	Singapore	Retail and trading of pre-owned jewellery	$100,000	100.0%

	Date/place of registration	Principal place of business	Principal business activities	Issued and paid-up capital	Effective equity interest held by our Group
Subsidiaries					
ValueMax Corporate Services	14 September 2011 / Singapore	Singapore	Provision of business management and consultancy services	$2.00	100.0%
Spring Jewellery (SG)	12 November 2012 / Singapore	Singapore	Retail and trading of pre-owned jewellery	$100,000	100.0%
ValueMax Precious Metals	12 November 2012 / Singapore	Singapore	Retail and trading of pre-owned jewellery	$1,000,000	100.0%
VMM Holdings	7 March 2013 / Johor Bahru, Malaysia	Malaysia	Investment holding company	RM100	100.0%
Associated companies					
Ban Lian Pawnshop	23 September 1995 / Singapore	Singapore	Pawnbroking	$3,570,000	19.8%[5][6]
Soon Hong Pawnshop	16 September 2003 / Singapore	Singapore	Pawnbroking	$2,000,000	50.0%[5]
Kedai Pajak Well Chip	15 February 2006 / Kuala Lumpur, Malaysia	Malaysia	Pawnbroking	RM4,843,500	46.6%[7]
Kedai Emas Well Chip	18 September 2009 / Johor Bahru, Malaysia	Malaysia	Retail and trading of pre-owned jewellery	RM32,290	46.6%[7]
Thye Shing Pawnshop	18 February 2010 / Johor Bahru, Malaysia	Malaysia	Pawnbroking	RM4,000,000	46.6%[7]
Pajak Gadai Bintang	4 October 2011 / Johor Bahru, Malaysia	Malaysia	Pawnbroking	RM4,000,000	46.6%[7]
SYT Pavilion	17 October 2011 / Shah Alam, Malaysia	Malaysia	Investment holding company	RM6,000,000	46.6%[7]

	Date/place of registration	Principal place of business	Principal business activities	Issued and paid-up capital	Effective equity interest held by our Group
Investments					
Ban Seng Pawnshop	9 April 2003 / Singapore	Singapore	Pawnbroking	$2,100,000	19.0%(5)
Fook Loy Trading	28 April 2004 / Singapore	Singapore	Goldsmith, secondhand goods dealer, buying of pledged articles	$21,000	19.0%(5)

Notes:

(1) The remaining 49.5% of the shares in Ban Soon Pawnshop is held by Lee Siew Fong, Lee Siew Poh, Lee Toon Sen, Chua Man Kiat, Lam Pang On, Lam Sook Fong, Wong Quak Hin, Kwa Chui Lan, Low Ah Chun, Phang Yoke Kheng, Chia Peng Lan, Lee Ah Mui, Lee Ngyen Sen, Aw Wah Gah, Wee Beng Eng, Tong Ah Yan, Tang Siak Nam, Chia Si Nian, Lam Kim Swee, Loh Thaim Yong Eddy, Aw Say Yong, Tan Siak Chew, Lam Lee Ping, Chua Kim Tow, Lam Foo Peng, Aw Say Meng, Lam Kwi Peng, Lam Kong Peng, Lam Yow Peng, Lam Yong Peng, Wong Wei Keong, Wee Yam, Seng, Siew Patt Yuh, Lang Biau Chau @ Lamg Biah Hau @ Lang Woon San, Cheng Hsing Chin, and Chua Shu Ling Serene, all of whom are unrelated third parties.

(2) The remaining 9.1% of the shares in ValueMax Pawnshop (PR) is held by Yeow Chuen Chai, Yeow Lee Choo, Yeow Mooi Gaik, Yeo Mooi Huang, Yeow Hean Sneah, Yeo Ah Nya, Tay Hwee Kiang, Ng Hui Chin, Ng Hooi Lang and Ng Hooi Hwang. The relationship between each of these shareholders and our Managing Director and CEO, Yeah Hiang Nam, are as follows:

Yeow Chuen Chai	:	Nephew
Yeow Lee Choo	:	Niece
Yeow Mooi Gaik	:	Sister
Yeo Mooi Huang	:	Sister
Yeow Hean Sneah	:	Brother
Yeo Ah Nya	:	Sister
Tay Hwee Kiang	:	Cousin
Ng Hui Chin	:	Niece
Ng Hooi Lang	:	Niece
Ng Hooi Hwang	:	Niece

(3) The remaining 2.3% of the shares in ValueMax Pawnshop (BD) is held by Choo Yong Cheang and the Estate of Tan Woon Chee, Deceased. Tan Woon Chee was the aunt of our Controlling Shareholder, Tan Hong Yee. Choo Yong Cheang is an unrelated third party.

(4) The remaining 2.5% of the shares in ValueMax Pawnshop (WL) is held by Tan Yeow Juay, Chia Bee Lian and Yeo Kiat Li. Yeo Kiat Li is the niece of our Managing Director and CEO, Yeah Hiang Nam. Tan Yeow Juay and Chia Bee Lian are unrelated third parties.

(5) The remaining shareholdings in these companies are held by unrelated third parties.

(6) Ban Lian Pawnshop is deemed to be our associated company as we are deemed to have significant influence over the management of Ban Lian Pawnshop.

(7) Please refer to the section entitled "General Information of Our Group – Restructuring Exercise" of this Prospectus for details on the remaining shareholders of each of these companies.

None of our Subsidiaries or associated companies is listed on any stock exchange.

BUSINESS OVERVIEW

We are involved in pawnbroking as well as the retail and trading of pre-owned jewellery and gold in both Singapore and Malaysia.

As at the date of this Prospectus, we have 17 outlets in Singapore, comprising 16 pawnshops with pre-owned jewellery retail outlets as well as one (1) standalone pre-owned jewellery retail outlet. The pre-owned jewellery retail outlets which are located within the premises of our pawnshops are under the operation of our subsidiary, ValueMax Retail, while our standalone pre-owned jewellery retail outlet is under the operation of our subsidiary, Spring Jewellery (SG). Our associated companies, Ban Lian Pawnshop and Soon Hong Pawnshop, operate two (2) other pawnshops with pre-owned jewellery retail outlets in Singapore. Our presence in Malaysia comprises five (5) outlets, consisting of four (4) pawnshops with pre-owned jewellery retail outlets and one (1) standalone pre-owned jewellery retail outlet, which are operated by our associated companies, Pajak Gadai Bintang, Kedai Emas Well Chip, Kedai Pajak Well Chip and Thye Shing Pawnshop.

Pawnbroking

Our main business is the provision of pawnbroking services. Pawnbroking is a form of collateralised micro-financing and is a regulated and licensed activity under the Pawnbrokers Act.

Our pawnbroking customers are walk-in individuals. We typically accept value articles (such as gold ornaments, diamonds, precious stone jewellery and branded watches) as collaterals for the loans extended to our customers. We also accept gold, platinum or silver bars and coins.

The maximum interest rate chargeable by us to our customers in our pawnbroking business is regulated by legislation, which is currently a maximum of 1.5% per month. As part of our promotional efforts, our Group presently charges 1.0% interest on the loan amount for the first month and 1.5% interest on the loan amount for each of the subsequent months (or part thereof) for all our customers. Our Group may, from time to time, offer selected customers interest rates of less than 1.0% per month on the loan amount. Such transactions have to be approved by our Executive Director (Pawnbroking and Retail), Yeah Chia Kai, Steven, after consultation with our Managing Director and CEO, Yeah Hiang Nam.

Each personal article pawned is redeemable within six (6) months from the day of pawning, exclusive of that day, unless renewed, or in the case of a pledged article which exceeds $50 in pawn amount, within such longer time as may have been specially agreed upon at the time of pawning ("**Redemption Period**"). After the Redemption Period, all unredeemed pledged articles which exceed $50 in pawn amount will be put up for public auction, typically within the second or third week of the following month of the expiration of the Redemption Period, in accordance with the yearly auction schedule proposed by the appointed licensed auctioneers and approved by the Registry of Pawnbrokers. Such pledged articles are redeemable until it is put up for public auction, notwithstanding the expiry of the Redemption Period. Auction sales are a monthly affair and are conducted by licensed auctioneers appointed by the Registrar of Pawnbrokers in strict compliance with the Pawnbrokers Act.

Retail and trading of pre-owned jewellery and gold

We are also engaged in the retail and trading of pre-owned jewellery and gold.

We acquire pre-owned jewellery and gold from several sources as follows:

(i) We offer walk-in individuals the option of direct sale at (a) our retail outlets which are located within the premises of our pawnshops (under the operation of our subsidiary, ValueMax Retail), as well as (b) our standalone retail outlet (under the operation of our subsidiary, Spring Jewellery (SG)). Such items can then be reconditioned and re-sold as pre-owned jewellery;

(ii) We recondition unredeemed pledged articles (mainly jewellery and watches) from our subsidiaries operating our pawnbroking business so that they can be re-sold as pre-owned jewellery.

All unredeemed pledged articles exceeding $50 in pawn amount are required under the Pawnbrokers Act to be auctioned off by licensed auctioneers. At the auctions, we are allowed to bid for the unredeemed pledged articles. The reserve price for the unredeemed pledged articles is calculated based on 13.5% above the pawn loan amount or such other rate as may be prescribed by the Registry of Pawnbrokers from time to time. In the event that there is no bid for a pledged article or if our Group has successfully bid for such pledged article, the said pledged article will be deemed to be owned by us;

(iii) We also recondition selected gold jewellery purchased from our suppliers (such as other pawnshops, secondhand gold traders, jewellery retailers, goldsmiths and jewellery factories), for sale as pre-owned jewellery. Please refer to the section entitled "General Information of Our Group – Our Business Process" of this Prospectus for more details on the sale of pre-owned jewellery. Otherwise, the scrap gold is sold to refiners or melted into gold bars to be on-sold to jewellery factories and wholesalers; and

(iv) We also purchase fine gold bars from refiners and gold traders for our gold trading business.

Our customers of pre-owned jewellery are primarily walk-in individuals at our retail outlets while customers for our gold trading business comprise mainly jewellery retailers, factories and wholesalers as well as refiners.

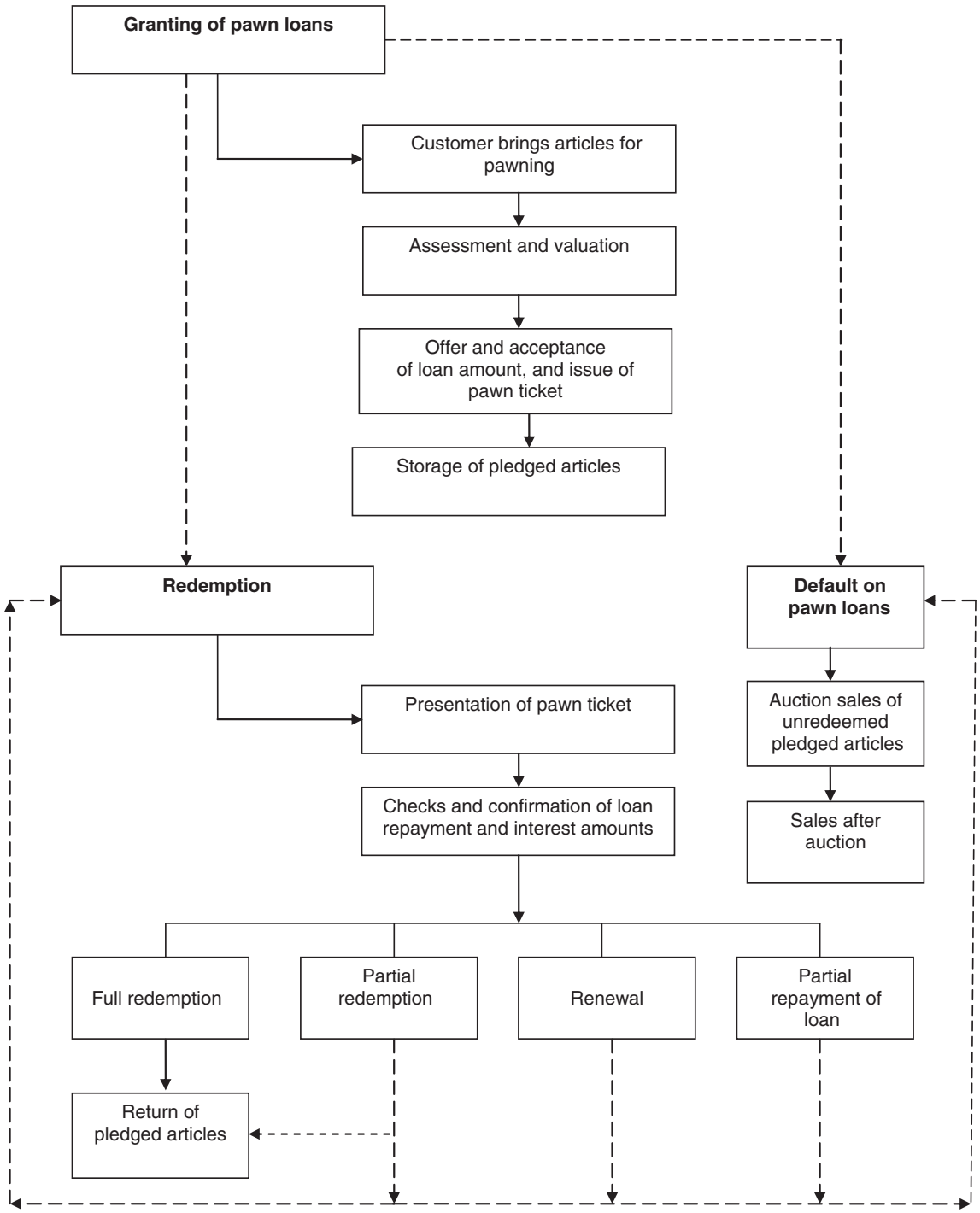
Investments in Malaysia

We have also invested in companies in Malaysia engaged in the businesses of pawnbroking and the sale of pre-owned jewellery through our associated companies in Malaysia. These are Kedai Pajak Well Chip and Pajak Gadai Bintang which operate pawnshops located in Johor Bahru, Malaysia, as well as Thye Shing Pawnshop which operates a pawnshop located in Batu Pahat, Johor, Malaysia. Kedai Emas Well Chip operates outlets selling pre-owned jewellery either within or next to each of the abovementioned locations.

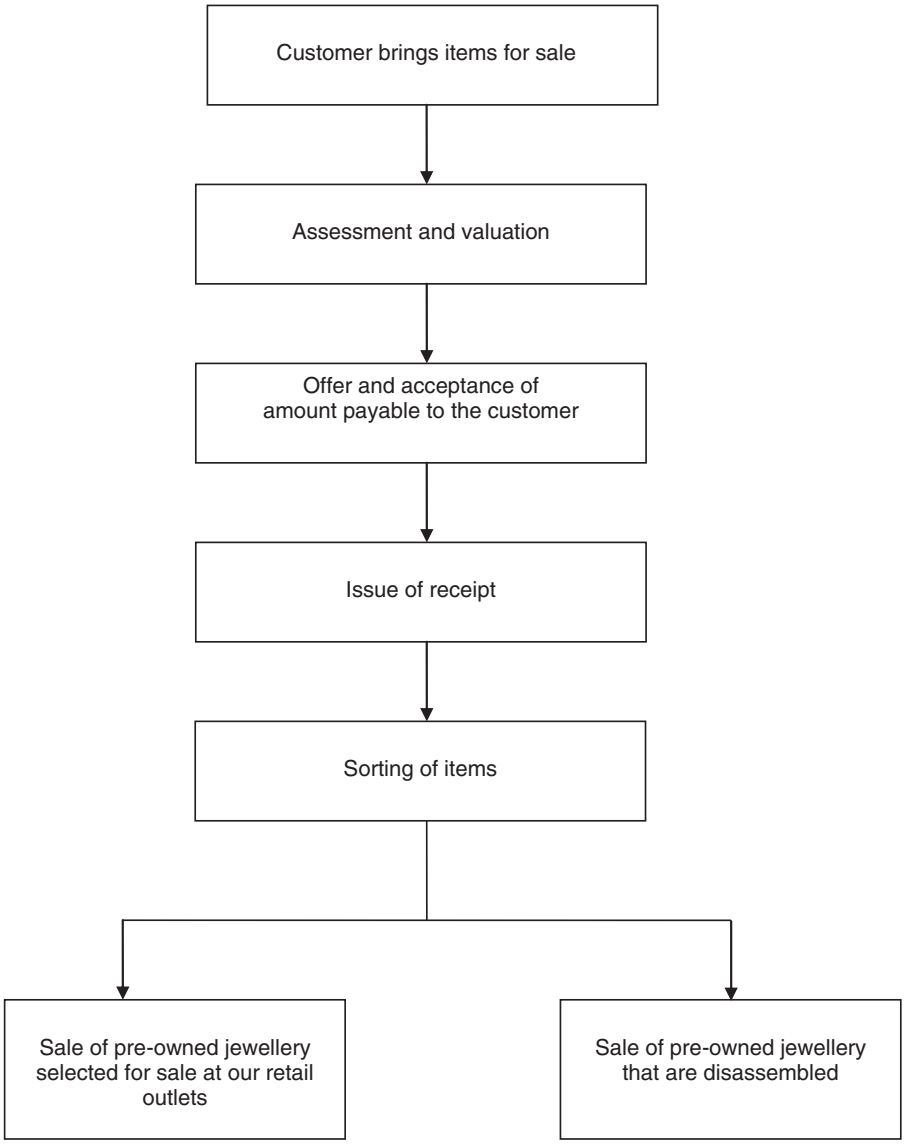
The businesses of our associated companies in Malaysia are operated and managed by the relatives of our Managing Director and CEO, Yeah Hiang Nam. Please refer to the section entitled "General Information of Our Group – Restructuring Exercise" of this Prospectus for details of the shareholdings in each of our associated companies in Malaysia.

OUR BUSINESS PROCESS

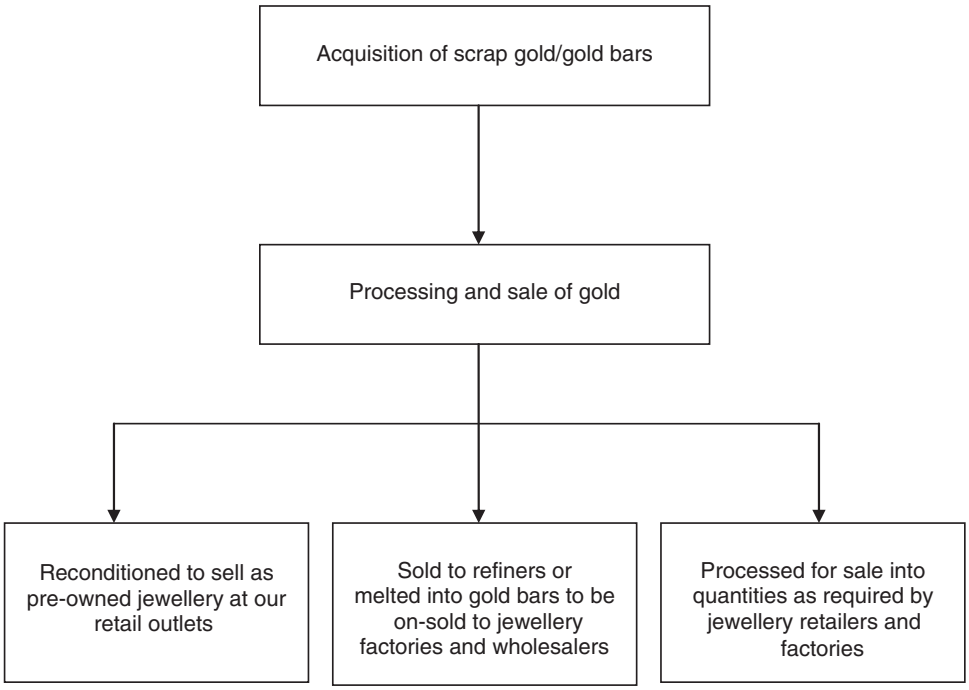
Pawnbroking



Retail and Trading of Pre-owned Jewellery



Gold Trading



Pawnbroking

Granting of loans process

The principal stages in our granting of loans process for our pawnbroking business are as follows:

Process	Description
Customer brings articles for pawning	A customer presents personal article(s) for pawning, together with his or her NRIC for verification purposes.
Assessment and valuation	Our appraiser examines, authenticates, weighs and assesses each article presented by the customer. We cannot and do not accept an article for pawning before 8.00 a.m. or after 8.00 p.m. or if the customer appears to be intoxicated or apparently below the age of 16.
Offer and acceptance of loan amount	Once the assessment and valuation is completed, a loan will be offered to the customer. Where the pawn value exceeds $200, a proof of purchase of the article pledged, or the name, NRIC number and address of a guarantor, who shall vouch for the customer that the article presented for pledging is not a stolen property, shall be required. The loan amount is determined based on a loan to valuation ratio, which depends on factors including the quality, purity and condition of the article pledged, and the prevailing gold price. Where the pawn value exceeds $5,000, our appraiser will seek a second opinion from a second appraiser. In addition, where the pawn value exceeds $10,000, our system will send an automated notification to our Senior Operations Manager (Pawnbroking) and our Executive Directors. Where the pawn value exceeds $50,000, the appraiser will have to seek approval from an Executive Director prior to offering the loan.
Issue of pawn ticket	Upon the loan amount being agreed between us and the customer and all requisite particulars being recorded, we will issue a pawn ticket to the customer and disburse the loan.
Storage of pledged articles	Pledged articles are stored in our strong room/safe.

Redemption process

The principal stages in our redemption process for our pawnbroking business are as follows:

Process	Description
Presentation of pawn ticket	Each pledged article is redeemable within six (6) months from the day of pawning, exclusive of that day, unless renewed, or in the case of a pledged article which exceeds $50 in pawn amount, within such longer time as may have been specially agreed upon at the time of pawning ("**Redemption Period**"). After the Redemption Period, for all pawn amounts exceeding $50, the unredeemed pledged articles will be put up for public auction. Such pledged articles are redeemable until they are put up for public auction, notwithstanding the expiry of the Redemption Period. To redeem a pledged article, the customer brings the relevant pawn ticket to the pawnshop, together with proof of his or her identity.

Checks and confirmation of loan repayment and interest amounts	We will check the pawn ticket and calculate the applicable interest to be charged. In accordance with the Pawnbrokers Act, we charge an interest at a rate of not more than 1.5% per month on the amount of the loan. As part of our promotional efforts, our Group presently charges 1.0% interest on the loan amount for the first month and 1.5% interest on the loan amount for each of the subsequent months (or part thereof) for all our customers. Our Group may, from time to time, offer selected customers interest rates of less than 1.0% per month on the loan amount. Such transactions have to be approved by our Executive Director (Pawnbroking and Retail), Yeah Chia Kai, Steven, after consultation with our Managing Director and CEO, Yeah Hiang Nam. We offer different redemption and repayment modes to our customers as follows: (a) Full redemption, where loan and interest due are repaid in full and the customer gets his or her pledged article(s) back. (b) Partial redemption, where a customer who had pawned a number of articles redeems only some of the pledged articles. Here, the customer repays the interest due and only part of the loan. A new pawn ticket will be issued for the customer's remaining pledged articles, which may be redeemed generally within the next six (6) months. (c) Renewal, where there is no physical redemption of any pledged articles by the customer. The customer pays only the interest due and renews the loan for another six (6) months. There is no limit to the number of renewals that can be made on a pledged article, subject to the payment of the interest due and payable. (d) Partial repayment of loan, where the customer at any time during the Redemption Period opts to make partial repayment of the loan. A new pawn ticket will be issued reflecting the reduced loan amount.
Return of pledged article(s)	Once full repayment of the loan is received from the customer, the pledged article(s) is returned to the customer.

Auction sales of unredeemed pledged articles

Under the Pawnbrokers Act, customers whose pledged articles have not been redeemed or if the loan has not been renewed after six (6) months (or as otherwise specially agreed upon at the time of pawning for pledged articles pawned for a sum exceeding $50), the unredeemed pledged articles will be auctioned off by licensed auctioneers.

- Auction sales are conducted monthly by licensed auctioneers in compliance with the Pawnbrokers Act.
- Advertisement of notice of auction is placed in the four (4) main newspapers in Singapore in the English, Malay, Chinese and Tamil languages by the auctioneers.
- Any person including a pawnbroker may bid for and purchase a pledged article at a sale by auction and upon such purchase, be deemed to be the owner of the pledged article purchased.

- Where a pledged article pawned for a sum exceeding $50 is sold for more than its reserve price (being the aggregate amount of the loan, interest due and administrative fee), the surplus shall be payable to the customer and the customer will be informed by registered post of the surplus within 10 days after the auction sale.

- The customer has to claim the surplus within four (4) months from the date of the auction sale. Otherwise, the unclaimed surplus will be forwarded to the Accountant General of Singapore for safe keeping for six (6) years, after which, it will be paid into the consolidated fund established under Article 145 of the Constitution of Singapore, if still unclaimed.

Sales after auction

Where articles fail to be auctioned off by licensed auctioneers, these are deemed to be owned by the pawnbroker. These articles are then sold to our retail arm. Selected pre-owned jewellery will be displayed at our retail outlets for sale after reconditioning. Where the articles are damaged or have low customer demand, they will be processed and sold as scrap gold.

Retail and Trading of Pre-Owned Jewellery

The principal stages in the process of our retail and trading of pre-owned jewellery are as follows:

Process	Description
Customer brings items for sale	A customer presents personal article(s) for trade-in, together with his or her NRIC for verification purposes.
Assessment and valuation	Our appraiser examines, authenticates, weighs and assesses each article presented by the customer for sale to us.
Offer and acceptance of amount payable to the customer	Once the assessment and valuation process is completed, an offer will be made to the customer for acceptance.
Issue of receipt	Upon acceptance of the offer, cash will be disbursed to the customer and his or her particulars will be recorded and the personal article will be accepted for trade-in. The customer is also required to sign on a copy of the receipt which we will retain.
Sorting of items	The articles are then sent to our head office for valuation and categorisation according to their quality, design and other relevant factors. The items will also include unredeemed pledged articles that are deemed to be owned by us after public auctions.
Sale of pre-owned jewellery selected for sale at our retail outlets	Pre-owned jewellery selected for sale at our retail outlets will first be sent for reconditioning. After reconditioning, the pre-owned jewellery is sent to our retail outlets for sale to walk-in customers.
Sale of pre-owned jewellery that are disassembled	Pre-owned jewellery not selected for sale at our retail outlets will be disassembled into its components of gold and precious gems which will be sold.

Gold Trading

The principal stages in the process of our gold trading are as follows:

Process	Description
Acquisition of scrap gold / gold bars	We acquire scrap gold, including scrap gold jewellery, scrap gold bars and scrap gold ornaments, from pawnshops, secondhand dealers, as well as goldsmiths and jewellery shops and factories. As and when required, we also acquire gold bars directly from our suppliers.
Processing and sale of gold	Where the item is saleable, we will recondition the scrap gold jewellery purchased to sell as pre-owned jewellery at our retail outlets to our walk-in customers. Otherwise, the scrap gold is either sold to refiners or melted into gold bars to be on-sold to jewellery factories and wholesalers. The gold bars acquired from our suppliers may be sold in their original form or processed for sale into such quantities as agreed upon between ourselves and our customers, which include jewellery retailers and factories.

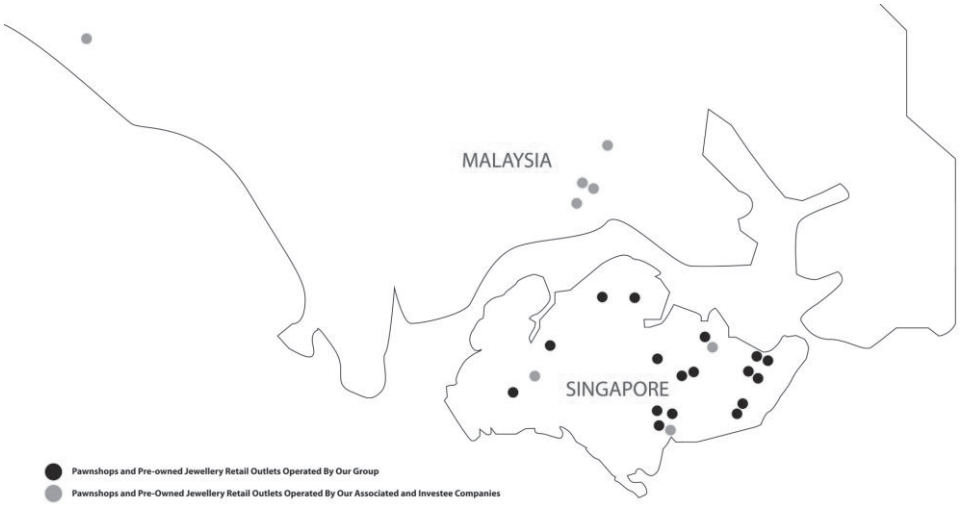
OUR OUTLETS

The locations of our pawnshops with pre-owned jewellery retail outlets are set out below. In addition, we also have a standalone pre-owned jewellery retail outlet operated by Spring Jewellery (SG).

Location of pawnshop	Name of operating entity	Year of commencement of business
101 Yishun Avenue 5 #01-63 Singapore 760101	Ban Soon Pawnshop	1988
548 Woodlands Drive 44 #01-17/18 Vista Point Singapore 730548	ValueMax Pawnshop (WL)	2001
213 Bedok North Street 1 #01-121 Singapore 460213	ValueMax Pawnshop (BD)	2001
513 Tampines Central 1 #01-168 Singapore 520513	ValueMax Pawnshop	2004
442 Pasir Ris Drive 6 #01-24 Singapore 510442	ValueMax Pawnshop (PR)	2004
303 Choa Chu Kang Avenue 4 #01-723 Singapore 680303	ValueMax Pawnshop (CCK)	2006
301 Boon Lay Way #01-21/22 Boon Lay MRT Station Singapore 649846	ValueMax Pawnshop (JP)	2008
8 Tampines Central 1 #01-16 Eastlink Mall Singapore 529543	ValueMax Pawnshop (EL)	2009
664 Buffalo Road #01-05 Singapore 210664	ValueMax Pawnshop (SG)	2010
10 Pasir Ris Central #01-12/13 Pasir Ris MRT Station Singapore 519634	ValueMax Pawnshop (PR)	2010
204 Hougang Street 21 #01-121 Singapore 530204	ValueMax Pawnshop (SG)	2010
262 Serangoon Central Drive #01-99 Singapore 550262	ValueMax Pawnshop (SG)	2011
25 Bendemeer Road #01-579 Singapore 330025	ValueMax Pawnshop (BK)	2011
5 Sengkang Square #01-06 Sengkang MRT Station Singapore 545062	ValueMax Pawnshop (JP)	2012
703 Ang Mo Kio Avenue 8 #01-2529 Singapore 560703	ValueMax Pawnshop (JP)	2012
30 Woodlands Avenue 2 #01-50 Woodlands MRT Station Singapore 738343	ValueMax Pawnshop (WL)	2013

As at the date of this Prospectus, we have 17 outlets in Singapore, comprising 16 pawnshops with pre-owned jewellery retail outlets as well as one (1) standalone pre-owned jewellery retail outlet. The pre-owned jewellery retail outlets which are located within the premises of our pawnshops are operated by our subsidiary, ValueMax Retail, while our standalone pre-owned jewellery retail outlet is operated by our subsidiary, Spring Jewellery (SG). Our associated companies, Ban Lian Pawnshop and Soon Hong Pawnshop, operate two (2) other pawnshops with pre-owned jewellery retail outlets in Singapore. Our presence in Malaysia comprises five (5) outlets, consisting of four (4) pawnshops with pre-owned jewellery retail outlets and one (1) standalone pre-owned jewellery retail outlet, which are operated by our associated companies, Pajak Gadai Bintang, Kedai Emas Well Chip, Kedai Pajak Well Chip and Thye Shing Pawnshop.

The map below shows the locations of our pawnshops and pre-owned jewellery retail outlets operated by our Group and our associated companies in Singapore and Malaysia.



SEASONALITY

We do not experience any significant seasonal patterns in our business.

However, we may experience higher redemptions for our pawnbroking business prior to a festive period as customers tend to redeem their pledged articles for use during festive seasons, followed by higher level of loans after the same festive period when such customers then pawn these articles again after the festive period.

BRANDING AND MARKETING

Our branding and marketing department is currently led by our Executive Director (Pawnbroking and Retail), Yeah Chia Kai, Steven.

The objective of our branding and marketing is to communicate the core strengths of the "ValueMax" brand to our customers and the public. We believe that we are one of the most established pawnbroking chains in Singapore and we hope to leverage this strength to be a provider of choice of pawnbroking services in Singapore. For our retail of pre-owned jewellery business, we will attract customers into our stores through targeted promotions such as reward programmes.

We place a high level of emphasis in effective external communications, including providing industry insights to the media through print coverage, television and radio interviews.

We advertise online through our websites, as well as through search catalogues and online search engines to target specific customer groups. We also run promotional campaigns to coincide with festive periods and special occasions to increase our retail of pre-owned jewellery business. Additionally, we make use of flyers, banners and posters to increase brand awareness and visibility of our outlets. In addition to the above, we believe that word-of-mouth advertising by satisfied customers is still one of the most important mediums to generate demand. As such, we aim to provide high quality service to all our customers.

With our marketing tagline "The Value You Trust", we position ourselves as an experienced, trustworthy and professional pawnbroking chain that customers can depend on for reliable and competitive valuation.

AWARDS AND CERTIFICATES

ValueMax Pawnshop received CaseTrust accreditation in July 2004. CaseTrust is the accreditation of the standard for companies that demonstrate their commitment to fair trading and transparency to consumers.

In 2010, we were the winner of the Singapore Prestige Brand Award – Established Brands in recognition of our outstanding achievement in branding. We were also conferred the Enterprise 50 Award in recognition of our enterprising accomplishments in business in the same year.

Our Managing Director and CEO, Yeah Hiang Nam, was also conferred the Entrepreneur of the Year award in 2010. This award honours local entrepreneurs, whose foresight, entrepreneurial spirit and determination have established and sustained successful, profitable and growing business ventures.

CUSTOMER RELATIONSHIP MANAGEMENT

We manage our customer information using our proprietary customer data management system which allows us to perform data analysis and carry out market research. We are better able to assess the creditworthiness of our customers based on their track record with us in order to provide them with larger loan quantums where applicable, as well as reduce the instances of customer default by reminding them to renew their pledged articles through an automated SMS reminder system.

RESEARCH AND DEVELOPMENT

While we constantly develop and improve on our proprietary computer software systems to meet the needs of our operations, we currently do not engage in any research and development activities as it is not in the nature of our business to engage in such activities.

STAFF TRAINING AND DEVELOPMENT

Our mission is to provide excellent value to our customers through expert valuation, sincere services and integrity.

In line with this mission, we ensure that our employees are competent and equipped with the necessary knowledge and skills to perform their work. We train our staff to enhance the quality of their service and product knowledge, improving their ability to appraise gold, diamonds, and branded watches, as well as to identify counterfeit products more accurately. Our internal training programme includes on-the-job training where senior staff are given the responsibility of training their junior colleagues.

Our external training programme involves sending our staff for professional certification courses such as diamond grading and gemstone identification. Customer service personnel and branch managers are also sent for customer service and supervisory courses respectively. The importance of staff integrity is also emphasised at our in-house customer service briefings conducted for our employees.

We foster and encourage a learning environment amongst our employees by providing funding for external training programmes attended by our employees. Additionally, we encourage staff to share information and useful materials through our database which is accessible across all our outlets by all employees.

CORPORATE SOCIAL RESPONSIBILITY

Our vision is "To be the most trusted pawnbroking chain, lending strength to the community we serve".

In line with our vision, we aim to ensure that our customers get a fair deal in transactions carried out with us. We also seek to provide competitive and trustworthy valuations or prices to our customers.

INTELLECTUAL PROPERTY

We believe that our trademarks are an integral part of our Group's focus on branding, and play a significant role in creating brand recognition for our pawnshops. As such, we have registered our trademarks in Singapore.

As at the Latest Practicable Date, we have registered the following trademarks:

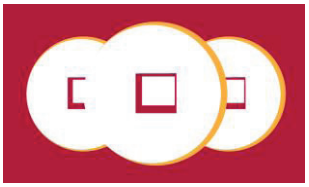
Nature of Intellectual Property Right	Country of Registration	Duration of Right (including expiry date)	Right of Renewal	Trademark Number
Trademark, Class 36 (Pawnbrokerage)	Singapore	25 November 2004 to 25 November 2014	Yes	T0420449G
Trademark, Class 35 (Business accounts management; business management; human resource management; provision of business management assistance; provision of business management information)	Singapore	8 October 2012 to 8 October 2022	Yes	T1214944J
Trademark, Class 35 (Business accounts management; business management; human resource management; provision of business management assistance; provision of business management information)	Singapore	13 December 2012 to 13 December 2022	Yes	T1219101C

Nature of Intellectual Property Right	Country of Registration	Duration of Right (including expiry date)	Right of Renewal	Trademark Number
Trademark, Class 36 (Pawnbrokerage; appraisal of jewellery)	Singapore	8 October 2012 to 8 October 2022	Yes	T1214945I
Trademark, Class 36 (Pawnbrokerage; appraisal of jewellery)	Singapore	13 December 2012 to 13 December 2022	Yes	T1219104H
Trademark, Class 14 (Jewellery incorporating diamonds; jewellery made from gold; articles of jewellery)	Singapore	8 October 2012 to 8 October 2022	Yes	T1214943B
Trademark, Class 14 (Jewellery incorporating diamonds; jewellery made from gold; articles of jewellery)	Singapore	13 December 2012 to 13 December 2022	Yes	T1219100E
Trademark, Class 36 (Commodity trading (financial services))	Singapore	13 December 2012 to 13 December 2022	Yes	T1219106D

Nature of Intellectual Property Right	Country of Registration	Duration of Right (including expiry date)	Right of Renewal	Trademark Number
Trademark, Class 36 (Commodity trading (financial services))	Singapore	13 December 2012 to 13 December 2022	Yes	T1219103Z
Trademark, Class 36 (Commodity trading (financial services))	Singapore	8 October 2012 to 8 October 2022	Yes	T1214948C
Trademark, Class 36 (Commodity trading (financial services))	Singapore	13 December 2012 to 13 December 2022	Yes	T1219102A
Trademark, Class 36 (Commodity trading (financial services))	Singapore	13 December 2012 to 13 December 2022	Yes	T1219105F

As at the Latest Practicable Date, we have applied for the registration of the following trademarks:

Trademark	Country of Registration	Class	Application Number
	Singapore	Class 36 (Pawnbrokerage; appraisal of jewellery)	T1214946G
	Singapore	Class 36 (Pawnbrokerage; appraisal of jewellery)	T1214947E

Trademark	Country of Registration	Class	Application Number
	Singapore	Class 14 (Jewellery incorporating diamonds; jewellery made from gold; articles of jewellery)	T1304587H
	Singapore	Class 36 (Pawnbrokerage)	T1313804C

Our Directors are not aware of any reason which would cause or lead to the non-registration of any of the abovementioned trademarks.

We have not experienced any incidents of intellectual property infringement or litigation suits in relation to the infringement of intellectual property.

To the best of our Directors' knowledge and belief, there is no third party that is currently using a trademark that is similar to the abovementioned trademarks. Save as disclosed above, our business and profitability are not materially dependent on any registered trademark or trademark pending registration, patent, or other intellectual property right.

INTERNAL CONTROL AND RISK MANAGEMENT

We recognise the importance of internal control and risk assessment for the smooth running of our business. In order to better manage our external and internal risks, such as fraud and human error by our employees, we have implemented a set of operations and compliance procedures as set out below. Our Directors are of the view that the procedures set out in this section are adequate to address the financial, operational and compliance risks of our Group.

Valuation

In assessing personal articles presented for pawning or sale, we focus on the accuracy of the valuations of the personal articles in order to minimise price risks and determine the appropriate value or loans to be given. In addition to standard operating procedures that are in place when dealing with our pledged articles, pre-owned jewellery, gold and cash, our computer system will also highlight any sales of pre-owned jewellery and gold below the prevailing gold price or pawn valuations of gold items above the prevailing gold price. Several of our appraisers are diamond graders certified by the HRD Antwerp Institute of Gemmology. The chief appraisers in our outlets have between 10 and 50 years of experience in dealing with jewellery and valuables.

From time to time, our management will communicate to our staff market trends and set guidelines on the maximum loan to valuation ratio that can be granted. We generally use the scrap value of the article as the basis of valuation for calculating the loan to valuation ratio for each article. Our Managing Director and CEO, Yeah Hiang Nam, determines and reviews the maximum loan to valuation ratio regularly. The loan to valuation ratio guidelines depend on the pledged articles (whether gold, gold bars, diamonds with certification, or others), as well as the redemption record of each customer. At the time of disbursement of the loan, the maximum loan to valuation ratio is not allowed to be exceeded. Our Executive Directors conduct monthly audits on the valuations by our appraisers to ensure that the maximum loan to value ratio is adhered to.

For the Period Under Review, the aggregate value of unredeemed pledged articles following auctions was in excess of the aggregate value of the loans granted on those pledged articles. However, in view of the recent downward movement in gold price, we have made allowances of S$0.7 million for each of FY2012 and 1Q2013 respectively, for potential losses arising from loss of interests and if the value of unredeemed pledged articles following auctions do not cover the value of the loans granted on these pledged articles.

Cash Control

We ensure that two (2) staff members are needed to complete each transaction so as to minimise any risk of error. In addition, we have implemented the following internal guidelines on cash management.

Depending on the transaction volume of each of our pawnshops, each pawnshop will keep a certain amount of cash within its premises. The Group's cash ceiling policy, which serves as a general guideline for the maximum amount of cash to be maintained at each pawnshop for each business day, is determined by our Executive Director (Pawnbroking and Retail), Yeah Chia Kai, Steven. Such guideline is reviewed and revised as and when appropriate.

Cash balances maintained at the pawnshop may exceed the cash ceiling due to large redemptions in the later part of the business day. Once the cash holding in the pawnshop exceeds the cash ceiling, the excess cash is required to be deposited into the bank account of the relevant pawnshop. Cash maintained in our pawnshops is not allowed to be taken out of the premises except when the cash is being deposited into the bank. A daily position report (including whether the cash ceiling guideline has been adhered to) is reviewed by our operations manager, who will follow up with the relevant pawnshop and ensure that any excess cash balance is duly deposited into the bank account of the relevant pawnshop the following day. A weekly report on any non-adherence to the cash ceiling guideline is forwarded to our Executive Director (Pawnbroking and Retail), Yeah Chia Kai, Steven, and our Chief Financial Officer, for their review. In addition, our Audit Committee will review any non-adherence to the cash ceiling policy on a quarterly basis.

We have two (2) staff members at each of our pawnshops to check the amount of pawn loans before handing the cash to our customers. We also use an internal software system to monitor the cash by reconciling the daily cash count against the computed cash balance based on the day's transactions. The physical counting of the cash at each of our pawnshops is conducted daily before business closes by one (1) of our staff and counter-checked by another staff member. Upon confirmation of the amount of the physical cash against the records, the physical cash is kept in the safe of our pawnshops. The daily position report of each of our pawnshops is submitted to our head office for record-keeping and monitoring purposes. This daily position report is reviewed by our operations manager, who will follow up with the relevant pawnshop if there are any discrepancies between the physical cash position and the records. A weekly report on any discrepancies and the daily cash position is sent to our Executive Director (Pawnbroking and Retail), Yeah Chia Kai, Steven and our Chief Financial Officer for their review.

All cheques issued must be signed by two (2) signatories, at least one (1) of whom must be a Director or Executive Officer. Automated email alerts of all deposits and withdrawals of cash will be sent to our Directors and our Chief Financial Officer. All deposits and withdrawals of cash exceeding $50,000 will be carried out by two (2) staff members.

Inventory and Pledged Articles Control

Our pledged articles held in our pawnshop premises are insured under our pawnbroking insurance policy. Our retail jewellery articles are insured under our jeweller's block policy. Please refer to the section entitled "General Information of Our Group – Insurance" of this Prospectus for more details on our insurance policies.

In addition to a daily stock count for our retail of pre-owned jewellery business and a monthly pledge check for our pawnbroking business, our management will conduct an audit of the pledged articles on a periodic basis. Any discrepancies between the inventory count and our records at the end of each business day are investigated and reported to our operations manager. Our auditors and banks will also audit our pledged articles on a periodic basis. We will continue to enhance and upgrade our inventory management systems by implementing a radio frequency identification for our pledged articles.

For the Period Under Review, we have not incurred any material losses of inventory and pledged articles.

Unlawful Inventory

Where the pawn value exceeds $200, the name, NRIC number and address of a guarantor who is willing and able to vouch for the customer that the article presented for pledging is not a stolen property, shall be required. Our data management system captures and is also able to highlight individuals who are under investigations by the police as disseminated to pawnbrokers by the Pawnbrokers' Association. The Pawnbrokers' Association will also, from time to time, provide us with information on suspected fraudulent activities. This information is also constantly updated in our data management system.

From time to time, we receive queries and requests for information from regulators such as the Registry of Pawnbrokers. We also assist the Commercial Affairs Department in its confidential investigations against third parties in connection with any potential offences committed by such third parties under the Penal Code, Chapter 224 of Singapore.

Our pledged articles may also be confiscated by the relevant authorities for their investigations. Typically, this arises when a pledged article has been fraudulently pawned by our customers, or if the parties that we deal with are under investigation by the authorities. For the Period Under Review, the amount of losses we have incurred arising from such circumstances, after claims made under our insurance policies, was less than $100,000 in each financial year.

Customers and Suppliers

Our data management system collates information provided by the police, industry players and internal sources. This allows us to identify blacklisted customers whom we will not transact with. When details of potential customers are entered into our system prior to execution of each transaction, our system will perform an automated check to ensure that the customer is not blacklisted.

In respect of our gold trading business, we generally trade with regular suppliers which are corporations. For individual gold bar sellers, we require production of the original receipts and the owner of the gold to be present at the time of the transaction. For new suppliers, we will ensure that we assess and understand the nature of such suppliers' businesses before making any purchases from them.

Anti-Money Laundering Controls

We have adopted a customer profile verification process where each customer is required to present his or her NRIC for verification for all pledged articles regardless of the pawn value of the article. Personal information (such as name, NRIC/Passport Number, address, date of birth, nationality and telephone number) is obtained and verified for each customer.

In accordance with the Pawnbrokers Act, for any pledged article above $200, the proof of purchase, or the name, NRIC/Passport Number and address of a guarantor is required to vouch for the customer that the goods presented for pledging are not stolen properties.

All the existing and past customers' records on their identity, loan amount, contact details and collateral are computerised and maintained using our data management system. Our data management system captures and is able to highlight individuals who are under investigations by the police as disseminated by the Pawnbrokers' Association. The Pawnbrokers' Association will, from time to time, provide us with information on suspected fraudulent activities. This information is also constantly updated in our data management system.

For pledged articles above $50,000, our appraisers will conduct further checks by interviewing the customer on an informal basis to assess whether the articles presented for pledging are stolen goods or goods obtained via criminal means. In the event our appraisers suspect that the pledged articles are stolen goods or goods obtained via criminal means, such articles will be rejected. In cases where fake goods are presented for pledging, the customer's NRIC will be retained and the police will be alerted.

We monitor and remind our staff to be vigilant when assessing items presented for pledging, and that any suspicious transactions should be reported to management. Our management will then assess these transactions and alert the authorities if necessary.

We have not been and are not currently subject to any money laundering investigations since the commencement of our business.

Security

Each of our pawnshops is equipped with 24-hour surveillance cameras and infra-red motion detectors. We also have alarm systems which are directly linked to independent security control centres. We have engaged an independent security control centre to provide regular maintenance to our security systems. The safes in our pawnshops are reinforced and cannot be opened during non-business hours as they are time-locked and can only be opened with two different sets of passwords or keys, which are assigned to different staff at each pawnshop. The safe will be closed in front of all staff at the pawnshop after the counting and storage of cash and collaterals. Staff are not allowed to return to the pawnshops during non-business hours.

Hedging

At present, our Group does not have any formal policy for hedging against interest rate and foreign exchange exposure. We will continue to monitor our exposures and may employ floating to fixed interest rate swaps as well as forward currency contracts to manage our interest rate as well as foreign exchange exposure should the need arise. Prior to implementing any formal hedging policies, we will seek the approval of our Board and put in place adequate procedures which shall be reviewed and approved by our Audit Committee. Thereafter, all hedging transactions entered into by our Group will be in accordance with such policies and procedures.

In relation to our gold trading business, we have in place a policy to hedge our gold positions daily. Our Group's Senior Operations Manager (Wholesale) will ensure that our Group's gold price exposure is largely covered on a daily basis and our Group's net trading position in gold shall not exceed certain limits as determined by our Managing Director and CEO, Yeah Hiang Nam, from time to time. A daily report on our Group's net trade position is reviewed by our Managing Director and CEO, Yeah Hiang Nam, to ensure that the limits are adhered to. In addition, a summary of our Group's daily net trade position will be provided to our Audit Committee for their review on a quarterly basis so as to ensure that the limits are adhered to in accordance with our hedging policy and to assess if any revision to the limits is necessary.

INSURANCE

As at the Latest Practicable Date, we have taken out insurance policies in respect of the following:

(a) policies for loss and damage to pledged articles held in our pawnshop premises as required under the Pawnbrokers Act;

(b) public liability insurance;

(c) jeweller's block policy for loss and damage to our pre-owned jewellery and gold stock;

(d) work injury compensation policies as may be required under the Work Injury Compensation Act, Chapter 354 of Singapore; and

(e) group hospital and surgical policies.

Our Directors are of the view that the above insurance policies are adequate for our existing operations. Significant losses to our operations due to unanticipated events may still have a material adverse effect on our results of operations or financial position. We are not insured against loss of key personnel and business interruption. If such events were to occur, our business may be materially and adversely affected. Please refer to the section entitled "Risk Factors – Risks Relating to our Business and Industry – Our insurance coverage may not adequately protect us against certain operational risks" of this Prospectus for more details. Our Directors will review our insurance coverage annually to ensure that our Group has sufficient insurance coverage.

PROPERTIES AND FIXED ASSETS

Our Group owns the following properties for our operations:

Location	Estimated land area (sqm)	Tenure	Usage
213 Bedok North Street 1 #01-121 Singapore 460213	151.0	86 years, commencing from 1 October 1992	Pawnshop, retail outlet and office
101 Yishun Avenue 5 #01-63 Singapore 760101	135.0	84 years, commencing from 1 January 1993	Pawnshop and retail outlet

In addition to the above, our Group leases the following properties for our operations:

Location	Approximate built-in area (sqm)	Lessor / Owner of the property	Usage
303 Choa Chu Kang Avenue 4 #01-723 Singapore 680303	164.4	NTUC Fairprice Co-operative Limited	Pawnshop and retail outlet
8 Tampines Central 1 #01-16 Eastlink Mall Singapore 529543	58.9	Blue Point Pte Ltd	Pawnshop and retail outlet
664 Buffalo Road #01-05/06 Singapore 210664	123.0	Yeah Properties[1]	Pawnshop and retail outlet
262 Serangoon Central Drive #01-99 Singapore 550262	15.0	Yeah Hiang Nam[2]	Pawnshop and retail outlet
442 Pasir Ris Drive 6 #01-24 Singapore 510442	56.0	Tan Bon Seng and Lau Tuan Day	Pawnshop and retail outlet
703 Ang Mo Kio Avenue 8 #01-2529 Singapore 560703[3]	66.9	Quek Joyna	Pawnshop and retail outlet
25 Bendemeer Road #01-579 Singapore 330025	100.7	Housing & Development Board	Pawnshop, retail outlet and office
513 Tampines Central 1 #01-168 Singapore 520513	59.5	Housing & Development Board	Pawnshop and retail outlet
548 Woodlands Drive 44 #01-17/18 Vista Point Singapore 730548	74.0	Housing & Development Board	Pawnshop and retail outlet
5 Sengkang Square #01-06 Sengkang MRT Station Singapore 545062	12.0	SBS Transit Ltd	Pawnshop and retail outlet
213 Bedok North Street 1 #01-119 Singapore 460213	68.0	Housing & Development Board	Retail outlet
301 Boon Lay Way #01-21/22 Boon Lay MRT Station Singapore 649846	38.0	SMRT Trains Limited	Pawnshop and retail outlet
30 Woodlands Avenue 2 #01-50 Woodlands MRT Station Singapore 738343	25.2	SMRT Trains Limited	Pawnshop and retail outlet

Location	Approximate built-in area (sqm)	Lessor / Owner of the property	Usage
10 Pasir Ris Central #01-12 Pasir Ris MRT Station Singapore 519534	35.0	SMRT Trains Limited	Pawnshop and retail outlet
10 Pasir Ris Central #01-13 Pasir Ris MRT Station Singapore 519534	35.0	SMRT Trains Limited	Pawnshop and retail outlet
17 Dairy Farm Road Dairy Farm Estate #B1-11 Singapore 679043	41.0	Yeah Hiang Nam, Tan Hong Yee[4]	Storage of documents
204 Hougang Street 21 #01-121 Singapore 530204	68.0	Yeah Capital[5]	Pawnshop and retail outlet
209 New Upper Changi Road #03-639 Singapore 460209	109.7	Housing & Development Board	Office
96 Serangoon Road Singapore 218001	167.2	Victory Mercantile Corporation Pte Ltd	Pawnshop and retail outlet

Notes:

(1) The monthly rental for this property paid by our Group to Yeah Properties is $25,960. Please refer to the section entitled "Interested Person Transactions and Conflicts of Interests – Present and On-going Interested Person Transactions" of this Prospectus for further details on this lease.

(2) The monthly rental for this property paid by our Group to Yeah Hiang Nam is $4,300. The value of the aggregate rent payable to Yeah Hiang Nam for this property is less than $100,000 per annum. As such, in line with the rules set out in Chapter 9 of the Listing Manual, this transaction is not taken into account for the purposes of aggregation in this Prospectus for disclosure in the section entitled "Interested Person Transactions and Conflicts of Interests" of this Prospectus.

(3) As at the date of this Prospectus, we sublease this property to two unrelated third parties.

(4) The monthly rental for this property paid by our Group to Yeah Hiang Nam is $900. The value of the aggregate rent payable to Yeah Hiang Nam and Tan Hong Yee for this property is less than $100,000 per annum. As such, in line with the rules set out in Chapter 9 of the Listing Manual, this transaction is not taken into account for the purposes of aggregation in this Prospectus for disclosure in the section entitled "Interested Person Transactions and Conflicts of Interests" of this Prospectus.

(5) Please refer to the section entitled "Interested Person Transactions and Conflicts of Interests – Present and On-going Interested Person Transactions" of this Prospectus for further details on this lease.

Our Directors are not aware of any factors that will result in the non-renewal of our leases as set out in the table above.

As at the Latest Practicable Date, the net carrying value of our property, plant and equipment comprising leasehold property, renovations, furniture and fittings, machinery, tools, office equipment and computers was $2.8 million.

To the best of our Directors' knowledge and belief, there are no regulatory requirements or environmental issues that may materially affect our utilisation of the above properties and fixed assets, save as disclosed under the section entitled "Government Regulations" as set out in Appendix D of this Prospectus.

As at the date of this Prospectus, our Directors are not aware of any existing breach of any obligations under the abovementioned lease agreements that would result in their termination by the lessor or non-renewal of such leases when they expire.

CREDIT MANAGEMENT

Credit policy to our customers

For our pawnbroking business, we provide loans based on the value of pledged articles. Unless renewed by our customers, these loan amounts are generally for a period of six (6) months, until the pledged articles are redeemed or auctioned. For the Period Under Review, our average default rate has been less than 5.0%.

Under our retail and trading of pre-owned jewellery and gold business, our accepted mode of payment is cash (including electronic payments) and credit cards (where available) for walk-in individuals. For jewellery retailers, factories and wholesalers, we collect cash or cheque payments and generally do not grant any credit term. However, we maintain trading arrangements with our refiners and our trade receivables comprise any outstanding amounts arising from the settlement of our foreign currency or gold positions. Our Group's trading arrangements with the refiners include both sales and purchases of physical and paper gold as well as other precious metals. We maintain both US$ and S$ accounts with the refiners to facilitate such trades. We may hedge our exposure when we purchase scrap gold to be sent for refining by short selling paper gold and receiving the proceeds in our US$ account. We then sell the US$ for S$ to minimise foreign exchange exposure. In such cases, we will have a trade payable in our paper gold account with the refiner, and a trade receivable in our S$ account.

Our finance team monitors all outstanding trade debts. Specific allowance or write-off will be made when we are of the view that any outstanding debt may be impaired or the debt may be uncollectible. Save for allowances of $0.7 million made in each of FY2012 and 1Q2013, we have not provided for any doubtful debts during the Period Under Review. Please refer to the section entitled "Risk Factors – Risks Relating to our Business and Industry – Gold price volatility may affect our profitability" of this Prospectus for more details. We have not written off any bad debts during the Period Under Review.

Our average trade receivables' turnover days for our retail and trading of pre-owned jewellery and gold business for the Period Under Review were as follows:

	FY2010	FY2011	FY2012	1Q2013
Average trade receivables' turnover days(1)	4	4	6	5

Note:

(1) The average trade receivables' turnover days is calculated based on the average trade receivables from our retail and trading of pre-owned jewellery and gold business divided by revenue for such business for the financial year/period, multiplied by the number of calendar days in the relevant financial year/period.

Credit policy from our suppliers

Our suppliers are mainly from our retail and trading of pre-owned jewellery and gold business.

Our suppliers for our retail of pre-owned jewellery business are predominantly walk-in individuals who sell their personal articles to us at our outlets. They do not extend credit terms to us.

For our gold trading suppliers, they do not extend credit terms to us. However, we maintain trading arrangements with our refiners and our trade payables comprise any outstanding amounts arising from our foreign currency or gold positions. Our Group's trading arrangements with the refiners include both sales and purchases of physical and paper gold as well as other precious metals. We maintain both US$ and S$ accounts with the refiners to facilitate such trades. We may hedge our exposure when we purchase scrap gold to be sent for refining by short selling paper gold and receiving the proceeds in our US$ account. We then sell the US$ for S$ to minimise foreign exchange exposure. In such cases, we will have a trade payable in our paper gold account with the refiner, and a trade receivable in our S$ account.

Our average trade payables' turnover days for our retail and trading of pre-owned jewellery and gold business for the Period Under Review were as follows:

	FY2010	FY2011	FY2012	1Q2013
Average trade payables' turnover days(1)	5	4	6	5

Note:

(1) The average trade payables' turnover days is calculated based on the average trade payables divided by the total purchases for the financial year/period, multiplied by the number of calendar days in the relevant financial year/period.

INVENTORY MANAGEMENT

Our inventory consists mainly of pre-owned jewellery and gold.

We have a computerised inventory management system in place which tracks the movement of our inventory of pre-owned jewellery on a real time basis. Our management uses data such as the inventory turnover, recent buying patterns of our customers and the sales forecasts for each retail outlet to analyse and determine the inventory level for each outlet.

The management reviews slow-moving inventories periodically. Upon assessment, such slow-moving inventory for our retail of pre-owned jewellery business may be sold to our gold trading business as scrap gold. Our Group has not made any provision for slow-moving inventories during the Period Under Review as the acquisition cost of our inventory is lower than its scrap value. During the Period Under Review, we have written off inventory of $11,475 and $10,553 in FY2011 and FY2012 respectively.

Our average inventory turnover days during the Period Under Review were as follows:

	FY2010	FY2011	FY2012	1Q2013
Average inventory turnover days(1)	13	16	22	33

Note:

(1) The average inventory turnover days is calculated based on the average inventory balance divided by cost of sales for the financial year/period, multipled by the number of calendar days in the relevant financial year/period.

The increase in the number of our average inventory turnover days from FY2010 to FY2012 was due to the commencement of our retail of pre-owned jewellery business in the second half of 2010 and our acquisition of the stock of Dormant Jewellery and Big M Jewellery Pte. Ltd. in late 2012. The increase in the number of average inventory turnover days from FY2012 to 1Q2013 was due to inventory levels being maintained while having lower level of sales for our gold trading business and hence, lower cost of sales, in 1Q2013. Our overall revenue from the retail and trading of pre-owned jewellery and gold business declined by 39.7% in 1Q2013 compared with 1Q2012 mainly as a result of the declining gold prices in 1Q2013 and the decrease in sales of gold bars.

MAJOR CUSTOMERS

Our customers for our pawnbroking and retail of pre-owned jewellery businesses are walk-in individuals. Our customers for our gold trading business generally comprise jewellery retailers, factories and wholesalers as well as refiners. All of our major customers during the Period Under Review are from our gold trading business.

The table below sets forth customers which accounted for 5.0% or more of our revenue during the Period Under Review.

	As a percentage of our revenue (%)			
Major customer	**FY2010**	**FY2011**	**FY2012**	**1Q2013**
MKS Precious Metals (Singapore) Pte Ltd	48.0	43.9	54.1	59.3
Genneva Pte Ltd	19.6	27.8	19.5	–
G&J Goldsmiths & Jewellery Pte Ltd	5.4	8.4	5.6	10.1
Huang Jing Trading Pte Ltd	8.9	5.5	–	–
HJ Gold Bullion Pte Ltd	–	0.7	5.4	–
Jowena Gold Trading	–	–	1.4	6.1

To the best of the knowledge of our Executive Directors, MKS Precious Metals (Singapore) Pte Ltd is in the business of processing and trading of gold and other precious metals. Our Group's business dealings with MKS Precious Metals (Singapore) Pte Ltd started in May 2009 and the transactions involved mainly the sale of scrap gold and other precious metals as well as the purchase of gold bars.

To the best of the knowledge of our Executive Directors, Genneva Pte Ltd was in the business of gold bullion trading. Our Group's business dealings with Genneva Pte Ltd started in May 2009 and the transactions involved the sale and purchase of gold bars. Our Executive Directors believe that Genneva Pte Ltd has ceased operations and our Group's last transaction with Genneva Pte Ltd was dated 20 September 2012.

To the best of the knowledge of our Executive Directors, G&J Goldsmiths & Jewellery Pte Ltd is in the business of jewellery wholesale. Our Group's business dealings with G&J Goldsmiths & Jewellery Pte Ltd started in May 2009 and the transactions involved mainly the sale and purchase of gold bars as well as scrap gold.

To the best of the knowledge of our Executive Directors, Huang Jing Trading Pte Ltd was in the business of gold trading. Our Group's business dealings with Huang Jing Trading Pte Ltd started in May 2009 and the transactions involved mainly the sale and purchase of gold bars. Our Executive Directors believe that Huang Jing Trading Pte Ltd has ceased operations and our Group's last transaction with Huang Jing Trading Pte Ltd was dated 9 December 2011.

To the best of the knowledge of our Executive Directors, HJ Gold Bullion Pte Ltd was in the business of gold trading. Our Group's business dealings with HJ Gold Bullion Pte Ltd started in December 2011 and the transactions involved mainly the sale and purchase of gold bars. Our Executive Directors believe that HJ Gold Bullion Pte Ltd has ceased operations and our Group's last transaction with HJ Gold Bullion Pte Ltd was dated 9 October 2012.

To the best of the knowledge of our Executive Directors, Jowena Gold Trading is in the business of gold bullion trading. Our Group's business dealings with Jowena Gold Trading started in November 2011 and the transactions involved mainly the sale and purchase of gold bars.

We generally do not enter into long-term agreements or arrangements with our customers. No preferential terms were given by our Group to any of the aforesaid major customers. All transactions were conducted on a cash basis and on normal commercial terms, as with other customers of our Group. There are no amounts owing to our Group by those major customers with whom our Group no longer transacts, and which have ceased operations.

As at the date of this Prospectus, our Directors are of the view that we are not materially dependent on the above major customers. The sales to our customers vary from year to year depending on our customers' needs and their perceptions of the fluctuations in the price of gold. In addition, the profit contribution from each of the major customers stated above is lower than the percentage of contribution of each such major customer to our revenue. Please refer to the section entitled "Management's Discussion and Analysis of Results of Operations and Financial Position – Significant Factors Affecting Our Results of Operations" of this Prospectus for more details on the profit contribution of our different business segments.

During the Period Under Review, our Group became aware that one of our major customers, namely Genneva Pte Ltd ("**Genneva**"), had become the subject of certain regulatory investigations in 2012 and subsequently ceased operations. Our Audit Committee is of the opinion that there is no material legal exposure or material contingent liability to our Group as a result of our gold trading transactions with Genneva in view of the following:

(i) our Group is not the subject of such investigations and the transactions were settled at the point of sales; and

(ii) there have been no further dealings with Genneva and our Group did not experience any losses as a result of such business relations during the Period Under Review.

As far as our Directors are aware, two of our Group's other major customers, namely Huang Jing Trading Pte Ltd ("**Huang Jing**") and HJ Gold Bullion Pte Ltd ("**HJ Gold**") have also ceased operations.

The cessation of the operations of the aforementioned customers is not expected to have any material adverse impact on the financial performance of our Group. The profit before tax contribution from Genneva during the Period Under Review constituted less than 2.0% of our Group's profit before tax. The aggregate profit before tax contribution from Huang Jing and HJ Gold during the Period Under Review constituted less than 1.0% of our Group's profit before tax.

Save for Genneva, Huang Jing and HJ Gold which our Directors believe have ceased operations, to the best of our Directors' knowledge and belief, as at the Latest Practicable Date, we are not aware of any information or arrangement which would lead to a cessation or termination of our present relationships with any of our major customers.

Save for the arm's length sales and purchases of gold bars by our Group (and the relevant entities effecting such trading prior to the Business Transfer), none of our Directors, Substantial Shareholder or any of their Associates has any business relationship with any of Genneva, Huang Jing or HJ Gold. To the best of knowledge of our Directors, none of our Directors, Substantial Shareholders or any of their Associates has any relationship with any of the directors or shareholders of Genneva, Huang Jing or HJ Gold.

Save as disclosed above, there is no other customer whose revenue contribution to us accounted for more than 5.0% of our revenue in the Period Under Review.

None of our Directors, Substantial Shareholder or any of their Associates is related to or has any interest, direct or indirect, in any of the above major customers.

There are no arrangements or understanding with any major customer pursuant to which any of our Directors and Executive Officers was appointed.

MAJOR SUPPLIERS

Our suppliers for our pawnbroking and retail of pre-owned jewellery businesses are predominantly walk-in individuals. Each individual sale does not constitute a significant percentage of our cost of sales and no such single supplier contributed 5.0% or more of our cost of sales for the Period Under Review.

All of our major suppliers during the Period Under Review are from our gold trading business. The table below sets forth suppliers which accounted for 5.0% or more of our cost of sales during the Period Under Review:

		As a percentage of our cost of sales (%)			
Major supplier	**Nature of supply**	**FY2010**	**FY2011**	**FY2012**	**1Q2013**
UOB Bullion and Futures Ltd	Gold	17.6	29.6	20.0	–
Ontat Jewellery & Handicraft Sdn Bhd	Gold and other precious metals	15.0	13.7	17.1	21.0
Jumbo Jewellery Resale Pte Ltd	Gold	0.2	13.1	3.2	3.6
Crown Jewels Pte Ltd	Gold and other precious metals	4.9	5.6	4.5	4.9
Gold Scale Jewels Pte Ltd	Gold	3.2	5.2	3.6	3.1
Chen Jiu Gold Group Sdn Bhd	Gold	14.5	1.1	0.2	–
MKS Precious Metals (Singapore) Pte Ltd	Gold	7.7	2.7	4.1	–
Huang Jing Trading Pte Ltd	Gold	5.9	4.9	2.7	–
Marc's Brokerage	Gold	3.4	3.2	3.6	7.4
Zue Bao Jewellery Sdn Bhd	Gold	–	–	8.1	4.8
Jowena Gold Trading	Gold	–	–	0.4	7.1
Silver Ace Capital Pte Ltd	Gold	–	–	1.4	7.3

We generally do not enter into long-term agreements or arrangements with our suppliers.

As at the date of this Prospectus, our Directors are of the view that we are not materially dependent on any of the above major suppliers for our purchases of gold. The purchases we make from our suppliers vary from year to year depending on our customers' demands, our suppliers' trading patterns, and fluctuations in the price of gold.

Save as disclosed above, there is no other supplier who accounted for more than 5.0% of our cost of sales in the Period Under Review.

None of our Directors, Substantial Shareholder or any of their Associates is related or has any interest, direct or indirect, in any of the above major suppliers.

There are no arrangements or understanding with any major supplier pursuant to which any of our Directors and Executive Officers was appointed.

LICENCES AND PERMITS

We have obtained the necessary business licences for our day-to-day operations. Save as disclosed under the section entitled "Risk Factors" of this Prospectus and below, we are not subject to any government regulations in Singapore, other than those generally applicable to companies and businesses, which will have a material effect on our business operations.

We are subject to all relevant laws and regulations of Singapore where our business operations are based, including the Pawnbrokers Act, the Secondhand Goods Dealers Act and the Consumer Protection (Fair Trading) Act. Apart from business licences that are of general application, as at the date of this Prospectus, we have obtained the following specific licences for our business:

Licences

Entity / Location	Country	Type of Licence	Validity Period	Licence Number	Issuing Authority
ValueMax Pawnshop (WL)					
548 Woodlands Drive 44 #01-17/18 Vista Point Singapore 730548	Singapore	Licence to pawnbroker	Until 31 December 2013	03739	Registrar of Pawnbrokers, Ministry of Law, Singapore
30 Woodlands Avenue 2 #01-50 Woodlands MRT Station Singapore 738343	Singapore	Licence to pawnbroker	Until 31 December 2013	03763	Registrar of Pawnbrokers, Ministry of Law, Singapore
ValueMax Pawnshop					
513 Tampines Central 1 #01-168 Singapore 520513	Singapore	Licence to pawnbroker	Until 31 December 2013	03740	Registrar of Pawnbrokers, Ministry of Law, Singapore
ValueMax Pawnshop (BD)					
213 Bedok North Street 1 #01-121 Singapore 460213	Singapore	Licence to pawnbroker	Until 31 December 2013	03697	Registrar of Pawnbrokers, Ministry of Law, Singapore
ValueMax Pawnshop (BK)					
25 Bendemeer Road #01-579 Singapore 330025	Singapore	Licence to pawnbroker	Until 31 December 2013	03731	Registrar of Pawnbrokers, Ministry of Law, Singapore

Entity / Location	Country	Type of Licence	Validity Period	Licence Number	Issuing Authority
ValueMax Pawnshop (JP)					
703 Ang Mo Kio Avenue 8 #01-2529 Singapore 560703	Singapore	Licence to pawnbroker	Until 31 December 2013	03734	Registrar of Pawnbrokers, Ministry of Law, Singapore
5 Sengkang Square #01-06 Sengkang MRT Station Singapore 545062	Singapore	Licence to pawnbroker	Until 31 December 2013	03735	Registrar of Pawnbrokers, Ministry of Law, Singapore
301 Boon Lay Way #01-21/22 Boon Lay MRT Station Singapore 649846	Singapore	Licence to pawnbroker	Until 31 December 2013	03733	Registrar of Pawnbrokers, Ministry of Law, Singapore
ValueMax Pawnshop (PR)					
442 Pasir Ris Drive 6 #01-24 Singapore 510442	Singapore	Licence to pawnbroker	Until 31 December 2013	03700	Registrar of Pawnbrokers, Ministry of Law, Singapore
Pasir Ris Branch 10 Pasir Ris Central #01-12/13 Pasir Ris MRT Station Singapore 519634	Singapore	Licence to pawnbroker	Until 31 December 2013	03701	Registrar of Pawnbrokers, Ministry of Law, Singapore
ValueMax Pawnshop (CCK)					
303 Choa Chu Kang Avenue 4 #01-723 Singapore 680303	Singapore	Licence to pawnbroker	Until 31 December 2013	03732	Registrar of Pawnbrokers, Ministry of Law, Singapore
ValueMax Pawnshop (SG)					
664 Buffalo Road #01-05 Singapore 210664	Singapore	Licence to pawnbroker	Until 31 December 2013	03736	Registrar of Pawnbrokers, Ministry of Law, Singapore
204 Hougang Street 21 #01-121 Singapore 530204	Singapore	Licence to pawnbroker	Until 31 December 2013	03737	Registrar of Pawnbrokers, Ministry of Law, Singapore
262 Serangoon Central Drive #01-99 Singapore 550262	Singapore	Licence to pawnbroker	Until 31 December 2013	03738	Registrar of Pawnbrokers, Ministry of Law, Singapore
ValueMax Pawnshop (EL)					
8 Tampines Central 1 #01-16 Eastlink Mall Singapore 529543	Singapore	Licence to pawnbroker	Until 31 December 2013	03574	Registrar of Pawnbrokers, Ministry of Law, Singapore

Entity / Location	Country	Type of Licence	Validity Period	Licence Number	Issuing Authority
Ban Soon Pawnshop					
101 Yishun Avenue 5 #01-63 Singapore 760101	Singapore	Licence to pawnbroker	Until 31 December 2013	03570	Registrar of Pawnbrokers, Ministry of Law, Singapore

Application for a licence to pawnbroker has been made for the property located at 96 Serangoon Road Singapore 218001.

Exemptions

Pursuant to the Secondhand Goods Dealers (Exemption of Licensed Pawnbrokers) Order, each of our subsidiaries listed above who holds a licence to pawnbroker by the Registrar of Pawnbrokers is exempt from holding a licence as a secondhand goods dealer.

In addition, ValueMax Retail, Spring Jewellery (SG) and ValueMax Precious Metals have also obtained exemptions under the Secondhand Goods Dealers (Exemption) Order 2007 to deal in the following secondhand goods: (a) jewellery set with precious stones including but not limited to diamonds, jades, rubies, sapphires and emeralds; (b) jewellery made from platinum, gold and white gold without precious stones; (c) pawn tickets; and (d) watches. In accordance with the Registrar of Pawnbroker's conditions for the grant of pawnbroker's licence, the approval for ValueMax Retail to conduct a secondhand goods dealing business within our pawnshops is subject to, *inter alia*, the condition that ValueMax Retail must not trade in pawn tickets.

The exemptions under the Secondhand Goods Dealers (Exemption) Order 2007 do not have a prescribed validity period.

Please refer to the section entitled "Government Regulations" as set out in Appendix D of this Prospectus for a summary of the licence requirements under the Pawnbrokers Act or exemptions under the Secondhand Goods Dealers Act.

We do not hold a moneylending licence as we do not engage in the business of moneylending.

We have obtained all material licences, permits, approvals and certifications for our business operations in Singapore and we believe we have complied with all relevant laws and regulations that would materially affect our business operations. To the best of our Directors' knowledge and belief, our associated companies in Malaysia have obtained all material licences, permits, approvals and certifications for its business operations in Malaysia. We will renew our licences, permits, approvals and certifications as and when required.

All the aforesaid licences, permits, approvals and/or certifications have a validity period of less than 12 months. These licences, permits, approvals and/or certifications for each of our pawnshops are subject to annual renewal. Our Directors are not aware of any reasons which would cause or lead to non-renewal of any of the necessary licences, permits, certificates and/or approvals for our business operations. Since the commencement of our business operations, the renewal of our licences has been routine and we have not experienced any refusal of renewals of our licences. The Registrar of Pawnbrokers has not conducted any audit on our Group prior to granting the renewal of the licences. In addition, apart from the payment of the licence fees, we have not experienced any situation where the Registrar of Pawnbrokers had imposed any specific conditions attached to the renewal of such licences.

As at the Latest Practicable Date, save as disclosed below, we have not had any violations amounting to fines imposed with regard to all our relevant permits, licences and exemptions issued by the Singapore Government for our operations during the Period Under Review.

For the purposes of completeness, ValueMax Retail was imposed a composition fee of an aggregate of $400 by IRAS for its late filing of income tax returns in respect of the years of assessment 2011 and 2012. Our Company was also imposed a composition fee of $200 by IRAS for its late filing of income tax returns in respect of the year of assessment 2011. These late filings were due to a delay in the completion of the audit of the financial results of ValueMax Retail. The composition fees have been paid and no further action was taken by IRAS.

Our Group will ensure that our accounts are kept up to date and audits are completed on time so that we will be able to file our income tax returns on time in the future. To this end, we have increased the headcount of our finance department from five (5) employees as at 31 December 2010 to 11 employees presently (not including the Chief Financial Officer), including a financial controller who is a Certified Practicing Accountant of CPA Australia, a group accountant who holds a Bachelor degree in Accounting and Finance and eight (8) other professionally qualified employees holding the position of either finance executive or accounts assistant. In addition, our Group has put in place procedures for timely preparation of accounts, such as having a timeline for month-end closing and financial reporting for each subsidiary within our Group. Our Group does not expect the issue of late filings to recur with these measures in place.

In 2005, Yeah Chia Wei was fined $2,000 in his capacity as a director of our Subsidiary, ValueMax Pawnshop, when an employee exchanged a pawn ticket issued by another pawnbroker in the course of the pawnbroking business of ValueMax Pawnshop in 2004, not being aware that such an act was in contravention of the Pawnbrokers Act. Following this incident, our outlet employees are reminded regularly during outlet briefings that such acts are not permissible. The proper pawnbroking procedures are also documented in our Group's operating manuals. In addition, new employees are briefed on joining that such acts are not permissible. There have not been any other occurrences of such incidents since 2004.

From time to time, we receive queries and requests for information from regulators such as the Registrar of Pawnbrokers. We also assist the Commercial Affairs Department in its confidential investigations against third parties in connection with any potential offences committed by such third parties under the Penal Code, Chapter 224 of Singapore.

COMPETITION

The pawnbroking industry in Singapore is fragmented and competitive, comprising major pawnbroking chains and smaller players who operate individual pawnshops. We believe that the three (3) largest pawnbroking chains (including our Group) constitute over one-third of the pawnbroking industry in Singapore based on the number of outlets. We compete with major pawnbroking chains such as the Maxi-Cash and MoneyMax chains of pawnshops and pre-owned jewellery retail outlets, as well as other players who operate smaller chains or individual pawnshops.

However, our Directors believe that the barriers to entry are still relatively high as our business is capital intensive and subject to legislation and the licences required thereunder, including the licence to pawnbroker and the secondhand goods dealers' licence.

To the best of our Directors' knowledge and belief, the pawnbroking industry in Johor, Malaysia, where our associated companies in Malaysia operate, does not have any prominent pawnbroking chain. As grant of the pawnbroker's licence is controlled and limited in supply in Malaysia, our Directors believe that the barriers to entry are high.

For our retail and trading of pre-owned jewellery and gold business, we compete with retail outlets operated by major pawnbroking chains, other retail outlets dealing in pre-owned jewellery, as well as gold traders such as Central Precious Metals Pte Ltd and First Jewellery & Watches Pte Ltd.

None of our Directors or Controlling Shareholders or their respective Associates has any interest, direct or indirect, in any of the abovementioned competitors.

COMPETITIVE STRENGTHS

Our Directors believe that our competitive strengths are as follows:

Our Group's participation in the pawnbroking, pre-owned jewellery and gold industry value chain allows us to harness revenue from complementary sources

Our integrated businesses allow us to have complementary revenue sources from the various segments of the pawnbroking as well as the retail and trading of pre-owned jewellery and gold value chain.

Through our gold trading business, we are able to select from a larger pool of pre-owned jewellery for retail sale. We are also able to reduce our costs by placing less reliance on third party intermediaries such as by reconditioning our unredeemed pledged articles within our Group. These allow us to offer a wider range of pre-owned jewellery for retail at more competitive prices. In addition, we are also able to sell any scrap gold from our unredeemed pledged articles and relatively slower-moving stocks to refiners or melt them into gold bars to be on-sold to jewellery factories and wholesalers. Our gold trading business also provides us with information on the gold and jewellery industry (such as information on fraudulent items as well as general trends of the industry), which we are able to apply in our pawnbroking and retail of pre-owned jewellery businesses.

Our network of associated companies in Malaysia provide us with an overseas presence

We believe that we are the only pawnbroking chain in Singapore with an overseas presence. Currently, we have operations in Malaysia through our associated companies, which have the relevant knowledge to provide reliable and competitive valuation. We can also tap on the established network of these associated companies to further expand and consolidate our track record in Malaysia. In addition, our longstanding track record in Singapore will also enable us to extend our businesses to other countries.

We have a skilled, experienced and qualified work force

Having a skilled and qualified work force is one of the key growth factors of our business. We have experienced and technically competent appraisers at our outlets who are able to value a wide range of items. The items we are able to value include different purities of gold, various qualities of diamonds and different brands of watches. Several of our appraisers are certified diamond graders accredited by the HRD Antwerp Institute of Gemmology. The chief appraisers in our outlets have between 10 and 50 years of experience in dealing with jewellery and valuables.

Many of our pre-owned jewellery sales executives in our retail outlets have prior experience working in jewellery shops and possess in-depth knowledge on gold, jewellery and precious stones. We generally recruit candidates with prior experience in their respective fields and possess a positive mindset and keen attitude towards learning. We train our employees to deliver quality services that will enhance customer satisfaction. We also identify suitable employees for training to be appraisers over a period of time.

We train our employees in appraisal, customer relations and communication skills. We have built up a talent pool that enables us to staff our pawnshops and pre-owned jewellery retail outlets with skilled and qualified personnel as we grow our network.

We have an experienced and committed Board of Directors and management team

The growth and success of our business is largely attributed to our experienced and dedicated management team. Our management team is led by our Managing Director and CEO, Yeah Hiang Nam, who is well respected and was conferred the Entrepreneur of the Year Award in 2010 in recognition of his business success and enterprising capabilities. He has over 40 years of experience in the jewellery industry, 30 years of experience in the scrap gold trading industry and 20 years of experience in the

pawnbroking industry. He has successfully steered our Group through the various economic cycles and has been instrumental in the development and growth of our business. He is assisted by a dedicated and dynamic management team in the daily management of our business. Our management team adopts a hands-on approach in the running of our business, and is involved in the day-to-day operations of our Group, thereby ensuring a high quality of service across all our outlets. Please refer to the section entitled "Directors, Management and Staff" of this Prospectus for further details on the experience of our Directors and Executive Officers. We believe the extensive experience of our management team, together with their industry knowledge and in-depth understanding of the market, will enable us to continue to take advantage of future market opportunities.

We have developed our proprietary operational software and data management system

We have developed our proprietary operational software and data management system that support our services. This reduces the possibility of human error and enables our processes to be operationally efficient. Our proprietary software provides information for data analysis and marketing research for effective business decision-making. The database in our proprietary software holds information such as the transaction history and creditworthiness of each customer as well as our list of blacklisted customers. Our proprietary software and data management system allow us to process loans to customers easily, and also allow our customers to renew their pawn tickets at any of our outlets in Singapore since 2011.

We have an established market position with a network of pawnshops and pre-owned jewellery retail outlets in strategic and convenient locations

We are a pawnbroking chain with one of the longest and most established track record in Singapore. We have a large network of 16 pawnshops and pre-owned jewellery retail outlets and one (1) standalone pre-owned jewellery retail outlet, in 16 strategic and convenient locations in Singapore, including locations near amenities like bus interchanges and MRT stations. This large network facilitates customer outreach, thereby providing customers with convenient access to our pawnbroking services. We also have seven (7) outlets in Singapore and Malaysia held through our associated companies. In addition, we adopt a prudent approach to expansion, with the objective of ensuring sustainable profitability for our Group. As such, we believe that we are one of the leading pawnbroking chains in Singapore in terms of financial performance. Additionally, we believe that we are one of the larger local gold traders in Singapore with revenue of more than $450 million in FY2012.

We are an established and award-winning company, having been conferred the Singapore Prestige Brand Award for Established Brands and the Enterprise 50 Award

Since our incorporation, we have established a strong track record and reputation under our "ValueMax" brand name. We believe that we are one of the oldest and most established pawnbroking chains in Singapore, having more than 20 years of experience in the pawnbroking industry. We position ourselves as an experienced, trustworthy and professional pawnbroking chain that customers can depend on for reliable and competitive valuation.

In 2010, we were a winner of the Singapore Prestige Brand Award for Established Brands in recognition of our outstanding achievement in branding. In the same year, we were also awarded the Enterprise 50 Award in recognition of our enterprising accomplishments in business.

The following summary financial data should be read in conjunction with the full text of this Prospectus including the "Audited Combined Financial Statements of ValueMax Group Limited and its Subsidiaries for the Financial Years Ended 31 December 2010, 2011 and 2012", the "Unaudited Interim Combined Financial Statements of ValueMax Group Limited and its Subsidiaries for the Three-Month Period Ended 31 March 2013" and the "Unaudited Pro Forma Combined Financial Information of ValueMax Group Limited and its Subsidiaries for the Financial Year Ended 31 December 2012 and the Three-Month Period Ended 31 March 2013" as set out in Appendices A, B and C of this Prospectus respectively. Our financial statements are prepared and presented in accordance with FRS.

Combined Statements of Comprehensive Income

	← Audited →			← Unaudited →			
($'000)	**FY2010**	**FY2011**	**FY2012**	**Pro Forma FY2012**	**1Q2012**	**1Q2013**	**Pro Forma 1Q2013**
Revenue	398,393	531,948	508,984	513,165	147,601	90,427	91,515
Cost of sales	(379,300)	(507,514)	(483,203)	(485,352)	(140,189)	(84,060)	(84,580)
Gross profit	19,093	24,434	25,781	27,813	7,412	6,367	6,935
Other operating income	1,300	999	1,242	1,146	315	578	526
Marketing and distribution expenses	(116)	(211)	(198)	(202)	(54)	(52)	(53)
Administrative expenses	(5,947)	(7,987)	(9,759)	(10,459)	(1,852)	(2,501)	(2,615)
Finance costs	(187)	(365)	(314)	(320)	(84)	(30)	(30)
Other operating expenses	–	(306)	(656)	(747)	–	(746)	(920)
Share of results of associates	825	878	797	1,941	264	182	486
Profit before tax	14,968	17,442	16,893	19,172	6,001	3,798	4,329
Income tax expense	(1,817)	(2,444)	(2,034)	(2,223)	(493)	(227)	(260)
Profit for the year/period, representing total comprehensive income for the year/period	13,151	14,998	14,859	16,949	5,508	3,571	4,069
Total comprehensive income attributable to:							
Owners of the Company	12,906	14,506	14,346	16,282	5,262	3,467	3,951
Non-controlling interests	245	492	513	667	246	104	118
	13,151	14,998	14,859	16,949	5,508	3,571	4,069
EPS (cents)[1]	3.26	3.67	3.63	4.12	1.33	0.88	1.00
EPS as adjusted for the Invitation (cents)[2]	2.42	2.72	2.69	3.05	0.99	0.65	0.74

Notes:

(1) For comparative purposes, the EPS for the Period Under Review have been computed based on the profit attributable to owners of the Company and our pre-Invitation share capital of 395,497,960 Shares.

(2) For comparative purposes, the EPS for the Period Under Review have been computed based on the profit attributable to owners of the Company and our post-Invitation share capital of 533,497,960 Shares.

Combined Statements of Financial Position

($'000)	Audited as at 31 December 2012	Unaudited Pro Forma as at 31 December 2012	Unaudited as at 31 March 2013	Unaudited Pro Forma as at 31 March 2013
Non-current assets				
Property, plant and equipment	2,535	2,867	2,476	2,807
Investment in associates	3,511	6,702	3,693	7,188
Other investments	399	701	399	701
	6,445	10,270	6,568	10,696
Current assets				
Inventories	32,364	33,133	28,830	29,615
Trade and other receivables	145,784	159,665	127,941	141,172
Prepaid operating expenses	854	858	599	623
Cash and bank balances	3,087	3,365	4,384	4,780
	182,089	197,021	161,754	176,190
Total assets	188,534	207,291	168,322	186,886
Current liabilities				
Trade and other payables	18,546	25,699	13,162	20,117
Other liabilities	1,546	1,739	405	569
Interest-bearing loans and borrowings	90,751	94,355	81,234	84,395
Income tax payable	3,552	3,883	3,416	3,779
	114,395	125,676	98,217	108,860
Net current assets	67,694	71,345	63,537	67,330
Non-current liabilities				
Provisions	29	29	29	29
Deferred tax liabilities	49	50	49	49
Interest-bearing loans and borrowings	2	2	1	1
	80	81	79	79
Total liabilities	114,475	125,757	98,296	108,939
Net assets	74,059	81,534	70,026	77,947

Combined Statements of Financial Position (cont'd)

($'000)	Audited as at 31 December 2012	Unaudited Pro Forma as at 31 December 2012	Unaudited as at 31 March 2013	Unaudited Pro Forma as at 31 March 2013
Equity attributable to owners of the Company				
Share capital	5,742	10,159	5,742	10,159
Retained earnings	64,667	66,145	68,134	70,096
Other reserves	1,843	1,813	(5,756)	(5,786)
	72,252	78,117	68,120	74,469
Non-controlling interests	1,807	3,417	1,906	3,478
Total equity	74,059	81,534	70,026	77,947
NTA per Share (cents)[(1)]	18.27	19.75	17.22	18.83

Note:

(1) The NTA per Share as at the end of the Period Under Review have been computed based on our equity attributable to owners of the Company (excluding non-controlling interests) and our pre-Invitation share capital of 395,497,960 Shares.

The following discussion of our results of operations and financial position has been prepared by our management and should be read in conjunction with the "Audited Combined Financial Statements of ValueMax Group Limited and its Subsidiaries for the Financial Years Ended 31 December 2010, 2011 and 2012" and the "Unaudited Interim Combined Financial Statements of ValueMax Group Limited and its Subsidiaries for the Three-Month Period Ended 31 March 2013" as set out in Appendices A and B of this Prospectus respectively. This does not take into account the completion of the Restructuring Exercise as described in the section entitled "General Information of Our Group – Restructuring Exercise" of this Prospectus.

This discussion and analysis contain forward-looking statements that involve risks and uncertainties. Our Group's actual results may differ significantly from those projected in the forward-looking statements. Factors that might cause future results to differ significantly from those projected in the forward-looking statements include, but are not limited to, those discussed below and elsewhere in this Prospectus, particularly in the section entitled "Risk Factors" of this Prospectus. Under no circumstances should the inclusion of such forward-looking statements herein be regarded as a representation, warranty or prediction with respect to the accuracy of the underlying assumptions by the Company, the Issue Manager, the Underwriter or the Placement Agent or any other person. Investors are cautioned not to place undue reliance on these forward-looking statements that speak only as at the date hereof. Please refer to the section entitled "Cautionary Note Regarding Forward-Looking Statements" of this Prospectus.

The unaudited pro forma combined financial information set out on Appendix C entitled "Unaudited Pro Forma Combined Financial Information of ValueMax Group Limited and its Subsidiaries for the Financial Year Ended 31 December 2012 and the Three-Month Period Ended 31 March 2013" of this Prospectus has been prepared for illustrative purposes only and taking into account the following events:

(a) acquisition of shares in Ban Soon Pawnshop from our shareholders pursuant to the Share Purchase Agreement assuming the acquisition took place on 1 January 2012 which resulted in Ban Soon Pawnshop being consolidated into the Group as a Subsidiary;

(b) acquisition of shares in an associated company, namely Ban Lian Pawnshop, pursuant to the Share Purchase Agreement assuming the acquisition was completed on 1 January 2012 and our Group's share of the results of this company was included in the share of results of associated companies;

(c) the purchase of approximately 19.0% stake in Ban Seng Pawnshop and Fook Loy Trading, pursuant to the Share Purchase Agreement assuming the purchases took place on 1 January 2012;

(d) the restructuring of our Malaysian associates pursuant to the Malaysian Share Restructuring Agreements assuming that the restructuring took place on 1 January 2012 and the results of these associates were equity accounted for in FY2012; and

(e) acquisition of additional shares in certain of our Subsidiaries and associated companies pursuant to the Share Purchase Agreement assuming that the acquisitions took place on 1 January 2012.

These constitute the differences between the audited combined financial statements and the unaudited pro forma combined financial information for FY2012 and 1Q2013.

The unaudited pro forma combined financial information, because of their nature, may not give a true picture of the Group's actual financial position or results. Please refer to Appendix C entitled "Unaudited Pro Forma Combined Financial Information of ValueMax Group Limited and its Subsidiaries for the Financial Year Ended 31 December 2012 and the Three-Month Period Ended 31 March 2013" of this Prospectus for further details.

OVERVIEW

We are involved in pawnbroking as well as the retail and trading of pre-owned jewellery and gold in both Singapore and Malaysia.

As at the date of this Prospectus, our Group has 17 outlets in Singapore, comprising 16 pawnshops with pre-owned jewellery retail outlets as well as one (1) standalone pre-owned jewellery retail outlet. The pre-owned jewellery retail outlets which are located within the premises of our pawnshops are under the operation of our subsidiary, ValueMax Retail, while our standalone pre-owned jewellery retail outlet is under the operation of our subsidiary, Spring Jewellery (SG). Our associated companies, Ban Lian Pawnshop and Soon Hong Pawnshop, operate two (2) other pawnshops with pre-owned jewellery retail outlets in Singapore. Our Group's presence in Malaysia comprises five (5) outlets, consisting of four (4) pawnshops with pre-owned jewellery retail outlets and one (1) standalone pre-owned jewellery retail outlet, which are operated by our associated companies, Pajak Gadai Bintang, Kedai Emas Well Chip, Kedai Pajak Well Chip and Thye Shing Pawnshop.

Pawnbroking

Our main business is the provision of pawnbroking services. Pawnbroking is a form of collateralised micro-financing, and is a regulated and licensed activity under the Pawnbrokers Act. Our Group's pawnbroking business contributes to an average of approximately 72.6% of our gross profit during the Period Under Review.

Our pawnbroking customers are walk-in individuals. We typically accept value articles (such as gold ornaments, diamonds, precious stone jewellery and branded watches) as collaterals for the loans extended to our customers. We also accept gold, platinum or silver bars and coins.

Retail and trading of pre-owned jewellery and gold

We are also engaged in the retail and trading of pre-owned jewellery and gold. The retail and trading of pre-owned jewellery and gold contributed to an average of approximately 27.4% of our Group's gross profit during the Period Under Review.

We acquire pre-owned jewellery and gold from several sources as follows:

(i) we offer walk-in individuals the option of direct sale at (a) our retail outlets which are located within the premises of our pawnshops (under the operation of our subsidiary, ValueMax Retail), as well as (b) our standalone retail outlet (under the operation of our subsidiary, Spring Jewellery (SG)). Such items can then be reconditioned and re-sold as pre-owned jewellery;

(ii) we recondition unredeemed pledged articles (mainly jewellery and watches) from our subsidiaries operating the pawnbroking business so that they can be re-sold as pre-owned jewellery;

(iii) we also recondition selected gold jewellery purchased from our suppliers (such as other pawnshops, secondhand gold traders, jewellery retailers, goldsmiths and jewellery factories) for sale as pre-owned jewellery. Otherwise, the scrap gold is sold to refiners or melted into gold bars to be on-sold to jewellery factories and wholesalers; and

(iv) we also purchase fine gold bars from refiners and gold traders for our gold trading business.

Our customers of pre-owned jewellery are primarily walk-in individuals at our retail outlets while customers for our gold trading business comprise mainly jewellery retailers, factories and wholesalers as well as refiners.

Please refer to the sections entitled "General Information of Our Group – Business Overview" and "General Information of Our Group – Our Business Process" of this Prospectus for further details.

SIGNIFICANT FACTORS AFFECTING OUR RESULTS OF OPERATIONS

Revenue

Our revenue is driven by contributions from our two (2) business segments, namely (i) pawnbroking; and (ii) retail and trading of pre-owned jewellery and gold.

The breakdown of our revenue by business segments is set out below.

	Audited						Unaudited			
	FY2010		FY2011		FY2012		1Q2012		1Q2013	
	$'000	%	$'000	%	$'000	%	$'000	%	$'000	%
Pawnbroking	15,265	3.8	19,057	3.6	22,273	4.4	5,663	3.8	4,849	5.4
Retail and trading of pre-owned jewellery and gold	383,128	96.2	512,891	96.4	486,711	95.6	141,938	96.2	85,578	94.6
Total	**398,393**	**100.0**	**531,948**	**100.0**	**508,984**	**100.0**	**147,601**	**100.0**	**90,427**	**100.0**

Pawnbroking

Revenue from our pawnbroking business is derived mainly from interest income from providing collateral loan services. The pledge interest chargeable on the loan amount shall not exceed 1.5% per month presently, in accordance to the Pawnbrokers Act. Interest income is recognised on a time-proportion basis using the effective interest method.

Revenue from our pawnbroking business accounted for 3.8%, 3.6%, 4.4% and 5.4% of our revenue in FY2010, FY2011, FY2012 and 1Q2013 respectively.

Retail and trading of pre-owned jewellery and gold

Revenue from our retail and trading of pre-owned jewellery and gold business is recognised upon the transfer of significant risk and rewards of ownership of our products to the customers, usually upon the delivery to and acceptance of the goods by the customers, net of discounts, returns and applicable GST.

Revenue from our retail and trading of pre-owned jewellery and gold business accounted for 96.2%, 96.4%, 95.6% and 94.6% of our revenue in FY2010, FY2011, FY2012 and 1Q2013 respectively.

Our revenue is affected by, *inter alia*, the following key factors:

(a) Our ability to maintain the relevant licences, registrations, permits, approvals or exemptions necessary for our pawnbroking and retail and trading of pre-owned jewellery and gold businesses;

(b) Our ability to secure funding sources for our current operations and future expansion plans;

(c) The volatility of gold price;

(d) Our ability to remain competitive in the industry we operate in; and

(e) Changes in economic, political and social conditions of Singapore and policies adopted by the Singapore Government which could affect the pawnbroking and retail and trading of pre-owned jewellery and gold industries.

Cost of Sales

Our cost of sales comprises finance costs incurred in our pawnbroking business and acquisition costs incurred in our retail and trading of pre-owned jewellery and gold business.

The pawnbroking business requires substantial capital and we have been financing our operations mainly through a combination of shareholders' equity and loans, our net cash flows generated from operating activities and borrowings from financial institutions.

We acquire pre-owned jewellery from walk-in individuals who sell their personal articles to us at our retail outlets; and unredeemed pledged articles from our pawnshops. The value of such pre-owned jewellery is recorded at acquisition cost.

We purchase scrap gold from other pawnshops, secondhand gold traders, jewellery retailers, goldsmiths and jewellery factories. The value of the scrap gold is recorded at fair value.

Our cost of sales accounted for 95.2%, 95.4%, 94.9% and 93.0% of our revenue for FY2010, FY2011, FY2012 and 1Q2013 respectively and the breakdown by business segments is set out below.

	Audited						Unaudited			
	FY2010		FY2011		FY2012		1Q2012		1Q2013	
	$'000	%	$'000	%	$'000	%	$'000	%	$'000	%
Pawnbroking	1,569	0.4	1,986	0.4	1,894	0.4	533	0.4	397	0.5
Retail and trading of pre-owned jewellery and gold	377,731	99.6	505,528	99.6	481,309	99.6	139,656	99.6	83,663	99.5
Total	**379,300**	**100.0**	**507,514**	**100.0**	**483,203**	**100.0**	**140,189**	**100.0**	**84,060**	**100.0**

Our cost of sales are affected by, *inter alia*, the following key factors:

(a) Bank interest rates which impact on our cost of borrowing;

(b) Gold prices which affect the cost of acquisition of pre-owned jewellery and gold; and

(c) Our ability to acquire pre-owned jewellery and gold from our suppliers at competitive prices.

Gross Profit

Our gross profit margin was 4.8%, 4.6%, 5.1% and 7.0% for FY2010, FY2011, FY2012 and 1Q2013 respectively.

The breakdown of our gross profit and gross profit margin by business segments is set out below.

Gross profit	Audited						Unaudited			
	FY2010		FY2011		FY2012		1Q2012		1Q2013	
	$'000	%	$'000	%	$'000	%	$'000	%	$'000	%
Pawnbroking	13,696	71.7	17,071	69.9	20,379	79.0	5,130	69.2	4,452	69.9
Retail and trading of pre-owned jewellery and gold	5,397	28.3	7,363	30.1	5,402	21.0	2,282	30.8	1,915	30.1
Total	**19,093**	**100.0**	**24,434**	**100.0**	**25,781**	**100.0**	**7,412**	**100.0**	**6,367**	**100.0**

Gross profit margin	FY2010 %	FY2011 %	FY2012 %	1Q2012 %	1Q2013 %
Pawnbroking	89.7	89.6	91.5	90.6	91.8
Retail and trading of pre-owned jewellery and gold	1.4	1.4	1.1	1.6	2.2
Overall gross profit margin	**4.8**	**4.6**	**5.1**	**5.0**	**7.0**

Our overall gross profit was largely contributed by our pawnbroking business which yielded a significantly higher gross profit margin than the retail and trading of pre-owned jewellery and gold business. The gross profit margin from our pawnbroking business increased in FY2012 mainly due to lower utilisation of bank overdrafts which carried higher interest rates of between 2.31% and 5.75% per annum as compared with revolving credit facilities which carried interest rates of between 1.45% and 3.50% per annum.

Other Operating Income

Our other operating income comprises mainly rental income, interest income from loans to associated companies and related parties, workmanship income relating to reconditioning of jewellery, dividend income from investments, and management fee income from associated companies and related parties. Management fee income from associated companies and related parties is attributable to the provision of management services such as accounting, human resource and information technology services to the Group's associated companies and related parties. Please refer to the section entitled "Interested Person Transactions and Conflicts of Interests – Past Interested Person Transactions" of this Prospectus for more details.

The breakdown of our other operating income is set out below.

	Audited						Unaudited			
	FY2010		FY2011		FY2012		1Q2012		1Q2013	
	$'000	%	$'000	%	$'000	%	$'000	%	$'000	%
Rental income from leasehold property	148	11.4	163	16.3	265	21.3	39	12.4	99	17.1
Interest income on loans and receivables	211	16.2	88	8.8	175	14.1	8	2.5	104	18.0
Workmanship income	153	11.8	155	15.5	224	18.1	175	55.6	14	2.4
Dividend income from unquoted investments	106	8.1	106	10.6	76	6.1	–	–	–	–
Management fee income from director-related companies	559	43.0	418	41.9	416	33.5	77	24.4	96	16.6
Income from assignment of tenancy agreement to unrelated party	–	–	–	–	–	–	–	–	253	43.8
Others	123	9.5	69	6.9	86	6.9	16	5.1	12	2.1
Total	**1,300**	**100.0**	**999**	**100.0**	**1,242**	**100.0**	**315**	**100.0**	**578**	**100.0**

Marketing and Distribution Expenses

Our marketing and distribution expenses comprise mainly advertising and promotion expenses, packaging costs, licence fees, commission to agents and other expenses relating to reconditioning of jewellery.

Administrative Expenses

Our administrative expenses comprise mainly depreciation expenses, rental expenses, employee benefits expense and other administrative expenses.

Depreciation expenses were charged for property, plant and equipment. Property, plant and equipment were depreciated on a straight-line basis over their estimated useful lives.

Rental expenses relate mainly to leases of pawnshops and retail outlets for the purposes of our business operations.

Employee benefits expense comprises salaries and bonuses, CPF contributions and other personnel expenses. Employee benefits expense is mainly affected by the number of outlets we have within our Group.

Other administrative expenses comprise mainly insurance premium, legal and professional fees, printing and stationery, repair and maintenance fees and utilities.

The following table sets forth our administrative expenses in absolute terms and expressed as a percentage of total administrative expenses:

	Audited						Unaudited			
	FY2010		FY2011		FY2012		1Q2012		1Q2013	
	$'000	%	$'000	%	$'000	%	$'000	%	$'000	%
Depreciation expenses	223	3.7	282	3.5	322	3.3	69	3.7	88	3.5
Rental expenses	1,018	17.1	1,390	17.4	2,076	21.3	404	21.8	659	26.4
Employee benefits expense	3,929	66.1	5,131	64.3	6,105	62.5	1,136	61.4	1,414	56.5
Other administrative expenses	777	13.1	1,184	14.8	1,256	12.9	243	13.1	340	13.6
Total	**5,947**	**100.0**	**7,987**	**100.0**	**9,759**	**100.0**	**1,852**	**100.0**	**2,501**	**100.0**

Finance Costs

Finance costs consist mainly of interest expenses incurred on our bank overdrafts and loans from our related parties (including Directors and Shareholders).

Other Operating Expenses

Other operating expenses in FY2011 relate to the write-off of GST reclaimable which arose from GST calculated based on the selling price instead of the gross profit margin for goods sold under the Gross Margin Scheme. Other operating expenses in FY2012 and 1Q2013 relate to the allowance for doubtful trade receivables.

Share of Results of Associates

For the Period Under Review, share of results of associates comprises our share of profit from our 30.0% shareholding interest in Ban Soon Pawnshop and our 49.8% shareholding interest in Soon Hong Pawnshop. Pursuant to the Restructuring Exercise, our shareholding interest in Ban Soon Pawnshop and Soon Hong Pawnshop has increased to 50.5% and 50.0% respectively. Ban Soon Pawnshop is now a subsidiary of our Company, whilst Soon Hong Pawnshop remains an associated company of our Group.

Income Tax Expense

Our Company and Subsidiaries are incorporated in Singapore. The statutory corporate income tax rate was 17.0% for the Period Under Review.

Income tax expense for FY2010, FY2011, FY2012 and 1Q2013 comprises current income tax and deferred income tax. Current income tax is the expected tax payable on the taxable income for FY2010, FY2011, FY2012 and 1Q2013 using tax rates enacted or substantially enacted at the end of the respective reporting periods, and any adjustment to income tax payable in respect of previous financial years. Deferred taxation is provided on all timing differences arising from the tax bases of assets and liabilities and their carrying amounts in the financial statements.

Our income tax expense and the effective income tax rates are set out below.

	FY2010 $'000	FY2011 $'000	FY2012 $'000	1Q2012 $'000	1Q2013 $'000
Current income tax	1,795	2,431	2,030	493	227
Deferred income tax	22	13	4	–	(1)
Income tax expense	**1,817**	**2,444**	**2,034**	**493**	**227**
Effective tax rate (%)	12.1	14.0	12.0	8.2	6.0

The effective tax rates were lower than the statutory tax rates mainly due to effect of partial tax exemption and relief, overprovision of taxes in prior years, tax rebates and adjustment to share of results of associates (which is presented net of tax).

REVIEW OF RESULTS OF OPERATIONS

FY2010 vs FY2011

Revenue

Our revenue increased by $133.5 million or 33.5%, from $398.4 million in FY2010 to $531.9 million in FY2011. The increase in revenue was contributed by (i) an increase in revenue contribution of $3.8 million or 24.8% from our pawnbroking business; and (ii) an increase of $129.8 million or 33.9% from our retail and trading of pre-owned jewellery and gold business.

The increase in revenue from our pawnbroking business was due to an increase in the amount of pawn loans granted by our existing outlets, together with the full year contribution from three (3) outlets set up in FY2010 and the contribution from two (2) new outlets which opened in FY2011, expanding the number of outlets from 10 in FY2010 to 12 in FY2011.

The increase in revenue from our retail and trading of pre-owned jewellery and gold business was mainly due to (i) the setting up of ValueMax Retail in the second half of FY2010 which contributed to $13.8 million of the increase in revenue; and (ii) the increased gold trading activities mainly as a result of increasing gold prices in FY2011 which contributed to $116.7 million of the increase in revenue.

Cost of Sales

In line with the 33.5% increase in our revenue, our cost of sales increased by $128.2 million or 33.8%, from $379.3 million in FY2010 to $507.5 million in FY2011. The increase in cost of sales for each business segment was generally in line with the revenue increase for each respective business segment.

The increase in cost of sales was largely contributed by our retail and trading of pre-owned jewellery and gold business, which was in line with the 33.9% increase in revenue in the business segment.

Gross Profit and Gross Profit Margin

Our gross profit increased by $5.3 million or 28.0% from $19.1 million in FY2010 to $24.4 million in FY2011. Our gross profit margin decreased marginally from 4.8% in FY2010 to 4.6% in FY2011 due to a marginal decline in the gross profit margin from our pawnbroking business and the higher contribution to overall revenue from the retail and trading of pre-owned jewellery and gold business which carries a lower gross profit margin.

Other Operating Income

Other operating income decreased by $0.3 million or 23.2% from $1.3 million in FY2010 to $1.0 million in FY2011. This was mainly due to the decrease in interest income of $0.1 million, which resulted from a decrease in loans extended to our associated companies; and a decline in management fee income of $0.2 million as our related parties required fewer management support services from us in FY2011. Please refer to the section entitled "Interested Person Transactions and Conflicts of Interests – Past Interested Person Transactions" of this Prospectus for further details.

Marketing and Distribution Expenses

Our marketing and distribution expenses increased by $0.1 million or 81.9%, from $0.1 million in FY2010 to $0.2 million in FY2011. Such increase was mainly attributable to the increase in packaging costs of $0.1 million, which was in line with the increase in revenue.

Administrative Expenses

Our administrative expenses increased by $2.1 million or 34.3%, from $5.9 million in FY2010 to $8.0 million in FY2011. The increase was mainly due to (i) an increase in employee benefits expense of $1.2 million as a result of an increase in headcount from 101 in FY2010 to 132 in FY2011, and salary adjustments; (ii) an increase in rental expenses of $0.4 million as a result opening of new outlets; and (iii) an increase in other administrative expenses of $0.4 million which include insurance premiums and a one-off assignment fee paid for the transfer of lease for our corporate office. These increases in expenses were in line with our business expansion as reflected in the increase in the number of outlets and revenue growth in FY2011.

Finance Costs

Our finance costs increased by $0.2 million or 95.2%, from $0.2 million in FY2010 to $0.4 million in FY2011, as we increased our total interest-bearing loans and borrowings from financial institutions to fund our expansion in business operations as we opened two (2) new outlets in FY2011.

Other Operating Expenses

Other operating expenses of $0.3 million was only incurred in FY2011 which relate to the write-off of GST reclaimable.

Share of Results of Associates

Our share of the results of associated companies increased marginally from $0.8 million in FY2010 to $0.9 million in FY2011 due to increase in profits after tax of our associated companies.

Profit before Tax

Our profit before tax increased by $2.4 million or 16.5%, from $15.0 million in FY2010 to $17.4 million in FY2011, as a result of the increase in revenue and gross profit. This was partially offset by the net increase in operating expenses.

Income Tax Expense

Income tax expense increased by $0.6 million or 34.5%, from $1.8 million in FY2010 to $2.4 million in FY2011 as a result of the increase in profit before tax in FY2011. Effective tax rates for FY2010 and FY2011 were 12.1% and 14.0% respectively.

Profit for the Year

As a result of the foregoing, our profit after tax increased by $1.8 million or 14.0% from $13.2 million in FY2010 to $15.0 million in FY2011.

FY2011 vs FY2012

Revenue

Our revenue decreased by $23.0 million or 4.3%, from $531.9 million in FY2011 to $508.9 million in FY2012. The decrease in revenue was attributable to a decrease in revenue contribution of $26.2 million or 5.1% from our retail and trading of pre-owned jewellery and gold business, which was mainly due to declining gold prices towards the end of FY2012.

The decrease in revenue from our retail and trading of pre-owned jewellery and gold business was partially offset by the increase in revenue of $3.2 million or 16.9% from our pawnbroking business, as a result of an increase in the amount of pawn loans granted by our existing outlets, together with the full year contribution from two (2) outlets which were opened in FY2011 and the opening of two (2) more new outlets in FY2012.

Cost of Sales

On the back of the 4.3% decline in revenue, our cost of sales decreased by $24.3 million or 4.8% from $507.5 million in FY2011 to $483.2 million in FY2012, which was generally in line with the 5.1% decrease in revenue from our retail and trading of pre-owned jewellery and gold business.

Gross Profit and Gross Profit Margin

Our gross profit increased by $1.3 million or 5.5% from $24.4 million in FY2011 to $25.8 million in FY2012, while our gross profit margin improved from 4.6% in FY2011 to 5.1% in FY2012. This is mainly attributable to the increase in gross profit and gross profit margin from our pawnbroking business in FY2012. The gross profit margin from our pawnbroking business increased due to lower utilisation of bank overdraft facilities which carried higher interest rates of between 2.31% and 5.75% per annum compared with between 1.45% and 3.50% per annum for revolving credit facilities. This was partially offset by a marginal decline in the gross profit margin from our retail and trading of pre-owned jewellery and gold business.

Other Operating Income

Other operating income increased by $0.2 million or 24.3% from $1.0 million in FY2011 to $1.2 million in FY2012. The increase was mainly attributable to an increase of $0.1 million or 62.6% in our rental income from leasing our premises to a third-party tenant; and an increase in interest income of $0.1 million as a result of an increase in loans extended to our associated companies and related parties.

Marketing and Distribution Expenses

Our marketing and distribution expenses remained relatively stable at $0.2 million in FY2011 and FY2012.

Administrative Expenses

Our administrative expenses increased by $1.8 million or 22.2%, from $8.0 million in FY2011 to $9.8 million in FY2012. The increase was mainly due to (i) an increase in employee benefits expense of $1.0 million as a result of an increase in headcount from 132 in FY2011 to 146 in FY2012, and salary adjustments; and (ii) an increase in rental expenses of $0.7 million as a result of opening of new outlets. These increases in expenses were in line with our business expansion as reflected in the increase in the number of outlets and revenue growth in FY2012.

Finance Costs

Our finance costs decreased by approximately $51,000 or 14.0% from approximately $365,000 in FY2011 to approximately $314,000 in FY2012, due to a decrease in borrowings in FY2012 by our Company to finance the operations of the subsidiaries as the subsidiaries were able to obtain banking facilities directly to fund their operations and these borrowing costs have been reflected under cost of sales.

Other Operating Expenses

Our Group made an allowance for doubtful trade receivables of $0.7 million in FY2012 for potential losses arising from loss of interests and if the value of unredeemed pledged articles following auctions does not cover the value of the loans granted on these pledged articles. The $0.3 million of other operating expenses in FY2011 related to write-off of GST reclaimable.

Share of Results of Associates

Our share of the results of associated companies decreased marginally from $0.9 million in FY2011 to $0.8 million in FY2012 as the profits after tax in our associated companies declined in FY2012.

Profit before Tax

Our profit before tax decreased by $0.5 million or 3.1% from $17.4 million in FY2011 to $16.9 million in FY2012. The decrease is mainly due to the allowance for doubtful trade receivables of $0.7 million and the net increase in operating expenses which was partially offset by an increase in our gross profit.

Income Tax Expense

Income tax expense decreased by $0.4 million or 16.8%, from $2.4 million in FY2011 to $2.0 million in FY2012. The decrease is mainly due to the decrease in profit before tax in FY2012 and the corporate tax rebate announced in the 2013 Budget. Effective tax rates for FY2011 and FY2012 were 14.0% and 12.0% respectively.

Profit for the Year

As a result of the foregoing, our profit after tax decreased marginally by $0.1 million or 0.9% from $15.0 million in FY2011 to $14.9 million in FY2012.

1Q2012 vs 1Q2013

Revenue

Our revenue decreased by $57.2 million or 38.7%, from $147.6 million in 1Q2012 to $90.4 million in 1Q2013. The decrease in revenue was mainly attributable to a decrease in revenue contribution of $56.4 million or 39.7% from our retail and trading of pre-owned jewellery and gold business.

The decrease in revenue from our retail and trading of pre-owned jewellery and gold business was mainly due to the 41.6% or $56.9 million decrease in our gold trading activities as a result of the declining gold prices in 1Q2013 and the decrease in sales of gold bars. This was partially offset by the 9.6% or $0.5 million increase in revenue from our retail of pre-owned jewellery activities.

Revenue from our pawnbroking business also declined by $0.8 million or 14.4% despite a 4.1% increase in the number of loans granted in 1Q2013 compared with 1Q2012 as loan value granted during the period was lower on the back of a decline in gold prices which affected the value of the pledged articles for the loans.

Cost of Sales

As a result of the 38.7% decline in revenue, our cost of sales decreased by $56.1 million or 40.0% from $140.2 million in 1Q2012 to $84.1 million in 1Q2013, which was generally attributable to the 39.7% decrease in revenue from our retail and trading of pre-owned jewellery and gold business. Cost of sales for our pawnbroking business also declined by $0.1 million from $0.5 million in 1Q2012 to $0.4 million in 1Q2013.

Gross Profit and Gross Profit Margin

Our gross profit decreased by $1.0 million or 14.1% from $7.4 million in 1Q2012 to $6.4 million in 1Q2013, while our gross profit margin improved from 5.0% in 1Q2012 to 7.0% in 1Q2013. This is mainly attributable to the increase in gross profit margin from our pawnbroking business in 1Q2013. The gross profit margin from our pawnbroking business increased due to lower utilisation of bank overdrafts which typically carried higher interest rates of between 2.31% and 5.75% per annum compared to between 1.45% and 3.18% per annum for revolving credit facilities. Gross profit margin from our retail and trading of pre-owned jewellery and gold business also improved from 1.6% in 1Q2012 to 2.2% in 1Q2013 due to a higher proportion of retail sales to external parties in 1Q2013.

Other Operating Income

Other operating income increased by $0.3 million or 83.5% from $0.3 million in 1Q2012 to $0.6 million in 1Q2013. The increase was mainly attributable to a one-off income from an assignment of our tenancy agreement for the property at Block 27 Bendemeer Road #01-665 to an unrelated party of $0.3 million. We no longer require the use of this property as an office. There was also an increase in rental income and interest income of $0.1 million each which was offset by the decrease in workmanship income of $0.2 million.

Marketing and Distribution Expenses

Our marketing and distribution expenses remained relatively stable at approximately $54,000 and $52,000 in 1Q2012 and 1Q2013 respectively.

Administrative Expenses

Our administrative expenses increased by $0.6 million or 35.0%, from $1.9 million in 1Q2012 to $2.5 million in 1Q2013. The increase was mainly due to (i) an increase in employee benefits expense of $0.3 million as a result of an increase in headcount from 128 in 1Q2012 to 141 in 1Q2013, and salary adjustments; and (ii) an increase in rental expenses of $0.3 million as a result of an increase in the number of outlets in 1Q2013 compared with 1Q2012.

Finance Costs

Our finance costs decreased by approximately $54,000 or 64.3% from approximately $84,000 in 1Q2012 to approximately $30,000 in 1Q2013, due to a decrease in borrowings in 1Q2013 by our Company to finance the operations of the subsidiaries as the subsidiaries were able to obtain banking facilities directly to fund their operations and these borrowing costs have been reflected under cost of sales.

Other Operating Expenses

Our Group made an allowance for doubtful trade receivables of $0.7 million in 1Q2013 for potential losses arising from loss of interests and if the value of unredeemed pledged articles following auctions does not cover the value of the loans granted on these pledged articles. There was no such provision in 1Q2012.

Share of Results of Associates

Our share of the results of associated companies decreased from $0.3 million in 1Q2012 to $0.2 million in 1Q2013 as the profits after tax in our associated companies declined in 1Q2013.

Profit before Tax

Our profit before tax decreased by $2.2 million or 36.7%, from $6.0 million in 1Q2012 to $3.8 million in 1Q2013. The decrease is due mainly to the decline in gross profit of $1.0 million, the allowance for doubtful trade receivables of $0.7 million and the net increase in operating expenses.

Income Tax Expense

Income tax expense decreased by $0.3 million or 54.0%, from $0.5 million in 1Q2012 to $0.2 million in 1Q2013. The decrease is in line with the decrease in profit before tax in 1Q2013. Effective tax rates for 1Q2012 and 1Q2013 were 8.2% and 6.0% respectively.

Profit for the Year

As a result of the foregoing, our profit after tax decreased by $1.9 million or 35.2% from $5.5 million in 1Q2012 to $3.6 million in 1Q2013.

REVIEW OF FINANCIAL POSITION

FY2012

Non-current Assets

Non-current assets comprise property, plant and equipment, investment in associated companies and other investments. As at 31 December 2012, our non-current assets amounted to $6.4 million which represented 3.4% of our total assets. The net carrying value of our property, plant and equipment amounted to $2.5 million and accounted for 39.3% of our total non-current assets. Our property, plant and equipment comprise a leasehold property for our outlet operations in Bedok North, renovations, furniture and fittings as well as machinery, tools, office equipment and computers. Investment in our associated companies amounted to $3.5 million or 54.5% of our total non-current assets as at 31 December 2012. Other investments which comprise our investment in unquoted equities amounted to $0.4 million or 6.2% of our total non-current assets.

Current Assets

Current assets comprise inventories, trade and other receivables, prepaid operating expenses and cash and bank balances. As at 31 December 2012, our current assets amounted to $182.1 million, which accounted for 96.6% of our total assets.

The largest component of our current assets was trade and other receivables of $145.8 million, which accounted for 80.1% of our total current assets. Trade and other receivables comprise mainly loans extended to our pawnbroking customers, amount receivable from our gold trading business and amounts receivable from our associated companies and Director-related companies, which amounted to $128.1 million, $8.1 million and $8.3 million respectively.

Inventories of $32.4 million accounted for 17.8% of our total current assets as at 31 December 2012. Our inventories comprise mainly gold, pre-owned jewellery and branded timepieces for our retail and trading of pre-owned jewellery and gold business, which are kept in our retail outlets and head office. Prepaid operating expenses of $0.9 million include prepaid insurance premiums and pawnbroking licence fees, which accounted for 0.5% of our total current assets. Our cash and bank balances amounted to $3.1 million or 1.7% of our total current assets as at 31 December 2012.

Current Liabilities

Current liabilities comprise trade and other payables, other current liabilities, interest-bearing loans and borrowings and income tax payable. As at 31 December 2012, our current liabilities amounted to $114.4 million which accounted for 99.9% of our total liabilities.

The largest component of our current liabilities was interest-bearing loans and borrowings which stood at $90.8 million and accounted for 79.3% of our total current liabilities. These loans and borrowings relate mainly to bank overdrafts and revolving credit facilities due within the next financial year. Please refer to the section entitled "Capitalisation and Indebtedness" of this Prospectus for further details.

Trade and other payables amounted to $18.5 million and accounted for 16.2% of our total current liabilities as at 31 December 2012. Trade and other payables relate mainly to outstanding amounts arising from the settlement of the price of our trade arrangements with our refiners, purchases of pre-owned jewellery from Director-related companies and amounts due to Director-related companies. Please refer to the section entitled "Interested Person Transactions and Conflicts of Interests – Present and On-Going Interested Person Transactions" of this Prospectus for further details.

Other current liabilities, comprising mainly accrued operating expenses, amounted to $1.5 million and accounted for 1.4% of our total current liabilities as at 31 December 2012. Income tax payable stood at $3.6 million and accounted for 3.1% of our total current liabilities as at 31 December 2012.

Non-current Liabilities

Non-current liabilities comprise provisions, deferred tax liabilities, and interest-bearing loans and borrowings. As at 31 December 2012, our non-current liabilities amounted to approximately $80,000 which accounted for 0.1% of our total liabilities.

Equity

Equity comprises share capital, retained earnings, capital reserve and non-controlling interests. As at 31 December 2012, equity attributable to owners of the Company amounted to $72.3 million.

1Q2013

Non-current Assets

Non-current assets comprise property, plant and equipment, investment in associated companies and other investments. As at 31 March 2013, our non-current assets amounted to $6.6 million which represented 3.9% of our total assets.

The net carrying value of our property, plant and equipment amounted to $2.5 million and accounted for 37.7% of our total non-current assets. Our property, plant and equipment comprise a leasehold property for our outlet operations in Bedok North, renovations, furniture and fittings as well as machinery, tools, office equipment and computers. Investment in our associated companies amounted to $3.7 million or 56.2% of our total non-current assets as at 31 March 2013. Other investments which comprise our investment in unquoted equities amounted to $0.4 million or 6.1% of our total non-current assets.

Current Assets

Current assets comprise inventories, trade and other receivables, prepaid operating expenses and cash and bank balances. As at 31 March 2013, our current assets amounted to $161.8 million, which accounted for 96.1% of our total assets.

The largest component of our current assets was trade and other receivables of $127.9 million, which accounted for 79.1% of our total current assets. Trade and other receivables comprise mainly loans extended to our pawnbroking customers, amount receivable from our gold trading business and amounts receivable from our associated companies and Director-related companies, which amounted to $120.5 million, $0.9 million and $5.1 million respectively.

Inventories of $28.8 million accounted for 17.8% of our total current assets as at 31 March 2013. Our inventories comprise mainly gold, pre-owned jewellery and branded timepieces for our retail and trading of pre-owned jewellery and gold business, which are kept in our retail outlets and head office. Prepaid operating expenses of $0.6 million include prepaid insurance premiums and pawnbroking licence fees, which accounted for 0.4% of our total current assets. Our cash and bank balances amounted to $4.4 million or 2.7% of our total current assets as at 31 March 2013.

Current Liabilities

Current liabilities comprise trade and other payables, other current liabilities, interest-bearing loans and borrowings and income tax payable. As at 31 March 2013, our current liabilities amounted to $98.2 million which accounted for 99.9% of our total liabilities.

The largest component of our current liabilities was interest-bearing loans and borrowings which stood at $81.2 million and accounted for 82.7% of our total current liabilities. These loans and borrowings relate mainly to bank overdrafts and revolving credit facilities due within the next financial year. Please refer to the section entitled "Capitalisation and Indebtedness" of this Prospectus for further details.

Trade and other payables amounted to $13.2 million and accounted for 13.4% of our total current liabilities as at 31 March 2013. Trade and other payables relate mainly to outstanding amounts arising from the settlement of the price of our trade arrangements with our refiners, purchases of pre-owned jewellery from Director-related companies and amounts due to Director-related companies. Please refer to the section entitled "Interested Person Transactions and Conflicts of Interests – Present and On-Going Interested Person Transactions" of this Prospectus for further details.

Other current liabilities, comprising mainly accrued operating expenses, amounted to $0.4 million and accounted for 0.4% of our total current liabilities as at 31 March 2013. Income tax payable stood at $3.4 million and accounted for 3.5% of our total current liabilities as at 31 March 2013.

Non-current Liabilities

Non-current liabilities comprise provisions, deferred tax liabilities, and interest-bearing loans and borrowings. As at 31 March 2013, our non-current liabilities amounted to approximately $79,000 which accounted for 0.1% of our total liabilities.

Equity

Equity comprises share capital, retained earnings, capital reserve, merger reserve and non-controlling interests. As at 31 March 2013, equity attributable to owners of the Company amounted to $68.1 million. The lower equity attributable to owners of the Company compared to 31 December 2012 was due to an adjustment to equity attributable to owners of the Company of $7.6 million recorded in the merger reserve, which arose from the transfer of the gold trading and retail of pre-owned jewellery businesses of Yeah Capital and Dormant2 Jewellery respectively to our Group pursuant to the Business Transfer Agreements.

LIQUIDITY AND CAPITAL RESOURCES

We finance our business growth and operations through a combination of shareholders' equity (including retained earnings), net cash flows generated from our operating activities, borrowings from financial institutions and advances from our Directors and Shareholders.

The principal uses of cash are for our working capital requirements, such as payment of trade payables, financing of trade receivables balances and operating expenses, as well as for our capital expenditures and repayment of loans and borrowings.

Based on the unaudited combined statement of financial position as at 31 March 2013, our shareholders' equity amounted to $70.0 million and total interest-bearing loans and bank borrowings amounted to $81.9 million. Our gearing ratio (defined as the sum of indebtedness divided by shareholders' equity) was 1.2 times. Please refer to the section entitled "Capitalisation and Indebtedness" of this Prospectus for further information on our banking facilities.

As at 31 March 2013, our net current assets or working capital position amounted to $63.5 million and working capital ratio (defined as current assets divided by current liabilities) was 1.6 times.

As at 31 March 2013, we had cash and bank balances of approximately $4.4 million and available banking facilities of $130.2 million, of which $79.6 million were utilised. Further details of our banking facilities can be found in the section entitled "Capitalisation and Indebtedness" as well as Appendix A entitled "Audited Combined Financial Statements of ValueMax Group Limited and its Subsidiaries for the Financial Years Ended 31 December 2010, 2011 and 2012" and Appendix B entitled "Unaudited Interim Combined Financial Statements of ValueMax Group Limited and its Subsidiaries for the Three-Month Period Ended 31 March 2013" of this Prospectus.

As at the Latest Practicable Date, we had cash and bank balances of approximately $2.1 million and available banking facilities of $156.8 million, of which $87.7 million has been utilised.

Our Directors are of the opinion that, as at the Latest Practicable Date, after taking into account the cash flows generated from our operations, the available banking facilities and the existing cash and bank balances, our Group has adequate working capital to meet our present requirements and for 12 months from the date of listing of our Company on the Official List of SGX-ST.

Our Group is currently not in breach of any of the terms or conditions or covenants associated with any credit arrangements, loan agreements or debt issues which could materially affect our Group's financial position or results of operations.

We set out below a summary of our Group's net cash flows for FY2010, FY2011, FY2012 and 1Q2013:

	Audited			Unaudited		
	FY2010	FY2011	FY2012	Pro Forma FY2012	1Q2013	Pro Forma 1Q2013
Net cash flows (used in)/generated from operating activities	(24,118)	(20,952)	9,373	15,503	10,808	10,997
Net cash flows generated from/ (used in) investing activities	317	389	(226)	(96)	(29)	(32)
Net cash flows generated from/ (used in) financing activities	20,410	17,482	7,718	8,945	(1,676)	(1,299)
Net (decrease)/increase in cash and cash equivalents	(3,391)	(3,081)	16,865	24,352	9,103	9,666
Cash and cash equivalents at the beginning of year/period	(18,824)	(22,215)	(25,296)	(33,410)	(8,431)	(9,058)
Cash and cash equivalents at the end of year/period	(22,215)	(25,296)	(8,431)	(9,058)	672	608
Cash and cash equivalents comprise:						
Cash and bank balances	2,170	2,589	3,087	3,365	4,384	4,780
Bank overdrafts	(24,385)	(27,885)	(11,518)	(12,423)	(3,712)	(4,172)
Net cash (deficit)/surplus at end of year/period	(22,215)	(25,296)	(8,431)	(9,058)	672	608

The collaterised loans extended by our Group in our pawnbroking business are classified as trade and other receivables which constitute part of our Group's working capital cash flows under operating activities while the corresponding source of funds for such collaterised loans, namely advances from our Directors and Shareholders and bank borrowings (excluding bank overdrafts), are classified as cash flows under financing activities in accordance with the disclosure requirements of FRS 7.

In view of such accounting treatment, negative operating cash flows would generally result from higher external funding requirements to support increased business activities. This is evident from our Group's negative operating cash flow position of $24.1 million and $21.0 million in FY2010 and FY2011 respectively. Positive operating cash flows of $9.4 million and $10.8 million were recorded in FY2012 and 1Q2013 respectively mainly due to the decrease in trade and other receivables by $4.1 million and $17.1 million in FY2012 and 1Q2013 respectively as a result of a decrease in the loans extended to customers by our Group in FY2012 and 1Q2013 as compared to an increase in the trade and other receivables of $22.5 million and $37.9 million in FY2010 and FY2011 respectively.

As our pawnbroking business is working capital intensive, the amount of banking facilities (including bank overdrafts) utilised by our Group has increased in line with the expansion of our business activities. As a result, we recorded a net cash deficit position of $22.2 million, $25.3 million and $8.4 million as at 31 December 2010, 31 December 2011 and 31 December 2012 respectively. Our Group recorded a net cash surplus position of $0.7 million as at 31 March 2013 due mainly to (i) the decrease in the loans extended to customers by the Group which led to an overall decrease in the utilisation of banking facilities; and (ii) the higher proportion of utilisation of revolving credit (which typically carries lower interest rate) vis-a-vis bank overdrafts.

FOR ILLUSTRATIVE PURPOSES, had the advances from our Directors and Shareholders and bank borrowings (including bank overdrafts) been classified as part of the working capital cash flow instead of as financing cash flow, we would have recorded positive operating cash flows of $0.5 million, $0.3 million, $0.9 million and $1.3 million in FY2010, FY2011, FY2012 and 1Q2013 respectively as set out below:

	Audited			Unaudited		
	FY2010	FY2011	FY2012	Pro Forma FY2012	1Q2013	Pro Forma 1Q2013
Net cash flows (used in)/ generated from operating activities	(24,118)	(20,952)	9,373	15,503	10,808	11,374
Adjusted for:						
Advances from/ (repayments to) Directors and Shareholders	2,260	7,023	(21,798)	(21,797)	–	377
Increase/(decrease) in loans and borrowings	18,150	10,750	29,666	31,090	(1,670)	(1,670)
Increase/(decrease) in bank overdrafts	4,256	3,500	(16,367)	(23,737)	(7,806)	(8,250)
Adjusted net cash flows generated from operating activities	**548**	**321**	**874**	**1,059**	**1,332**	**1,831**

FY2010

Cash flows from operating activities

In FY2010, our net cash used in operating activities amounted to $24.1 million. This comprised operating cash flows before changes in working capital of $15.9 million, and adjusted by net working capital outflows of $37.4 million. In FY2010, we received interest income of approximately $211,000 and paid interest of $1.8 million and income tax of $1.1 million.

The net working capital outflows were mainly the result of the following:

(1) an increase in inventories of $8.6 million;

(2) an increase in trade and other receivables of $22.6 million; and

(3) a decrease in trade and other payables of $7.2 million.

The above working capital outflows were offset by the following cash inflows:

(1) a decrease in prepaid operating expenses of approximately $202,000; and

(2) an increase in other liabilities of approximately $826,000.

The increase in inventories was mainly due to the setting up of ValueMax Retail in the second half of FY2010. The increase in trade and other receivables was mainly due to increases in loans extended to our pawnbroking customers and receivables from our gold trading business. The decrease in trade and other payables was mainly due the decrease in trade payables relating to outstanding amount arising from the settlement of our currency and/or gold position.

Cash flows from investing activities

In FY2010, our net cash generated from investing activities amounted to approximately $317,000. This was mainly attributable to the dividend income received from our associated companies and other investments of approximately $735,000. This was partially offset by the purchase of machinery, tools, office equipment and computers, furniture and fittings and renovations of approximately $418,000 mainly for the opening of three (3) new outlets in FY2010.

Cash flows from financing activities

In FY2010, our net cash generated from financing activities amounted to $20.4 million, which was due to proceeds from revolving credit facilities of $18.1 million and proceeds from loans from related parties (including Directors and Shareholders) of $2.3 million.

As a result of the above, there was a net decrease of $3.4 million in our cash and cash equivalents, from a net cash deficit position of $18.8 million as at 1 January 2010 to a net cash deficit position of $22.2 million as at 31 December 2010.

FY2011

Cash flows from operating activities

In FY2011, our net cash used in operating activities amounted to $21.0 million. This comprised operating cash flows before changes in working capital of $18.3 million, and adjusted by net working capital outflows of $35.5 million. In FY2011, we paid interest of $2.4 million and income tax of $1.4 million.

The net working capital outflows were mainly the result of the following:

(1) an increase in inventories of $9.2 million; and

(2) an increase in trade and other receivables of $37.9 million.

The above working capital outflows were offset by the following cash inflows:

(1) a decrease in prepaid operating expenses of approximately $46,000;

(2) an increase in trade and other payables of $11.5 million; and

(3) an increase in other liabilities of approximately $73,000.

The increase in inventories was mainly due to the expansion of our retail of pre-owned jewellery business in FY2011. The increase in trade and other receivables was mainly due to increases in loans extended to our pawnbroking customers and receivables from our gold trading business. The increase in trade and other payables was mainly due to increases in trade payables relating to outstanding amounts arising from settlement of our currency and/or gold position of $3.1 million and other payables of $8.4 million comprising mainly amounts due to Director-related companies. The amounts due to Director-related companies comprise payables arising from purchases of pre-owned jewellery and rental, and advances from these companies. Please refer to the section entitled "Interested Person Transactions and Conflicts of Interests" of this Prospectus for more details on the amounts due to Director-related companies.

Cash flows from investing activities

In FY2011, our net cash generated from investing activities amounted to approximately $389,000. This was mainly attributable to the dividend income received from our associated companies and other investments of approximately $804,000. This was partially offset by the purchase of machinery, tools, office equipment and computers, furniture and fittings and renovations of approximately $415,000 mainly for the opening of two (2) new outlets in FY2011.

Cash flows from financing activities

In FY2011, our net cash generated from financing activities amounted to $17.5 million, which was due to proceeds from revolving credit facilities of $10.8 million and proceeds from loans from related parties (including Directors and Shareholders) of $7.0 million. This was partially offset by dividends paid to non-controlling interests of approximately $151,000.

As a result of the above, there was a net decrease of $3.1 million in our cash and cash equivalents, from a net cash deficit position of $22.2 million as at 1 January 2011 to a net cash deficit position of $25.3 million as at 31 December 2011.

FY2012

Cash flows from operating activities

In FY2012, our net cash generated from operating activities amounted to $9.4 million. This comprised operating cash flows before changes in working capital of $18.7 million, and adjusted by net working capital outflows of $5.2 million. In FY2012, we received interest income of approximately $175,000 and paid interest of $2.2 million and income tax of $2.0 million.

The net working capital outflows were mainly the result of the following:

(1) an increase in inventories of $5.4 million;

(2) an increase in prepaid operating expenses of approximately $750,000; and

(3) a decrease in trade and other payables of $3.4 million.

The above working capital outflows were offset by the following cash inflows:

(1) a decrease in trade and other receivables of $4.1 million; and

(2) an increase in other liabilities of approximately $269,000.

The increase in inventories was mainly due to the acquisition of the stock of Dormant Jewellery and Big M Jewellery Pte. Ltd. in late 2012. The decrease in trade and other receivables was mainly due to a decrease in loans extended to our pawnbroking customers. The decrease in trade and other payables was mainly due to a decrease in amounts due to Director-related companies and other payables such as surplus from auction sales due to our pawnbroking customers. Please refer to the section entitled "Interested Person Transactions and Conflicts of Interests" of this Prospectus for more details on the amounts due to Director-related companies. Please refer to the section entitled "General Information of Our Group – Our Business Process – Auction sales of unredeemed pledged articles" for more details on how surplus from auction sales are payable to our customers.

Cash flows from investing activities

In FY2012, our net cash used in investing activities amounted to approximately $226,000. This was mainly attributable to the acquisition of additional interest in an associated company of approximately $248,000 and the purchase of machinery, tools, office equipment and computers, furniture and fittings and renovations of approximately $522,000 mainly for the opening of two (2) new outlets in FY2012. This was partially offset by the dividend income received from our associated companies and other investments of approximately $544,000.

Cash flows from financing activities

In FY2012, our net cash generated from financing activities amounted to $7.7 million, which was due to proceeds from revolving credit facilities of $29.7 million which was partially offset by the repayment of loans to related parties (including Directors and Shareholders) of $21.8 million and dividends paid to non-controlling interests of approximately $149,000.

As a result of the above, there was a net increase of $16.9 million in our cash and cash equivalents, from a net cash deficit position of $25.3 million as at 1 January 2012 to a net cash deficit position of $8.4 million as at 31 December 2012.

1Q2013

Cash flows from operating activities

In 1Q2013, our net cash generated from operating activities amounted to $10.8 million. This comprised operating cash flows before changes in working capital of $4.4 million, and adjusted by net working capital inflows of $6.7 million. In 1Q2013, we received interest income of approximately $104,000 and paid interest of approximately $30,000 and income tax of approximately $364,000.

The net working capital inflows were mainly the result of the following:

(1) a decrease in inventories of $3.4 million;

(2) a decrease in prepaid operating expenses of approximately $256,000; and

(3) a decrease in trade and other receivables of $17.1 million.

The above working capital inflows were offset by the following cash outflows:

(1) a decrease in trade and other payables of $13.0 million; and

(2) a decrease in other liabilities of approximately $1.1 million.

The decrease in inventories was mainly due to the decrease in stock holding by our gold trading business due to the decline in gold prices. The decrease in trade and other receivables was mainly due to a decrease in loans extended to our pawnbroking customers. The decrease in trade and other payables was mainly due a decrease in amounts due to Director-related companies and other payables such as surplus from auction sales due to our pawnbroking customers.

Cash flows from investing activities

In 1Q2013, our net cash used in investing activities amounted to approximately $29,000. This was attributable to the purchase of machinery, tools, office equipment and computers.

Cash flows from financing activities

In 1Q2013, our net cash used in financing activities amounted to $1.7 million, which was due to the repayment of revolving credit facilities.

As a result of the above, there was a net increase of $9.1 million in our cash and cash equivalents, from a net cash deficit position of $8.4 million as at 1 January 2013 to a net cash surplus position of approximately $672,000 as at 31 March 2013.

MATERIAL CAPITAL EXPENDITURES, DIVESTMENTS AND COMMITMENTS

The following table sets forth the material expenditures of capital investments made by our Group for FY2010, FY2011, FY2012 and 1Q2013 and for the period from 1 April 2013 to the Latest Practicable Date:

($'000)	FY2010	FY2011	FY2012	1Q2013	1 April 2013 up to the Latest Practicable Date
Expenditures					
Machinery, tools, office equipment and computers	224	161	266	25	80
Furniture and fittings	36	23	117	2	5
Renovations	158	231	175	2	19
Total expenditure	**418**	**415**	**558**	**29**	**104**

There were no divestments during the Period Under Review and for the period from 1 April 2013 to the Latest Practicable Date. The above capital expenditures were financed by internally generated funds and a finance lease.

CAPITAL COMMITMENTS

As at the Latest Practicable Date, we do not have any commitment for material capital expenditure.

OPERATING LEASE COMMITMENTS

As at 31 March 2013 and the Latest Practicable Date, we have non-cancellable operating lease commitments for rental payable as follows:

($'000)	As at 31 March 2013	As at the Latest Practicable Date
Not later than one (1) year	2,076	2,733
Later than one (1) year but not later than five (5) years	2,502	3,594
	4,578	6,327

Our non-cancellable operating lease commitments for rental payable relate to the leased premises as disclosed under the section entitled "General Information of Our Group – Properties and Fixed Assets" of this Prospectus.

We intend to finance the above non-cancellable operating lease commitments by using internally generated funds.

As at 31 March 2013 and the Latest Practicable Date, we have operating lease commitments for rental receivable as follows:

($'000)	As at 31 March 2013	As at the Latest Practicable Date
Not later than one (1) year	385	303
Later than one (1) year but not later than five (5) years	186	92
	571	395

FOREIGN EXCHANGE EXPOSURE

Our reporting currency is in S$ and our operations are primarily carried out in Singapore.

Through our gold trading business, we have gold and US$ positions with refiners and gold traders. To the extent that we have not hedged our gold positions (quoted in US$) against our US$ positions, we will be exposed to adverse fluctuations of US$ against the S$, which would adversely affect our earnings.

Our foreign exchange gain for the Period Under Review are as follows:

($'000)	FY2010	FY2011	FY2012	1Q2013
Net foreign exchange gain	–	2	–	–
Unrealised foreign exchange gain	136	913	316	49
Unrealised foreign exchange gain as a percentage of profit before tax	0.9%	5.2%	1.9%	1.3%

INFLATION

Inflation did not have a material impact on our performance over the Period Under Review.

CHANGES TO ACCOUNTING POLICIES

There has not been any change in our accounting policies during the Period Under Review. Please refer to the "Audited Combined Financial Statements of ValueMax Group Limited and its Subsidiaries for the Financial Years Ended 31 December 2010, 2011 and 2012" and the "Unaudited Interim Combined Financial Statements of ValueMax Group Limited and its Subsidiaries for the Three-Month Period Ended 31 March 2013" as set out in Appendices A and B of this Prospectus respectively for details on our Group's accounting policies.

PROSPECTS

The following discussions about our prospects and trends include forward-looking statements that involve risk and uncertainties. Actual results could differ materially from those that may be projected in these forward-looking statements. Please also refer to the section entitled "Cautionary Note Regarding Forward-Looking Statements" of this Prospectus.

Moving forward, barring unforeseen circumstances, our Directors believe that the outlook for our business is expected to remain stable, due to the following factors[1]:

Population growth in Singapore and Malaysia

Singapore's population (comprising Singapore residents and non-residents) has been increasing at a steady rate over the past 10 years, from 4.0 million in 2000 to 5.3 million in 2012[2]. In particular, Singapore's resident population aged between 25 years and 64 years, which most of our customers are from, is estimated to have increased from approximately 1.9 million[3] in 2000 to approximately 2.3 million in June 2013[4]. In addition, Malaysia's population is also projected to increase by 10.0 million from 28.6 million in 2010 to 38.6 million in 2040[5].

We believe the growth in the population in Singapore and Malaysia provides potential for the growth of our business. In particular, growth in the population in Singapore aged between 25 years and 64 years over the past 10 years bodes well for our business operations as our customers generally fall within this population age group.

Growth in the pawnbroking industry and growing acceptance of pawnbroking

The number of pawnbrokers in Singapore has increased in the last two (2) years from 175 pawnbrokers in 2011 to 200 pawnbrokers as at 1 September 2013[6].

The number of pledged articles received and amount of loans disbursed by pawnshops in Singapore have increased from 2007 to 2012[7].

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(1) The information in this section is obtained from the respective sources as set out in the notes below. Each of the Department of Statistics, Department of Statistics Malaysia, Insolvency and Public Trustee's Office and Inland Revenue Authority of Singapore has not consented to the inclusion of the information set out in this section of this Prospectus for the purposes of section 249 of the SFA and is therefore not liable for the relevant information under sections 253 and 254 of the SFA. While our Directors have taken reasonable action to ensure that the information above has been reproduced in their proper form and context and that such information is extracted accurately and fairly from the sources set out above, none of the Issue Manager, Underwriter and Placement Agent or our Company or their respective officers, agents, employees and advisors have conducted an independent review of the contents or independently verified the accuracy thereof.

(2) Statistics obtained from a report issued in September 2013 entitled "Monthly Digest of Statistics Singapore September 2013" published on the website of the Department of Statistics (http://www.singstat.gov.sg/publications/publications_and_papers/reference/monthly_digest/mdssep13.pdf).

(3) Statistics obtained from a publication "Census of Population 2000 Statistical Release 1: Demographic Characteristics" published on the website of the Department of Statistics (http://www.singstat.gov.sg/publications/publications_and_papers/cop2000/cop2000r1.html).

(4) Statistics obtained from a report issued in September 2013 entitled "Monthly Digest of Statistics Singapore September 2013" published on the website of the Department of Statistics (http://www.singstat.gov.sg/publications/publications_and_papers/reference/monthly_digest/mdssep13.pdf).

(5) Statistics obtained from a report updated on 18 January 2013 entitled "Population Projection, Malaysia 2010 – 2040" published on the website of the Department of Statistics Malaysia (http://www.statistics.gov.my/portal/images/stories/files/LatestReleases/population/Ringkasan_Penemuan-Summary_Findings_2010-2040.pdf).

(6) Statistics obtained from a report issued in 2013 entitled "No. of Pawnbrokers For Last 5 Years (up to 01 September 2013)" published on the website of the Insolvency and Public Trustee's Office (www.ipto.gov.sg).

(7) Statistics obtained from a report entitled "Yearbook of Statistics Singapore 2013" issued by the Department of Statistics, Ministry of Trade & Industry, Republic of Singapore, published on the website of the Department of Statistics (http://www.singstat.gov.sg/publications/publications_and_papers/reference/yearbook_2013/yos2013.pdf).

We believe that the rising trend in the number of pledged articles and loans disbursed in the pawnbroking reflects an increased acceptance of pawnbroking as a convenient and viable mode of obtaining short-term financing. As such, our Company believes that this will boost the number of potential customers for our pawnbroking business and there is potential for growth in the pawnbroking business.

Our Group provides pawnbroking services to consumers in an efficient, secure and customer-centric facility to meet their financial needs. We aim to provide customers with professional and reliable pawnbroking services.

Growth in the retail and trading of pre-owned jewellery

To the best of our Directors' knowledge and belief, there are no public statistics available for the retail and trading of pre-owned jewellery.

We believe that pre-owned jewellery are growing in popularity amongst consumers, and our retail and trading of pre-owned jewellery business will continue to grow in line with the expansion of the number of retail of pre-owned jewellery outlets.

Regulatory changes favourable for our businesses

With the Singapore Government's intention to develop a new gold refining and trading cluster in Singapore and the corresponding introduction of the GST exemption for investment-grade gold and precious metals in the Singapore Budget 2012[8], we believe that certain segments of the population may begin to accumulate gold bars to hedge against inflation. Our Company believes that any increase in the demand for gold may have a positive impact on our retail and trading of pre-owned jewellery and gold business. Some of these investment-grade gold bars may eventually enter the pawnbroking industry as pledged articles for loans.

TREND INFORMATION

For FY2013, our Directors have observed the following trends:

(1) We expect our overall revenue to decrease. Our revenue is affected by the price of gold. Accordingly, as gold price has been decreasing, we expect the revenue from our gold trading business to decrease. Similarly, the revenue from our pawnbroking business is also expected to decrease albeit to a lesser extent. Such decrease in pawnbroking revenue is expected to be partially offset by revenue contribution from any new pawnshops we open. Revenue generated from our retail of pre-owned jewellery business is expected to increase on the back of increased sales volume as well as revenue contribution from new retail outlets we open.

(2) We expect our overall cost of sales to decrease. Cost of sales for our gold trading and pawnbroking businesses are expected to decrease in line with the decline in revenue. As and when we increase the number of our pre-owned jewellery retail outlets, the cost of sales for our retail of pre-owned jewellery business will increase correspondingly with the increase in sales volume.

(3) We expect our overall gross profit margin to increase due to the expected increased proportion of revenue contribution from our pawnbroking and retail of pre-owned jewellery businesses which generally have a higher profit margin as compared to our gold trading business. The gross profit margin for our pawnbroking business is expected to remain stable while that for our retail of pre-owned jewellery business is likely to increase slightly.

(4) We expect our operating expenses to increase due mainly to (i) the increase in employee benefits as a result of higher headcount and increments in salaries as we expand our businesses; (ii) the increase in rental expenses as we renew our existing leases and/or set up new pawnshops and retail outlets; (iii) the Service Agreements with our Executive Directors (further details of which are set out in the section entitled "Directors, Management and Staff — Service Agreements" of this Prospectus); and (iv) professional fees and expenses in relation to the Invitation and the costs of maintaining a listing on the SGX-ST.

(8) Fifth Issue of the GST Bulletin issued in December 2012 by the Inland Revenue Authority of Singapore, published on the website of the Inland Revenue Authority of Singapore (http://www.iras.gov.sg/irasHome/uploadedFiles/GST/GSTBulletin_Issue5.pdf)

In view of the abovementioned, our Directors are of the view that our financial performance for FY2013 may not be at the level of FY2012. Save as disclosed above and in the sections entitled "Risk Factors", "Management's Discussion and Analysis of Results of Operations and Financial Position" and "Prospects, Business Strategies and Future Plans" of this Prospectus and barring any unforeseen circumstances, our Directors believe that there are no other significant recent known trends in our revenue, costs and prices of our products, or any other known uncertainties, demands, commitments or events that are reasonably likely to have a material effect on our revenue, profitability, liquidity and capital resources. They are also not aware of any such trends that would cause the financial information disclosed in this Prospectus to be not necessarily indicative of our future operating results or financial position. Please also refer to the section entitled "Cautionary Note Regarding Forward-Looking Statements" of this Prospectus.

ORDER BOOK

We do not have an order book for our pawnbroking business as our customers are walk-in individuals who pledge articles with our pawnshops.

Similarly, we do not have an order book for our retail and trading of pre-owned jewellery and gold business since most of our pre-owned jewellery is sold through our retail outlets and our gold trading is based on the international spot price for gold.

BUSINESS STRATEGIES AND FUTURE PLANS

We intend to implement the following business strategies and future plans:

Expand our business operations

We plan to increase our presence in Singapore by setting up new pawnshops and pre-owned jewellery retail outlets as well as through acquisitions of businesses.

We intend to utilise $39.8 million from the proceeds of the Invitation for the expansion plans set out below.

Acquisition of businesses in Singapore and through our associated companies in Malaysia

We plan to expand our network of pawnshops and pre-owned jewellery retail outlets by the acquisition of businesses in Singapore as and when the opportunities arise.

We are also intending to expand in Malaysia when our associated companies in Malaysia acquire other pawnshops as and when such opportunities arise. Such acquisition will be in accordance with the requirements of the applicable laws and regulations. We may also increase our investments in our Malaysia associated companies or enter into joint venture agreements or investment agreements with other Malaysia companies to expand our presence in Malaysia, in accordance with the applicable laws and regulations. As at the Latest Practicable Date, we have not entered into any definitive agreements for any such joint ventures investments or acquisitions.

Setting up of new pawnshops and pre-owned jewellery retail outlets in Singapore and other countries, as well as through our associated companies in Malaysia

We plan to expand in Singapore through setting up new pawnshops and pre-owned jewellery retail outlets. In deciding the location of our new outlets, we will analyse the demographics, competition and potential business volume of the particular site. We have entered into a lease agreement for a pawnshop and retail outlet at 96 Serangoon Road that we intend to commence operations by the end of 2013. We intend to use our bank borrowings and internally generated resources to fund the set up of our pawnshop and retail outlet at 96 Serangoon Road.

In Malaysia, we plan to increase the number of pawnshops and pre-owned jewellery retail outlets through the expansion of our Malaysia associated companies. As at the Latest Practicable Date, our Malaysia associated companies have four (4) pawnshops with pre-owned jewellery retail outlets and one (1) standalone pre-owned jewellery retail outlet in Malaysia. Our associated company, Kedai Emas Well Chip, has entered into a lease agreement for a pawnshop and retail outlet at Taman Universiti, Johor, Malaysia.

In addition, we are exploring opportunities to expand our operations to other countries by setting up new pawnshops and pre-owned jewellery retail outlets there, or through joint ventures, as and when such opportunities arise.

Establishment of a flagship store comprising a pawnshop and a pre-owned jewellery retail outlet

We plan to set up a flagship store in the second half of 2014, comprising a pawnshop and a pre-owned jewellery retail outlet in a central location in Singapore. As at the Latest Practicable Date, we are actively exploring suitable locations for this flagship store but have not secured any lease for this store. This flagship store, which will be our Group's largest store, will target different segments of our customer market, including high net worth individuals who own articles with pledge values of above $50,000. These high net worth individuals may be customers of both our pawnbroking and retail of pre-owned jewellery businesses. We have observed an increase in high value articles pledged and pre-owned jewellery purchased by high net worth customers in recent years. As part of our plans to target high net worth individuals, we will also carry items of higher value and provide personalised services to such high net worth individuals in the privacy of VIP rooms.

Further development of our retail of pre-owned jewellery brand, "Spring Jewellery"

We plan to further develop our retail of pre-owned jewellery brand, "Spring Jewellery". We believe that there is a potential for growth in the retail of pre-owned jewellery business as pre-owned jewellery is gradually gaining popularity among customers. We intend to open new pre-owned jewellery retail outlets under the "Spring Jewellery" brand. As at the Latest Practicable Date, we have not identified any specific locations for the opening of such outlets.

Strengthen our core competitive advantages

We intend to fund the plans below through our internal resources.

Achieve a higher degree of integration of our businesses

We plan to better integrate our pawnbroking as well as retail and trading of pre-owned jewellery businesses. In this regard, customers may be offered incentives or discounts to use all the services we provide at our outlets. For example, our pawnbroking customers may be offered preferential prices on their purchases of pre-owned jewellery items from our outlets. We also plan to further leverage our businesses of pawnbroking as well as retail and trading of pre-owned jewellery and gold by improving on our process of identifying suitable jewellery items acquired through these sources for reconditioning, in order to provide a wider range of pre-owned jewellery items to our customers through our pre-owned jewellery retail outlets.

Increase our branding and marketing activities

We believe that a key factor in the future growth of our business is our ability to communicate our core strengths effectively and promote brand loyalty. We will focus on our various competitive strengths, details of which are set out in the section entitled "General Information of Our Group – Competitive Strengths" of this Prospectus in our marketing campaigns, so as to distinguish ourselves from our competitors. We intend to strengthen our "ValueMax" positioning to associate our brand with our long history and experience, as well as to increase brand recognition and recall. Our marketing efforts, through various channels, will highlight our brand image and our core competencies of expertise and experience in the industries we operate in.

SHARE CAPITAL

Our Company was incorporated in Singapore on 7 August 2003 under the Companies Act as a private company limited by shares, under the name of "Fang Yuan Holdings Pte. Ltd.". We changed our name to "ValueMax Group Pte. Ltd." on 7 April 2004.

As at the date of incorporation, the issued and paid-up share capital of our Company was $2.00 comprising two (2) Shares.

Upon completion of the Restructuring Exercise, our issued and paid-up share capital was subsequently increased to $10,159,485, comprising 6,084,584 Shares.

On 16 October 2013, our Company converted into a public limited company and changed our name to "ValueMax Group Limited".

At the extraordinary general meeting held on 11 October 2013, our Shareholders approved, *inter alia*, the following:

(a) the sub-division of every one (1) Share in the capital of our Company into 65 Shares;

(b) the conversion of our Company into a public company limited by shares and the consequential change of name to "ValueMax Group Limited";

(c) the adoption of a new set of Memorandum and Articles of Association;

(d) the issue of the New Shares pursuant to the Invitation, which when allotted, issued and fully paid, will rank *pari passu* in all respects with our existing issued Shares;

(e) that authority be given to our Directors, pursuant to section 161 of the Companies Act, to:

(i) (aa) issue Shares whether by way of rights, bonus or otherwise; and/or

(bb) make or grant offers, agreements or options (collectively, "**Instruments**") that might or would require Shares to be issued during the continuance of this authority or thereafter, including but not limited to the creation and issue of (as well as adjustments to) warrants, debentures or other instruments convertible into Shares,

at any time and upon such terms and conditions and for such purposes and to such persons as our Directors may, in their absolute discretion, deem fit; and

(ii) issue Shares in pursuance of any Instruments made or granted by our Directors while such authority was in force (notwithstanding that such issue of Shares pursuant to the Instruments may occur after the expiration of the authority contained in this resolution),

provided that:

(iii) the aggregate number of Shares issued pursuant to such authority (including the Shares to be issued in pursuance of Instruments made or granted pursuant to such authority), does not exceed 50.0% of the Post-Invitation Issued Share Capital, and provided further that where Shareholders with registered addresses in Singapore are not given the opportunity to participate in the same on a pro-rata basis ("**non pro-rata basis**"), then the Shares to be issued under such circumstances (including the Shares to be issued in pursuance of Instruments made or granted pursuant to such authority) shall not exceed 20.0% of the Post-Invitation Issued Share Capital; and

(iv) (unless revoked or varied by our Company in general meeting) the authority so conferred shall continue in force until the conclusion of the next annual general meeting of our Company or the date by which the next annual general meeting of our Company is required by law to be held, whichever is the earlier.

For the purposes of this resolution, the "**Post-Invitation Issued Share Capital**" shall mean the total number of issued Shares of our Company (excluding treasury shares) immediately after this Invitation, after adjusting for: (i) new Shares arising from the conversion or exercise of any convertible securities; (ii) new Shares arising from exercising share options or vesting of share awards outstanding or subsisting at the time such authority is given, provided the options or awards were granted in compliance with the Listing Manual; and (iii) any subsequent bonus issue, consolidation or sub-division of Shares. Upon full utilisation of the authority granted to Directors, the Company will seek specific approval from Shareholders for any further issues of Shares or Instruments; and

(f) the adoption of the ValueMax Performance Share Plan, the rules of which are set out in Appendix H of this Prospectus and that our Directors be authorised to grant Awards in accordance with the provisions of the ValueMax Performance Share Plan and to allot and issue such number of Award Shares as may be required to be issued pursuant to the ValueMax Performance Share Plan.

As at the date of this Prospectus, our Company has only one (1) class of shares, being ordinary shares. Our Company currently does not have dual class shares. The rights and privileges of our Shares are stated in our Articles of Association. Save for the Award Shares, there is no founder, management, deferred or unissued shares reserved for issuance for any purpose. There are no Shares that are held by or on behalf of our Company or by any of our Subsidiaries. Please refer to the sections entitled "Description of Ordinary Shares" and "Summary of Selected Articles of Association of our Company" as set out in Appendices F and G of this Prospectus respectively for more details on our Shares.

Details of the changes in the issued and paid-up share capital of our Company pursuant to the Restructuring Exercise and this Invitation are as follows:

	Number of Shares	Issued and Paid-up Share Capital ($)
Issued and paid-up share capital as at incorporation	2	2
Issued and paid-up share capital as at 1 January 2013	5,742,085	5,742,085
Issue of Shares pursuant to the Restructuring Exercise	342,499	4,417,400
	6,084,584	10,159,485
After Sub-division	395,497,960	10,159,485
Issue of New Shares pursuant to the Invitation	138,000,000	68,168,000 (1)
Post-Invitation issued and paid-up share capital	533,497,960	78,327,485 (1)

Note:

(1) This amount assumes the setting-off against share capital estimated expenses incurred in connection with the Invitation of approximately $2.2 million and excludes estimated expenses incurred in connection with the Invitation of approximately $1.9 million to be charged directly to the combined statement of comprehensive income.

SIGNIFICANT CHANGES IN PERCENTAGE OF OWNERSHIP

The significant changes in the percentage of ownership of Shares in our Company held by our Directors (including our Managing Director and CEO) and Substantial Shareholders in the past three (3) years prior to the Latest Practicable Date are set out in the tables below:

	As at 1 January 2013		After transfer of Shares by the Yeah Family to Yeah Holdings on 14 June 2013		After completion of Restructuring Exercise and Sub-division	
	No. of Shares	As a percentage of total Shares (%)	No. of Shares	As a percentage of total Shares (%)	No. of Shares	As a percentage of total Shares (%)
Directors						
Yeah Hiang Nam	2,493,868	43.4	611,200	10.6	39,728,000	10.0
Yeah Lee Ching	373,173	6.5	–	–	–	–
Yeah Chia Kai, Steven	75,313	1.3	–	–	–	–
Phua Tin How	–	–	–	–	–	–
Lim Tong Lee	–	–	–	–	–	–
Lim Hwee Hai	–	–	–	–	–	–
Substantial shareholders (other than Directors)						
Tan Hong Yee	2,493,868	43.4	611,200	10.6	39,728,000	10.0
Yeah Holdings	–	–	4,519,685	78.7	316,041,960	80.0

Save as disclosed below and set out in the section entitled "General Information of Our Group – Restructuring Exercise" of this Prospectus, there were no significant changes in the issued and paid-up share capital of our Company and subsidiaries within the three (3) years preceding the Latest Practicable Date.

Date of issue	Number of shares issued	Consideration ($)	Purpose of issue	Resultant issued share capital ($)
16 September 2013	53,344	688,000	Restructuring pursuant to the Share Purchase Agreement	6,430,085
16 September 2013	289,155	3,729,400	Restructuring pursuant to the Malaysian Share Restructuring Agreements	10,159,485

Date of issue	Number of shares issued	Consideration ($)	Purpose of issue	Resultant issued share capital ($)
Our Subsidiaries				
ValueMax Retail				
19 October 2010	99,998	99,998	Investment by Yeah Hiang Nam and our Company	100,000
ValueMax Pawnshop (WL)				
10 June 2011	1,000,000	1,000,000	Capitalisation from retained profits	3,000,000
ValueMax Corporate Services				
14 September 2011	2	2.00	Subscriber shares	2.00
ValueMax Pawnshop (JP)				
20 October 2011	1,000,000	1,000,000	Investment by our Company	3,000,000
26 January 2012	1,000,000	1,000,000	Investment by our Company	4,000,000
ValueMax Pawnshop (SG)				
19 October 2010	1,000,000	1,000,000	Investment by our Company	4,000,000
19 August 2011	1,000,000	1,000,000	Investment by our Company	5,000,000
ValueMax Pawnshop (BK)				
22 March 2011	1,999,998	1,999,998	Investment by our Company	2,000,000
ValueMax Pawnshop				
4 May 2012	1,000,000	1,000,000	Investment by our Company	3,000,000
ValueMax Precious Metals				
2 November 2012	2	2.00	Subscriber shares	2.00
28 June 2013	999,998	999,998	Investment by our Company	1,000,000
Spring Jewellery (SG)				
2 November 2012	2	2.00	Subscriber shares	2.00
28 June 2013	99,998	99,998	Investment by our Company	100,000

SHAREHOLDERS

Our Directors and Shareholders and their respective equity interests in our Company immediately before and after the Invitation are set out below:

	Before the Invitation				After the Invitation			
	Direct Interest		Deemed interest		Direct interest		Deemed interest	
	No. of Shares	%	No. of Shares	%	No. of Shares	%	No. of Shares	%
Directors								
Phua Tin How	–	–	–	–	–	–	–	–
Yeah Hiang Nam[(1)]	39,728,000	10.0	355,769,960	90.0	39,728,000	7.4	355,769,960	66.7
Yeah Lee Ching	–	–	–	–	–	–	–	–
Yeah Chia Kai, Steven	–	–	–	–	–	–	–	–
Lim Tong Lee	–	–	–	–	–	–	–	–
Lim Hwee Hai	–	–	–	–	–	–	–	–
Substantial Shareholders								
Tan Hong Yee[(1)]	39,728,000	10.0	316,041,960	80.0	39,728,000	7.4	316,041,960	59.3
Yeah Holdings[(1)]	316,041,960	80.0	–	–	316,041,960	59.3	–	–
Public Shareholders	–	–	–	–	138,000,000	25.9	–	–
Total	395,497,960	100.0			533,497,960	100.0		

Note:

(1) Yeah Holdings, incorporated in Singapore, is an investment holding company. Its shareholders are Yeah Hiang Nam (35.0%), Yeah Lee Ching (10.0%), Yeah Chia Kai, Steven (10.0%), Yeah Chia Wei (10.0%) and Tan Hong Yee (35.0%). Yeah Hiang Nam and Tan Hong Yee are deemed interested in the Shares held by Yeah Holdings. Yeah Hiang Nam is also deemed interested in the Shares held by his spouse, Tan Hong Yee.

Save as disclosed in the sections entitled "General Information of Our Group – Restructuring Exercise" and "Share Capital and Shareholders" of this Prospectus, there has been no change in the percentage of ownership of Shares by our Directors and Substantial Shareholders in the past three (3) years prior to the Latest Practicable Date.

The Shares held by our Directors and Substantial Shareholders do not carry different voting rights from the New Shares.

Our Directors are not aware of any arrangement, the operation of which may, at a subsequent date, result in a change in control of our Company.

Save as disclosed in this Prospectus, our Company is not directly or indirectly owned or controlled, whether severally or jointly by any person or government.

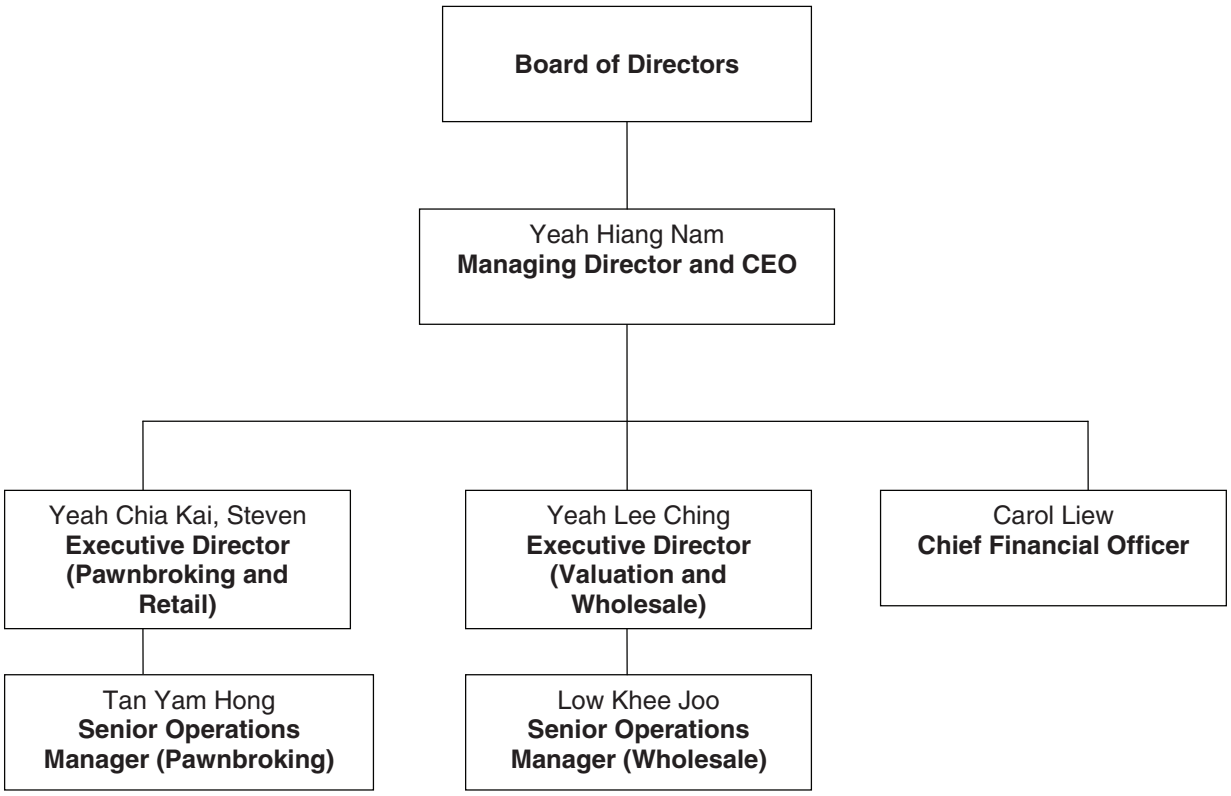
MORATORIUM

To demonstrate their commitment to our Group, all our existing controlling Shareholders, namely Yeah Holdings, Yeah Hiang Nam and Tan Hong Yee, who in aggregate hold 395,497,960 Shares in our Company representing approximately 74.1% of our Company's enlarged issued and paid-up share capital after the Invitation, have each undertaken that, for a period of six (6) months commencing from the date of admission of our Company to the Official List of the SGX-ST, each will not offer, pledge, sell, contract to sell, sell any option or contract to purchase, grant any option, right or warrant to purchase, lend, enter into any contract that will directly or indirectly constitute or will be deemed as a disposal of, hypothecate or encumber or otherwise transfer or dispose of, directly or indirectly, any part of their interests in our Company.

Yeah Hiang Nam, Yeah Lee Ching, Yeah Chia Kai, Steven, Yeah Chia Wei and Tan Hong Yee, who directly own an aggregate of 100.0% of the issued and paid-up share capital of Yeah Holdings, have each undertaken that for a period of six (6) months commencing from the date of admission of our Company to the Official List of the SGX-ST, he will not offer, pledge, sell, contract to sell, sell any option or contract to purchase, grant any option, right or warrant to purchase, lend, enter into any contract that will directly or indirectly constitute or will be deemed as a disposal of, hypothecate or encumber or otherwise transfer or dispose of, directly or indirectly, any part of his interests in Yeah Holdings.

MANAGEMENT REPORTING STRUCTURE

Our management reporting structure as at the date of lodgement of this Prospectus is as follows:



DIRECTORS

Our board of Directors is entrusted with the responsibility for the overall management of our Company. The particulars of our Directors as at the date of lodgement of this Prospectus are as follows:

Name	Age	Principal Occupation
Phua Tin How	63	Non-Executive Chairman and Independent Director
Yeah Hiang Nam	65	Managing Director and CEO
Yeah Lee Ching	41	Executive Director (Valuation and Wholesale)
Yeah Chia Kai, Steven	34	Executive Director (Pawnbroking and Retail)
Lim Tong Lee	45	Independent Director
Lim Hwee Hai	63	Independent Director

The correspondence address for all our Directors is 213 Bedok North Street 1 #01-121 Singapore 460213.

Information on the business and working experience, education and professional qualifications, if any, and areas of responsibilities of each of our Directors are set out below:

Phua Tin How is our Non-Executive Chairman and Independent Director. He was appointed to the Board of our Company on 27 September 2013.

Prior to leaving the public service in 1994, Phua Tin How held several senior appointments, including serving as Principal Private Secretary to the Deputy Prime Minister and later, the President of Singapore.

From 1994 to 2003, Phua Tin How was concurrently the group president of DelGro Corporation Ltd, and the president and chief executive officer of SBS Transit Limited. Thereafter, from 2003 to 2004, he joined Straco Corporation Limited, a company listed on the Main Board of the SGX-ST in the leisure and tourism industry, as group president, where he was responsible for the management of the business of the company. From 2004 to 2008, Phua Tin How was the president and chief executive officer of TranSil Corporation Pte Ltd and he remains a non-executive director of TranSil Corporation Pte Ltd to date. Phua Tin How is currently also an independent director of L.C. Development Ltd and YHI International Limited, companies listed on the Main Board of the SGX-ST. He was also the independent director of Rotol Singapore Limited from 2008 to 2012.

Phua Tin How holds a Master of Business Administration from INSEAD, France in 1981 and a Bachelor of Science (Honours) from the University of Singapore in 1971.

Yeah Hiang Nam is our Managing Director and CEO. He was appointed to the Board of our Company on 7 August 2003 and is responsible for the overall strategic, management and business development of our Group.

Yeah Hiang Nam has more than 40 years of experience dealing with gold and jewellery, since he started working in a goldsmith shop in the late 1960s, and has more than 20 years of experience in the pawnbroking industry. In 1979, he set up Golden Goldsmith to supply gold jewellery locally and for export overseas. He later ventured into jewellery retailing and gold dealing. In 1988, he made his first foray in the pawnshop industry by starting Ban Soon Pawnshop together with other business partners. In 1999, he established the first of our Group's subsidiaries, ValueMax Pawnshop (BD). Since then, he has been instrumental in the development and growth of our Group and our various business segments. Under the management and leadership of Yeah Hiang Nam, the Group has built up its business and reputation over the years, and has become an active player within the pawnbroking and pre-owned jewellery industries.

Yeah Hiang Nam won the Top Entrepreneur for the Entrepreneur of the Year Award awarded jointly by the Rotary Club of Singapore and the Association of Small and Medium Enterprises in 2010.

Yeah Lee Ching is our Executive Director (Valuation and Wholesale). She was appointed to the Board of our Company on 12 April 2013 and is responsible for business planning, and overseeing the valuation and gold trading aspects of our operations, as well as the corporate communications matters of our Group.

Yeah Lee Ching has more than 15 years of experience in the jewellery and gemstones industry, having been the general manager of Golden Success Jewellery Pte. Ltd., a manufacturer of fine jewellery from 1995 to 1997, and 1999 to 2000; and the marketing and communications manager (Asia Pacific) of Signity Management Pte. Ltd. (now rebranded as Swarovski-Gems) from 2000 to 2004.

Yeah Lee Ching started her career with our Group as our marketing manager in 2004 and was later designated as operations director in 2009. She was instrumental in establishing the "ValueMax" brand name and contributed to our receipt of the Singapore Prestige Brand Award – Established Brands, which was conferred to us in recognition of our outstanding achievement in branding, as well the Enterprise 50 Award in 2010.

Yeah Lee Ching has been a Graduate Gemologist from the Gemological Institute of America since 1995. She was the recipient of the G.F. Kunz award for being the best gem identifier in her graduating class. She was conferred a Master of Business Administration from the National University of Singapore in 1999, where she also completed a global project coordination course conducted jointly with Stanford University in 1998. She is also currently the Secretary of the Singapore Pawnbrokers' Association and the Assistant Treasurer of the Enterprise 50 Association.

Yeah Chia Kai, Steven is our Executive Director (Pawnbroking and Retail). He was appointed to the Board of our Company on 27 September 2013 and is responsible for overseeing the pawnbroking and retail aspects of our operations.

Yeah Chia Kai, Steven joined our Company as an operations and information technology executive from 2004, before assuming the role of operations manager in 2007 and general manager in 2009, when he was overseeing the human resource, information technology and business processes of our Group.

Yeah Chia Kai, Steven also founded Mischief Studios Pte. Ltd., a software development company, and served as its executive producer from 2006 to 2007.

Yeah Chia Kai, Steven graduated from Curtin University of Technology with a Bachelor of Commerce – Marketing in 2003 and was later conferred a dual Master of Business Administration from Columbia University and London Business School in 2012. He also holds a diploma of certified diamond grader by the HRD Antwerp Institute of Gemmology in 2013 and holds a foundation certificate in gemmology from the Gemmological Association of Great Britain, in 2013.

Lim Tong Lee is our Independent Director. He was appointed to the Board of our Company on 27 September 2013.

Lim Tong Lee started his career in Ernst & Young LLP, Kuala Lumpur in 1990, before joining AmInvestment Bank Berhad's corporate finance department as an officer in 1995. In 1997, he joined Penas Realty Sdn Bhd, a private property development group in Malaysia as general manager of corporate finance before rejoining AmInvestment Bank Berhad in 1999 as manager of corporate finance. From 2007 to 2012, Lim Tong Lee was the director and head of corporate finance of AmFraser Securities Pte Ltd, where he was responsible for overseeing the corporate finance activities of AmInvestment Bank Berhad in Singapore. From January 2013 to September 2013, Lim Tong Lee was the chief investment officer of AmWater Investments Management Pte Ltd (a member of AmInvestment Bank Berhad), a private equity and fund management company.

Lim Tong Lee is a Fellow Chartered and Certified Accountant of the United Kingdom Association of Chartered and Certified Accountants, a certified public accountant of the Malaysian Institute of Certified Public Accountants and a chartered accountant of the Malaysian Institute of Accountants. He is also an independent director of LBS Bina Group Berhad, a company listed on Bursa Malaysia.

Lim Hwee Hai is our Independent Director. He was appointed to the Board of our Company on 27 September 2013.

Lim Hwee Hai started his career in DBS Bank Ltd as a senior officer (credit) in 1976, before joining Banque Nationale de Paris as an assistant manager in 1980. In 1982, he co-founded SiS International Holdings Ltd., a company listed on the Hong Kong Stock Exchange, involved in the investment and distribution of intellectual technology products. He is currently an executive director of SiS International Holdings Ltd and is responsible for its operations in Malaysia and Thailand. Lim Hwee Hai is also a non-executive director of SiS Distribution (Thailand) PCL, a company listed on the Thai Stock Exchange.

Lim Hwee Hai graduated from the Nanyang University of Singapore with a Bachelor of Commerce (First Class Honours) in 1973 and was later conferred a Master of Business Administration by the National University of Singapore in 1999.

Pursuant to Rule 210(5)(a) of the Listing Manual, Phua Tin How has prior experience as a director of public listed companies in Singapore and is familiar with the roles and responsibilities of a director of a public listed company in Singapore. Yeah Hiang Nam, Yeah Lee Ching, Yeah Chia Kai, Steven, Lim Tong Lee and Lim Hwee Hai do not have prior experience as directors of public listed companies in Singapore but have undertaken relevant training in Singapore to familiarise themselves with the rules and responsibilities of a director of a public listed company in Singapore.

Yeah Hiang Nam is the spouse of our Controlling Shareholder, Tan Hong Yee. Yeah Hiang Nam and Tan Hong Yee are the parents of Yeah Lee Ching and Yeah Chia Kai, Steven.

Save as disclosed above, none of our Directors, Executive Officers and Substantial Shareholders is related to one another by blood or marriage.

None of our Independent Directors sits on the board of any of our principal subsidiaries. Each of the Independent Directors confirms that they are able to devote sufficient time to discharge their duties as independent director of our Company.

The list of present and past directorships of each Director over the last five (5) years preceding the date of this Prospectus excluding those held in our Company is set out below:

Name	Present Directorships	Past Directorships
Phua Tin How	Group companies or entities None	Group companies or entities None
	Other companies or entities Beijing Yinjian Industry Co. Ltd. L.C. Development Ltd YHI International Limited Hao Hua Holdings Pte Ltd TranSil Corporation Pte Ltd Qi Sheng Pte Ltd Shanghai QiAi Driver's Training Co., Ltd LED System Technology Pte Ltd	Other companies or entities Rotol Singapore Ltd Rotol Projects Pte Ltd Rotol Singapore Ltd Jiaxing Factory Singapore-Hunan Investments Pte Ltd

Name	Present Directorships	Past Directorships
Yeah Hiang Nam	Group companies or entities Ban Lian Pawnshop Ban Seng Pawnshop Ban Soon Pawnshop ValueMax Pawnshop (EL) ValueMax Pawnshop (PR) Soon Hong Pawnshop ValueMax Pawnshop (BD) Spring Jewellery (SG) ValueMax Pawnshop (BK) ValueMax Pawnshop (CCK) ValueMax Pawnshop (JP) ValueMax Pawnshop (SG) ValueMax Pawnshop (WL) ValueMax Group ValueMax International ValueMax Management ValueMax Pawnshop ValueMax Precious Metals ValueMax Retail VMM Holdings	Group companies or entities None
	Other companies or entities Affinity Circle Sdn Bhd[1] Ban Soon Retail Services Pte. Ltd.[2] Great Prompt Goldjew Sunrise Megacity Sdn Bhd[6] Yeah Capital[7] Yeah Investment Pte. Ltd.[7] Yeah Properties[7] VM Credit Pte. Ltd. Yeah Holdings *Partnership* Golden Goldsmith	Other companies or entities Golden Success Jewellery Pte. Ltd.[8] Megacity Contractors Sdn Bhd[9] Shinegold Jewellery Sdn Bhd[10] Sunrise Mahamas Sdn Bhd[10] ValueMax Jewelry & Loan, Inc.[10] Big M Jewellery Pte. Ltd.[3] Sheng Cheong Pawnshop Pte. Ltd. Soonli Jewellery Pte. Ltd.[4] Dormant2 Jewellery[5]
Yeah Lee Ching	Group companies or entities ValueMax Pawnshop (EL) ValueMax Pawnshop (BD) ValueMax Pawnshop (PR) ValueMax Pawnshop (CCK) ValueMax Pawnshop (JP) ValueMax Pawnshop (SG) ValueMax Pawnshop (WL) ValueMax Corporate Services ValueMax Management ValueMax International ValueMax Group ValueMax Pawnshop ValueMax Precious Metals ValueMax Retail Spring Jewellery (SG)	Group companies or entities None
	Other companies or entities Ingenio Pte. Ltd.[11]	Other companies or entities Golden Success Jewellery Pte. Ltd.[8] Big M Jewellery Pte. Ltd.[3] Soonli Jewellery Pte. Ltd.[4] Dormant2 Jewellery[5] Dormant Jewellery[12]

Name	Present Directorships	Past Directorships
Yeah Chia Kai, Steven	Group companies or entities ValueMax Corporate Services ValueMax Pawnshop (PR) ValueMax Pawnshop (BD) ValueMax Pawnshop (EL) VMM Holdings	Group companies or entities ValueMax International
	Other companies or entities None	Other companies or entities None
Lim Tong Lee	Group companies or entities None	Group companies or entities None
	Other companies or entities Altitude Capital Sdn Bhd Altitude Capital (Asia) Sdn Bhd Goldhill Villa Sdn Bhd LBS Bina Group Berhad Melody Boulevard Sdn Bhd Metalearth Sdn Bhd Old Friends Restaurant Sdn Bhd	Other companies or entities None
Lim Hwee Hai	Group companies or entities None	Group companies or entities None
	Other companies or entities Singapore Thong Chai Medical Institution SiS Realty Pte Ltd SiS Asia Pte Ltd Qool Labs Pte. Ltd. Havoq Research Pte. Ltd. SiS Technologies (Thailand) Pte. Ltd. I-Ink Holdings Pte. Ltd. Oriental Holdings Pte. Ltd. SiS Lanka Pte. Ltd. SiS Capital (Bangladesh) Pte. Ltd. SiS Assets Pte. Ltd. SiS Inn Pte. Ltd. SiS International Holdings Limited Computer Zone Limited Ever Wealthy Ltd Faith Prosper Ltd Gain Best Ltd Gold Kite Ltd Information Technology Consultants Ltd Maxima Technology Ltd. New Yorkshire Ltd. Qool Bangladesh Ltd Qool Distribution (M) Sdn Bhd Qool Distribution (Thailand) Co Ltd Qool International Ltd QR Capital Ltd SiS Capital Lanka (Pvt) Ltd SiS Capital Ltd SiS China Limited SiS Distribution (Thailand) PCL SiS Distribution Limited SiS HK Ltd SiS Nippon Pte Ltd	Other companies or entities SiS Technologies Pte Ltd Challenge Communications Asia Pte Ltd Inchone Pte. Ltd. Cambridge Business School Pte. Ltd. WCU Regional Pte. Ltd. SiS Distribution (M) Sdn Bhd Tallgrass Technologies Sdn Bhd SiS Network Sdn Bhd Inke (Beijing) Imaging & Computer Supplies Co Ltd

Name	Present Directorships	Past Directorships
	Other companies or entities SiS Investment Holdings Limited SiS Netrepreneur Ventures Corp SiS Prestige Holdings (Pvt) Ltd SiS TechVentures Corp. SiS Venture Co Ltd Sun Well Ltd Synergy Technologies (Asia) Ltd UC Capital Ltd W-Data Technologies Ltd Gold Sceptre Limited Kelderman Limited Summertown Limited Swan River Limited Valley Tiger Limited (BVI)	Other companies or entities

Notes:

(1) Affinity Circle Sdn Bhd was a property development company. It is now dormant since the sale of its remaining properties in 2012 and steps will be taken to wind up the company.

(2) Ban Soon Retail Services Pte. Ltd. is currently in the process of a voluntary winding up.

(3) Big M Jewellery Pte. Ltd. is a dormant company after ceasing operations in November 2012 and steps are being taken to voluntarily wind up the company. The inventory of Big M Jewellery has been sold to our Group based on the market value at the time of sale, as determined by our Group taking into consideration the prevailing gold price.

(4) Soonli Jewellery Pte. Ltd. is a dormant company after ceasing operations in November 2012 and steps are being taken to voluntarily wind up the company. The inventory of Soonli Jewellery has been sold to our Group based on the market value at the time of sale, as determined by our Group taking into consideration the prevailing gold price.

(5) Dormant2 Jewellery is a dormant company after ceasing operations in Februrary 2013 and steps are being taken to voluntarily wind up the company. The retail of pre-owned jewellery business of Dormant2 Jewellery has been transferred to our Group pursuant to the Business Transfer Agreements. Please refer to the section entitled "General Information of Our Group – Our History" of this Prospectus for more details.

(6) Sunrise Megacity Sdn Bhd was a property development company. It is now dormant after its property development project completed in October 2012, save for its obligations under the defect liability period which will end in December 2013. Upon expiry of the defect liability period, steps will be taken to voluntarily wind up the company.

(7) Yeah Capital, Yeah Investment Pte. Ltd. and Yeah Properties are property investment companies.

(8) Golden Success Jewellery Pte. Ltd. has since been divested by Yeah Hiang Nam, Tan Hong Yee and Yeah Lee Ching, who were its shareholders, to an unrelated third party.

(9) Megacity Contractors Sdn Bhd was a construction company acting as a main contractor. It is now dormant after completion of its property development project in August 2011. Further to the expiry of the defect liability period in August 2013, steps will be taken to voluntarily wind up the company.

(10) Shinegold Jewellery Sdn Bhd, Sunrise Mahamas Sdn Bhd and ValueMax Jewelry & Loan Inc. have been dissolved.

(11) Yeah Lee Ching is a non-executive director of Ingenio Pte. Ltd. Ingenio Pte. Ltd. is a company engaged in the business of education and owned by her spouse.

(12) Dormant Jewellery is a dormant company after ceasing operations in November 2012 and steps are being taken to voluntarily wind up the company. The inventory of Dormant Jewellery has been sold to our Group based on the market value at the time of sale, as determined by our Group taking into consideration the prevailing gold price.

EXECUTIVE OFFICERS

Our Directors are assisted by a team of experienced and qualified Executive Officers who are responsible for the various functions of our Company. The particulars of our Executive Officers as at the date of this Prospectus are as follows:

Name	Age	Position in our Company
Carol Liew	45	Chief Financial Officer
Tan Yam Hong	41	Senior Operations Manager (Pawnbroking)
Low Khee Joo	62	Senior Operations Manager (Wholesale)

The correspondence address for all our Executive Officers is 213 Bedok North Street 1 #01-121 Singapore 460213.

Information on the business and working experience, education and professional qualifications, if any, and areas of responsibilities of each of our Executive Officers are set out below:

Carol Liew is our Chief Financial Officer. She is in charge of overseeing all accounting and finance functions of our Group.

Carol Liew started her career with Cooper & Lybrand's (now known as PricewaterhouseCoopers) audit division in 1993. She was later a manager at PricewaterhouseCoopers Corporate Finance Pte Ltd from 1999 to 2003 when she advised clients on matters relating to capital markets, mergers and acquisitions, corporate and debt restructuring, independent financial advisory as well as business valuation projects. She was the vice president (finance and administration) of Straco Corporation Ltd from 2003 to 2004, a company involved in tourism development and operation, where she was responsible for the setting up of the group financial reporting structure and the monitoring and analysis of the group's financial performance. From 2004 to 2008 and from 2009 to 2011, Carol Liew was the chief financial officer of TranSil Corporation Pte Ltd and Rotol Singapore Limited respectively. In these two (2) companies, she was responsible for the treasury and financial functions of the group. In 2011, she joined SEF Group Ltd as associate director for corporate development, prior to joining our Group as our Chief Financial Officer in September 2012.

She graduated with a Bachelor of Commerce from The University of Western Australia in 1993 and later obtained a Certificate in Singapore Law and Tax Management from Nanyang Technological University in 2009. Carol has also been a Certified Practicing Accountant (Australia) since 2003 and a CFA® charterholder since 2006.

Tan Yam Hong is our Senior Operations Manager (Pawnbroking). He is responsible for assisting our Executive Directors in managing our pawnshops and pre-owned jewellery retail outlets as well as ensuring that our employees are provided with adequate valuation and sales training.

Tan Yam Hong has approximately 20 years of experience in the jewellery industry and approximately 5 years of experience in the pawnbroking industry. He started his career in Golden Beauty Jewellery Pte. Ltd. (now known as Yeah Capital and which business has now been transferred to ValueMax Precious Metals) from 1992 to 1996 where he was involved in the sales and marketing of jewellery. From 1996 to 1998, he was working with Gold Deluxe Trading, where he was involved in the designing, manufacturing and marketing of gold jewellery. Gold Deluxe Trading has since been deregistered. He was later the sole proprietor of Progold Trading from 1998 to 2012, a company in the business of the wholesale of gold and jewellery which ceased operations in 2008 and terminated in 2012. He joined our Group in 2008 as a trainee appraiser and was later promoted to branch manager of ValueMax Pawnshop (SG) in 2010.

Tan Yam Hong holds a diploma of certified diamond grader by the HRD Antwerp Institute of Gemmology in 2013. He was also part of the team to champion and promote productivity within our Group. He is also currently involved in the streamlining of our operations to increase efficiency in our business processes.

Low Khee Joo is our Senior Operations Manager (Wholesale). He is responsible for assisting our Executive Directors in overseeing the gold trading business, and supervises the monitoring and covering of our outstanding gold positions in the international gold market, and the day-to-day operations of our gold trading business.

Low Khee Joo has more than 20 years of experience in the sale and purchase of bullion. From 1985 to 1993, he was working with OCBC Bank, dealing in bullion and futures. He was responsible for providing market information and movement on prices to customers and taking positions on behalf of the bank. He was also responsible for ordering and purchasing physical gold bars from producers in Australia, London and Switzerland. Prior to joining our Group, Low Khee Joo was a freelance trader from 1993 to 2008, assisting his clients in executing deals on their behalf as well as monitoring and managing their funds and outstanding positions with the bank. Low Khee Joo joined Yeah Capital in 2009 as a senior dealer, responsible for monitoring and covering the gold positions taken by Yeah Capital in its day-to-day operations. Pursuant to the Business Transfer Agreements, the gold trading business of Yeah Capital was transferred to our Group and Low Khee Joo continues to be employed within our Group.

Low Khee Joo has completed a course on supervisory management organised by the Singapore Institute of Management in 1977, and later obtained a certificate of recognition in a futures trading test held by The Institute of Banking and Finance in 1987.

Save as disclosed below, none of our Executive Officers has any present or past directorships over the last five (5) years preceding the date of this Prospectus excluding those held in our Company:

Name	**Present Directorships**	**Past Directorships**
Carol Liew	Group companies or entities None	Group companies or entities None
	Other companies or entities None	Other companies or entities None
Tan Yam Hong	Group companies or entities None	Group companies or entities None
	Other companies or entities None	Other companies or entities *Sole proprietor* Progold Trading (*terminated*)
Low Khee Joo	Group companies or entities None	Group companies or entities None
	Other companies or entities None	Other companies or entities None

MATERIAL BACKGROUND INFORMATION ON OUR DIRECTORS, EXECUTIVE OFFICERS AND CONTROLLING SHAREHOLDERS

1. Save as disclosed below, none of our Directors, Executive Officers or Controlling Shareholders:

   (a) has, at any time during the last 10 years, had an application or a petition under any bankruptcy laws of any jurisdiction filed against him or against a partnership of which he was a partner at the time when he was a partner or at any time within two (2) years from the date he ceased to be a partner;

   (b) has, at any time during the last 10 years, had an application or a petition under any law of any jurisdiction filed against an entity (not being a partnership) of which he was a director or an equivalent person or a key executive, at the time when he was a director or an equivalent person or a key executive of that entity or at anytime within two (2) years from the date he ceased to be a director or any equivalent person or a key executive of that entity, for the winding up or dissolution of that entity or, where that entity is the trustee of a business trust, on the ground of insolvency;

   (c) has any unsatisfied judgment against him;

   (d) has ever been convicted of any offence, in Singapore or elsewhere, involving fraud or dishonesty which is punishable with imprisonment, or has been the subject of any criminal proceedings (including any pending criminal proceedings of which he is aware) for such purpose;

   (e) has ever been convicted of any offence, in Singapore or elsewhere, involving a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, or has been the subject of any criminal proceedings (including any pending criminal proceedings of which he is aware) for such breach;

   (f) has, at any time during the last 10 years, had judgment entered against him in any civil proceedings in Singapore or elsewhere involving a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, or a finding of fraud, misrepresentation or dishonesty on his part, nor has he been the subject of any civil proceedings (including any pending civil proceedings of which he is aware) involving an allegation of fraud, misrepresentation or dishonesty on his part;

   (g) has ever been convicted in Singapore or elsewhere of any offence in connection with the formation or management of any entity or business trust;

   (h) has ever been disqualified from acting as a director or an equivalent person of any entity (including the trustee of a business trust), or from taking part directly or indirectly in the management of any entity or business trust;

   (i) has ever been the subject of any order, judgment or ruling of any court, tribunal or governmental body permanently or temporarily enjoining him from engaging in any type of business practice or activity;

   (j) has ever, to his knowledge, been concerned with the management or conduct, in Singapore or elsewhere, of the affairs of:

      (i) any corporation which has been investigated for a breach of any law or regulatory requirement governing corporations in Singapore or elsewhere;

      (ii) any entity (not being a corporation) which has been investigated for a breach of any law or regulatory requirement governing such entities in Singapore or elsewhere;

(iii) any business trust which has been investigated for a breach of any law or regulatory requirement governing business trusts in Singapore or elsewhere; or

(iv) any entity or business trust which has been investigated for a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere,

in connection with any matter occurring or arising during the period when he was so concerned with the entity or business trust; or

(k) has been the subject of any current or past investigation or disciplinary proceedings, or has been reprimanded or issued any warning, by the Authority or any other regulatory authority, exchange, professional body or government agency, whether in Singapore or elsewhere.

Fines by IRAS

In 2012 and 2013, our Managing Director and CEO, Yeah Hiang Nam, was fined a total of $1,200 by the Subordinate Courts as partner of Golden Goldsmith for its late filings of accounts to IRAS in respect of the year of assessment ("**YA**") 2011 and YA2012. The fine has been paid and no further action was taken by the authorities.

In 2012, our Managing Director and CEO, Yeah Hiang Nam, was also fined a total of $4,200 by the Subordinate Courts as a director of Big M Jewellery Pte. Ltd., Soonli Jewellery Pte. Ltd. and Dormant2 Jewellery for their respective late filings of accounts to IRAS in respect of YA2010 and YA2011. The fines have been paid and no further action was taken by the authorities.

In 2012, our Managing Director and CEO, Yeah Hiang Nam, paid a composition fee of an aggregate of $1,350 to IRAS as a director of Yeah Capital, for its late filings of accounts to IRAS in respect of YA2010 and YA2011. The composition fee has been paid and no further action was taken by the authorities.

In 2011 and 2013, our Executive Director (Valuation and Wholesale), Yeah Lee Ching, was fined a total of $2,950 by the Subordinate Courts as director of Dormant Jewellery for its late filings of accounts to IRAS in respect of YA2008 to YA2011. The fine has been paid and no further action was taken by the authorities.

2. Save to the extent disclosed in the section entitled "Share Capital and Shareholders" of this Prospectus, none of our Directors or Executive Officers has any equity interests in our Company as at the date of lodgement of this Prospectus.

3. No option to subscribe for securities of our Company has been granted to, or was exercised by, any Director or Executive Officer within the two (2) financial years preceding the date of lodgement of this Prospectus.

4. Save as disclosed in the section entitled "Directors, Management and Staff — Service Agreements" of this Prospectus, there are no existing or proposed service contracts between our Directors and our Company.

5. There are no shareholding qualifications for Directors in the Articles of Association.

6. Save as disclosed in the sections entitled "Interested Person Transactions and Conflicts of Interests" and "General Information of Our Group – Restructuring Exercise" of this Prospectus, none of our Directors is interested, whether directly or indirectly, in the promotion of, or in any assets acquired or disposed of by, or leased to, our Company within the two (2) years preceding the date of lodgement of this Prospectus, or in any proposal for such acquisition or disposal or lease as aforesaid.

7. Save as disclosed in the section entitled "Interested Person Transactions and Conflicts of Interests" of this Prospectus, none of our Directors or Executive Officers has any interest, whether direct or indirect, in any company carrying on the same trade as our Company.

8. Save as disclosed in the section entitled "Interested Person Transactions and Conflicts of Interests" of this Prospectus, none of our Directors has any interest in any existing contract or arrangement subsisting at the date of lodgement of this Prospectus which is significant in relation to the business of our Company.

9. Save as disclosed in the sections entitled "Directors, Management and Staff" and "Share Capital and Shareholders – Shareholders" of this Prospectus, there is no family relationship between any of our Directors and/or Executive Officers, or between any of our Directors, Executive Officers and Substantial Shareholders.

10. There is no arrangement or understanding with any of our Substantial Shareholders, customers, suppliers or any other person pursuant to which any of our Directors or Executive Officers was selected as a Director or Executive Officer.

SERVICE AGREEMENTS

Our Company entered into Service Agreements with our Managing Director and CEO, Yeah Hiang Nam, our Executive Director (Valuation and Wholesale), Yeah Lee Ching, and our Executive Director (Pawnbroking and Retail), Yeah Chia Kai, Steven (each an "**Executive**" for the purposes of this section of this Prospectus) on 27 September 2013.

The Service Agreement will take effect from the date of admission of our Company to the Official List of the SGX-ST for an initial period of three (3) years ("**Initial Term**") and may be renewed at the end of the Initial Term on such period and such terms as may be agreed between our Company and the Executive, unless otherwise terminated by either party giving at least six (6) months' notice in writing or receiving six (6) months' salary in lieu of such notice to the other party ("**termination by mutual agreement**").

Pursuant to a termination by mutual agreement, the parties shall agree upon the quantum of the gratuity and performance bonus payable to the Executive in good faith consultation with each other, taking into consideration the contributions of the Executive during the term of his or her appointment, and such quantum of the gratuity and performance bonus to be subject to the approval of our Remuneration Committee.

If the Executive shall at any time be incapacitated or prevented by physical illness, physical injury, caused by accident or any other circumstances beyond his control (excluding becoming of an unsound mind) (such incapacity or prevention being hereinafter referred to as the "**incapacity**") from discharging in full of his duties hereunder for a total of six (6) months ("**incapacity period**"), our Company may, by notice in writing of three (3) months ("**notice period**") to the Executive given at any time so long as the incapacity shall continue, terminate his employment. For the avoidance of doubt, the Executive shall be entitled to his monthly basic salary (inclusive of directors' fees, if any) during the incapacity period and the notice period. The Service Agreement will automatically terminate upon the Executive's death.

Our Company shall be entitled to terminate the appointment without prior notice, but without prejudice to any right of action and in addition to any other remedy already accrued to any party in respect of any breach of the Service Agreement, in any of the following cases:

(a) if the Executive commits any material or persistent breach of any of the provisions of the Service Agreement;

(b) if the Executive is guilty of any grave or wilful misconduct or gross neglect or gross negligence in the discharge of his duties hereunder;

(c) if the Executive becomes bankrupt or make any arrangement or composition with his creditors;

(d) if the Executive is guilty of conduct tending to bring himself or our Company into disrepute or to prejudice the business interest of our Group;

(e) if the Executive becomes of unsound mind;

(f) if the Executive is disqualified from acting as a director in any jurisdiction for reasons other than on technical grounds;

(g) if the Executive is guilty of dishonesty;

(h) if the Executive neglects or refuses, without reasonable cause, to attend to the business of our Company or any related company to which he is assigned duties;

(i) if there is a termination by the Executive of any other contracts signed with any company in our Group due to reasons other than termination by mutual agreement between the Executive and such other company; and/or

(j) if the Executive ceases to hold the office of director pursuant to our Articles of Association or is disqualified from holding the office of, or acting as, a director of any company, pursuant to any applicable law, for whatever reason.

Under the Service Agreement, the Executive shall, for so long as he is an employee of our Company and for the period of 12 months from the date he ceases to be an employee of our Company, be subject to non-competition obligations.

Pursuant to the respective Service Agreements, Yeah Hiang Nam, Yeah Lee Ching and Yeah Chia Kai, Steven will receive a monthly salary of $25,000, $13,500 and $13,500 respectively payable in arrears at the end of each month, and directors' fees as may be determined by the Shareholders of our Company. The Executives are also entitled to an annual wage supplement of one (1) month's salary payable in the next financial year following the financial year in which the annual wage supplement was awarded, but in any case before the first day of Chinese New Year of that financial year. Our Company will also reimburse each Executive for all reasonable travel, accommodation, entertainment and other out-of-pocket expenses reasonably incurred by him in or about the discharge of his duties. Each of the Executives is also entitled to a fixed transport allowance of $1,000 each month.

The Executive will be paid a performance bonus based on our Consolidated PBT and the rate of performance bonus payable will be computed according to the table below.

Consolidated PBT	Rate of performance bonus payable to		
	Yeah Hiang Nam	**Yeah Lee Ching**	**Yeah Chia Kai, Steven**
Where the Consolidated PBT is less than $5.0 million	Nil	Nil	Nil
Where the Consolidated PBT is $5.0 million or more but does not exceed $20.0 million	1.0% of the Consolidated PBT value in excess of $5.0 million	0.5% of the Consolidated PBT value in excess of $5.0 million	0.5% of the Consolidated PBT value in excess of $5.0 million
Where the Consolidated PBT is $20.0 million or more but does not exceed $25.0 million	$150,000 and 1.5% of the Consolidated PBT value in excess of $20.0 million	$75,000 and 0.75% of the Consolidated PBT value in excess of $20.0 million	$75,000 and 0.75% of the Consolidated PBT value in excess of $20.0 million
Where the Consolidated PBT is $25.0 million or more but does not exceed $30.0 million	$225,000 and 2.0% of the Consolidated PBT value in excess of $25.0 million	$112,500 and 1.0% of the Consolidated PBT value in excess of $25.0 million	$112,500 and 1.0% of the Consolidated PBT value in excess of $25.0 million
Where the Consolidated PBT is $30.0 million or more	$325,000 and 2.5% of the Consolidated PBT value in excess of $30.0 million	$162,500 and 1.25% of the Consolidated PBT value in excess of $30.0 million	$162,500 and 1.25% of the Consolidated PBT value in excess of $30.0 million

"**Consolidated PBT**" is defined as the Group's audited consolidated profit before tax for the financial year, before payment of the performance bonus and excluding any gains earned from extraordinary and exceptional items.

Save as disclosed above and in the section entitled "Directors, Management and Staff – ValueMax Performance Share Plan" of this Prospectus, there are no profit-sharing plans or any other profit-linked agreements or arrangements between our Company and any of our Directors, Executive Officers or employees.

Under the Service Agreement, the total remuneration of the Executive is subject to annual review and approval by the Board and/or the Remuneration Committee. The Executive and/or his associates shall abstain from voting in respect of any resolution or decision to be made by the Board in relation to the terms and renewal of his Service Agreement.

For the duration of the Executive's employment under the Service Agreement, the Executive's basic monthly salary shall be payable in arrears at the end of each month.

Had the Service Agreements been in existence since the beginning of FY2012, the aggregate remuneration paid to the Executives would have been approximately $1,028,000 instead of $714,000 and our unaudited pro forma profit before tax would have been approximately $18.9 million instead of approximately $19.2 million.

Save as disclosed above, there are no other existing or proposed service contracts entered into or to be entered into between our Company and our subsidiaries with any of our Directors or Executive Officers. There are no existing or proposed service agreements entered into or to be entered into by our Directors with our Company or any of its subsidiaries which provide for benefits upon termination of employment.

DIRECTORS' AND EXECUTIVE OFFICERS' REMUNERATION

The compensation (which includes benefits-in-kind, directors' fees and bonuses) paid to our Directors and our Executive Officers for services rendered to our Group on an aggregate basis and in remuneration bands are as follows:

	FY2011	FY2012	FY2013[1] (Estimated)
Directors			
Phua Tin How	–[2]	–[2]	A
Yeah Hiang Nam	B	B	B
Yeah Lee Ching	A	A	A
Yeah Chia Kai, Steven	A	A	A
Lim Tong Lee	–[2]	–[2]	A
Lim Hwee Hai	–[2]	–[2]	A
Executive Officers			
Carol Liew	–[2]	A[3]	A
Tan Yam Hong	A	A	A
Low Khee Joo	A	A	A

Remuneration bands:

"A": Remuneration below $250,000 per annum
"B": Remuneration between $250,001 and $500,000 per annum
"C": Remuneration between $500,001 and $750,000 per annum
"D": Remuneration between $750,001 and $1,000,000 per annum

Notes:

(1) The estimated remuneration for FY2013 does not include any performance bonus that our Executive Directors are entitled to under their respective service agreements, the details of which are set out in the section entitled "Directors, Management and Staff — Service Agreements" of this Prospectus. In addition, all our Independent Directors will be paid with effect from FY2013.

(2) Not appointed during the relevant period.

(3) Carol Liew was appointed as the chief financial officer of our Group with effect from September 2012.

PENSION OR RETIREMENT BENEFITS

Other than amounts set aside or accrued in respect of mandatory employee funds, no amounts have been set aside or accrued by our Company or subsidiaries to provide pension, retirement or similar benefits to our employees.

EMPLOYEES

As at the Latest Practicable Date, we have a workforce of 150 full-time employees. We do not employ a significant number of temporary employees. We do not experience any significant seasonal fluctuations in our number of employees.

Our employees are not unionised. There has not been any incidence of work stoppages or labour disputes that affected our business. Accordingly, we consider our relationship with our employees to be good.

All our employees are based in Singapore. The functional distribution of our Group's full-time employees for the Period Under Review are as follows:

	As at 31 December 2010	As at 31 December 2011	As at 31 December 2012	As at 31 March 2013
Function				
Management[1]	7	7	7	7
Accounts and Finance	5	6	10	11
Operation	89	119	129	123
Total	101	132	146	141

Note:

(1) Management includes our Executive Directors and Executive Officers.

The gradual increase in the total number of employees during the Period Under Review was mainly in line with our business expansion.

Related Employees

Yeo Mooi Gaik, the branch manager of our pawnshop at Hougang Street 21, is the sister of our Managing Director and CEO, Yeah Hiang Nam and the aunt of our Executive Director (Valuation and Wholesale), Yeah Lee Ching and our Executive Director (Pawnbroking and Retail), Yeah Chia Kai, Steven.

Yeo Kiat Li, Sharon, the branch manager of our pawnshop at Woodlands Drive 44 and director of ValueMax Pawnshop (WL), is the niece of our Managing Director and CEO, Yeah Hiang Nam and the cousin of our Executive Director (Valuation and Wholesale), Yeah Lee Ching and our Executive Director (Pawnbroking and Retail), Yeah Chia Kai, Steven.

Ng Yah Ching, the branch manager of our pawnshop at Boon Lay Way, is the nephew of our Managing Director and CEO, Yeah Hiang Nam and the cousin of our Executive Director (Valuation and Wholesale), Yeah Lee Ching and our Executive Director (Pawnbroking and Retail), Yeah Chia Kai, Steven.

Soh Chau Chye, the branch manager of our pawnshop in Ang Mo Kio, is the husband of the niece of our Managing Director and CEO, Yeah Hiang Nam and the husband of the cousin of our Executive Director (Valuation and Wholesale), Yeah Lee Ching and our Executive Director (Pawnbroking and Retail), Yeah Chia Kai, Steven.

Yeoh Kiat Sin, Henry, the appraiser of our pawnshop in Kovan, is the nephew of our Managing Director and CEO, Yeah Hiang Nam and the cousin of our Executive Director (Valuation and Wholesale), Yeah Lee Ching and our Executive Director (Pawnbroking and Retail), Yeah Chia Kai, Steven.

Save as provided above and in the section entitled "Share Capital and Shareholders – Shareholders" of this Prospectus, as at the Latest Practicable Date, we do not have employees who were related to our Directors or Substantial Shareholders.

The basis of determining the remuneration of these related employees is the same as the basis for determining the remuneration of other unrelated employees. The aggregate remuneration of these related employees (which includes benefits-in-kind and bonuses) for FY2011 and FY2012 was less than $250,000.

We will disclose in our annual report details of the remuneration of employees who are immediate family members of our Directors and Substantial Shareholders, and whose remuneration exceeds $50,000 during each year in incremental bands of $50,000.

In the event a person who is related to any of our Directors or Substantial Shareholders is newly employed, the remuneration of such employees will be reviewed annually by our Remuneration Committee to ensure that their remuneration packages are in line with our staff remuneration guidelines and commensurate with their respective job scopes and level of responsibilities. Any bonuses, pay increases and/or promotions for these related employees will also be subject to the review and approval of our Remuneration Committee. In the event that a member of our Remuneration Committee is related to the employee under review, he will abstain from participating in the review.

VALUEMAX PERFORMANCE SHARE PLAN

In conjunction with our listing on the SGX-ST, we have adopted a performance share plan known as the "ValueMax Performance Share Plan" ("**Plan**"), which was approved at an Extraordinary General Meeting of our Shareholders held on 11 October 2013. The rules of our Plan are set out in Appendix H of this Prospectus ("**Rules**"). These Rules comply with the requirements set out in the Listing Manual and the Companies Act.

The Plan will provide eligible participants ("**Participants**") with an opportunity to participate in the equity of our Company and to motivate them towards better performance through increased dedication and loyalty. The Plan forms an integral and important component of our compensation plan and is designed primarily to reward and retain employees whose services are vital to the growth and performance of our Company and/or our Group.

The Plan is proposed on the basis that it is important to recognise the fact that the services of our employees are important to the success and continued well-being of our Group. Our Company, by implementing the Plan, will be able to give our employees a direct interest in our Company. Further, the Plan will also help to achieve the following positive objectives:

Objectives of the Plan

(i) foster an ownership culture within our Group which aligns the interests of Participants with the interests of shareholders;

(ii) motivate Participants to achieve key financial and operational goals of the Company and/or their respective business divisions; and

(iii) make total employee remuneration sufficiently competitive to recruit and retain staff having skills that are commensurate with the Company's ambition to become a world class company.

The Plan is designed to complement our Company's efforts to reward, retain and motivate employees to achieve better performance. The aim of implementing more than one incentive plan is to grant our Company the flexibility in tailoring reward and incentive packages suitable for each group of the Participants by providing an additional tool to motivate, reward and retain staff members so that our Company can offer compensation packages that are competitive.

The focus of the Plan is principally to target selected management in key positions who are able to drive the growth of the Company through creativity, firm leadership and excellent performance. The Company believes that it will be more effective than merely having pure cash bonuses in place to motivate executives to work towards determined goals. The Awards given to a particular Participant under the Plan and the number of Award Shares will be determined at the discretion of the Committee, who will take into account factors such as the Participant's capability, scope of responsibility and skill. In deciding on an Award to be granted to a Participant, the Committee will also consider the compensation and/or benefits to be given to the Participant under other share-based incentive schemes of the Company, if any. The Committee may also set specific criteria and performance conditions for each different department, taking into account factors such as (i) our Group's business goals and directions for each financial year; (ii) the Participant's actual job scope and duties; and (iii) the prevailing economic conditions.

In any event, the aggregate number of Award Shares will be subject to the maximum limit of 15.0% of the Company's total issued share capital. As the Plan is valid for a period of 10 years, this maximum limit of 15.0% of the Company's total issued and paid-up share capital allows for a potential increase in the number of employees as our Company expands in the future.

Administration of the Plan

Our Remuneration Committee will be designated as the committee responsible for the administration of the Plan. Our Remuneration Committee will determine, *inter alia*, the following:

(i) the persons to be granted Awards;

(ii) the number of Shares which are the subject of the Awards; and

(ii) recommendations for modifications to the Plan.

In compliance with the requirements of the Listing Manual, a Participant of the Plan who is a member of the Remuneration Committee shall not be involved in its deliberations in respect of Awards to be granted or held by that member of the Remuneration Committee.

Size of the Plan

The aggregate number of Shares which may be issued pursuant to Awards granted under the Plan, when added to (i) the number of Shares issued and/or issuable in respect of all Awards granted under the Plan, and (ii) all Shares issued and issuable and/or transferred or transferable in respect of all options granted or awards granted under any other share incentive schemes or share plans adopted by the Company for the time being in force, shall not exceed 15.0% of the total issued share capital of our Company on the day immediately preceding the date of the relevant grant ("**Plan Size**").

The Plan Size is intended to accommodate the potential pool of participants arising from our base of eligible participants. We also hope that with the significant portion of our issued share capital set aside for our Plan, our employees and Executive Directors will recognise that we are making a good effort to reward them for their invaluable contributions to our Company by allowing them greater opportunities to participate in our equity.

We are of the view that the Plan Size is reasonable, taking into account the share capital base of our Company, the contributions by our employees and Executive Directors and the potential number of employees as our business expands. Implementing our Plan with the Plan Size will enable us to maintain flexibility and remain competitive in the industry.

The Plan shall continue in force at the discretion of the Remuneration Committee subject to a maximum period of 10 years commencing on the date it is adopted by the Company in general meeting, provided always that it may continue beyond the above stipulated period with the approval of Shareholders by ordinary resolution in general meeting and of any relevant authorities which may then be required.

Maximum entitlements of the Plan

Subject to the size of our Plan as described above and any requirements of the SGX-ST, the aggregate number of Shares in respect of which Awards may be offered shall be determined at the discretion of our Remuneration Committee which will take into consideration criteria such as rank, job performance, years of service and potential for future development of the Participant, and his contribution to the success and development of our Group.

Summary of the Rules of the Plan

Capitalised terms used herein bear the same meanings as defined in Appendix H of this Prospectus.

The following is a summary of the Rules of our Plan:

(1) Eligibility

The employees of our Group and Group Executive Directors who have attained the age of 21 years old hold such rank as may be designated by the Committee from time to time and who have, on or before the Award Date, been in full-time employment of our Group, shall be eligible to participate in the Plan, at the absolute discretion of the Committee. The Participant must also not be an undischarged bankrupt and must not have entered into a composition with his creditors.

Controlling Shareholders and associates of Controlling Shareholders who are Group Executives shall be eligible to participate in the Plan if their participation and the terms of each grant and the actual number of Awards to be granted to them have been approved by the independent Shareholders in general meeting in separate resolutions for each such person, and in respect of each such person, in separate resolutions for each of (i) his participation and (ii) the terms of each grant and the actual number of Awards to be granted to him, provided always that it shall not be necessary to obtain the approval of the independent Shareholders of our Company for the participation in the Plan of a Controlling Shareholder or an Associate of a Controlling Shareholder who is, at the relevant time already a Participant.

(2) Grant of Awards

The Committee may grant Awards to Group Executives as the Committee may select, in its absolute discretion, at any time during the period when the Plan is in force, provided that no Participant who is a member of the Committee shall participate in any deliberation or decision in respect of Awards granted or to be granted to him.

The number of Shares which are the subject of each Award to be granted to a Participant in accordance with the Plan shall be determined at the absolute discretion of the Committee, which shall take into account criteria such as, *inter alia*, his rank, job performance, years of service and potential for future development, and his contribution to the success and development of our Group.

An Award shall be personal to the Participant to whom it is granted and, prior to the allotment, and/or transfer to the Participant of the Shares to which the released Award relates shall not be transferred, charged, assigned, pledged or otherwise disposed of, in whole or in part, except with the prior approval of the Committee.

(3) Operation of the Plan

Subject to prevailing legislation and SGX-ST guidelines, on vesting of the Award, the Committee has the discretion to determine whether to issue new Shares, to procure the market purchase of existing Shares, or the payment of its equivalent in cash to the Participant.

New Shares allotted and issued on the release of an Award shall rank in full for all entitlements, including dividends or other distributions declared or recommended in respect of the then issued Shares, the record date of which is on or after the relevant date prior to the date of which such an Award is granted, and shall in all other respects rank *pari passu* with other existing Shares in issue. For this purpose, "**record date**" means the date fixed by the Company for the purposes of determining entitlements to dividends or other distributions to or rights of holders of Shares.

(4) Alteration of Capital

In the event of a capitalisation issue and other circumstances (e.g. rights issue, capital reduction, sub-division or consolidation of shares or distribution), then:

(a) the class and/or number of Shares which is/are the subject of an Award to the extent not yet Vested; and/or

(b) the class and/or number of Shares in respect of which future Awards may be granted under the Plan,

shall, at the option of the Committee, be adjusted in such manner as the Committee may determine to be appropriate provided that the adjustment will be made in such a way that the Participant will not receive a benefit that a Shareholder does not receive.

(5) Modifications to the Plan

The Plan may be modified and/or altered from time to time by a resolution of our Committee, subject to the prior approval of the SGX-ST and such other regulatory authorities as may be necessary. However, no modification or alteration shall adversely affect the rights attached to Awards granted prior to such modification or alteration, except with the written consent of such number of Participants who, if their Awards are released to them, would thereby become entitled to not less than three quarters of all our Shares which would be Vested upon the Performance Conditions of all outstanding Awards being satisfied in full.

No alteration shall be made to the particular rules of the Plan to the advantage of the holders of the Awards, except with the prior approval of Shareholders in a general meeting.

No modification or alteration shall be made without the prior approval of the SGX-ST and such other regulatory authorities as may be necessary.

(6) Participation of Executive Directors and employees of our Group

The extension of the Plan to Executive Directors and employees of our Group allows us to have a fair and equitable system to reward Executive Directors and employees who have made and will continue to make significant contributions to the long-term growth of our Group.

We believe that the Plan will also enable us to attract, retain and provide incentives to its Participants to produce higher standards of performance as well as encourage greater dedication and loyalty by enabling our Company to give recognition to past contributions and services as well as motivating Participants to contribute towards the long-term growth of our Group.

(7) Cost of the Plan

FRS 102 Share-based Payment is effective for the financial statements of the Company for the financial year beginning 1 January 2005. Participants will receive Shares in settlement of the Awards, and the Awards would be accounted for as equity-settled Share-based Payment transactions, as described in the following paragraphs.

The fair value of employee services received in exchange for the grant of the Awards would be recognised as a charge to the income statement over the vesting period of an Award and a corresponding credit to reserve account. The total amount of charge of an Award over the vesting period is based on the market price at the date of grant adjusted to take into the account the terms and conditions (see the following paragraph where there are non-market conditions attached) upon which the Awards were granted. Before the end of the vesting period, at each accounting year end, the estimate of the number of Awards that are expected to vest by the vesting date is revised, and the impact of the revised estimate is recognised in the income statement with a corresponding adjustment to the reserve account. After the vesting date, no adjustment to the charge to the

income statement is made. The number of Shares included in the determination of the expense relating to employee services is adjusted to reflect the actual number of Shares that eventually vest but no adjustment is made to changes in the fair value of the Shares since the date of grant.

The amount charged to the income statement would be the same whether the Company settles the Awards using New Shares or existing Shares ("**equity settlement**"). In the case of Awards, the amount of the charge to the income statement also depends on whether or not the performance target attached to an Award is "market condition", that is a condition which is related to the market price of the Shares. If the performance target is not a market condition, the fair value of the Shares granted at the date of grant is used to compute the amount to be charged to the income statement at each accounting date, based on an assessment at that date of whether the non-market conditions would be met to enable the Awards to vest. Thus, if the Awards do not ultimately vest, the amount charged to the income statement would be reversed at the end of the vesting period.

Details of the number of Awards granted pursuant to the Plan will be disclosed in our annual report.

In general, transactions between our Group and any of our Interested Persons (namely, our Directors, Controlling Shareholders and/or any of their Associates) are known as Interested Person Transactions.

The following discussion on Interested Person Transactions (as defined in Chapter 9 of the Listing Manual) for FY2010, FY2011, FY2012, 1Q2013 and for the period commencing 1 April 2013 up to the Latest Practicable Date ("**Relevant Period**") is based on each of our Company and our Subsidiaries being an entity at risk and with Interested Persons being construed accordingly. Our associated companies are not considered entities at risk as our Group does not exercise management control over these companies.

In line with the rules set out in Chapter 9 of the Listing Manual, a transaction which value is less than $100,000 is not taken into account for the purposes of aggregation in this section.

Save as disclosed below, in the section entitled "General Information of Our Group — Restructuring Exercise" of this Prospectus and in relation to the Business Transfer Agreements as described in the section entitled "General Information of Our Group – Our History" of this Prospectus, our Group does not have any material transactions with any Interested Person during the Relevant Period.

INTERESTED PERSONS

(a) Yeah Hiang Nam

Yeah Hiang Nam is our Managing Director and CEO.

(b) Yeah Lee Ching

Yeah Lee Ching is our Executive Director (Valuation and Wholesale) and the daughter of Yeah Hiang Nam and Tan Hong Yee.

(c) Yeah Chia Kai, Steven

Yeah Chia Kai, Steven is our Executive Director (Pawnbroking and Retail) and the son of Yeah Hiang Nam and Tan Hong Yee.

(d) Yeah Chia Wei

Yeah Chia Wei is the son of Yeah Hiang Nam and Tan Hong Yee.

(e) Tan Hong Yee

Tan Hong Yee is our Controlling Shareholder and the spouse of Yeah Hiang Nam.

(f) Yeow Mooi Huang

Yeow Mooi Huang is the sister of Yeah Hiang Nam.

(g) Golden Goldsmith

Prior to the acquisition of all the inventory of Golden Goldsmith by the Company on 26 September 2013 pursuant to the Golden Goldsmith SPA, Golden Goldsmith was in the business of wholesale of jewellery. Its partners are Yeah Hiang Nam and Tan Hong Yee. Golden Goldsmith no longer carries out any business activities.

(h) Yeah Properties

Yeah Properties is a property investment holding company. Its shareholders are Yeah Hiang Nam and Yeah Chia Wei.

(i) Dormant Jewellery

Dormant Jewellery is in the business of retail sale of jewellery. Its shareholders are Yeah Lee Ching and Tan Hong Yee. Dormant Jewellery is now a dormant company and the shareholders of Dormant Jewellery will be taking steps to voluntarily wind up Dormant Jewellery.

(j) Soonli Jewellery Pte. Ltd. ("Soonli Jewellery")

Soonli Jewellery is in the business of retail sale of jewellery. Its shareholders are Yeah Hiang Nam and Yeah Lee Ching. Soonli Jewellery is now a dormant company and the shareholders of Soonli Jewellery will be taking steps to voluntarily wind up Soonli Jewellery.

(k) VM Credit Pte. Ltd. ("VM Credit")

VM Credit is in the business of licensed moneylending. Its shareholders are Yeah Hiang Nam and Tan Hong Yee. Please refer to the section entitled "Interested Person Transactions and Conflicts of Interests – Potential Conflicts of Interests" of this Prospectus for more details on VM Credit.

(l) Big M Jewellery Pte. Ltd. ("Big M Jewellery")

Big M Jewellery is in the business of retail sale of jewellery. Its sole shareholder is Yeah Hiang Nam. Big M Jewellery is now a dormant company and the shareholders of Big M Jewellery will be taking steps to voluntarily wind up Big M Jewellery.

(m) Yeah Investment Pte. Ltd. ("Yeah Investment")

Yeah Investment is a property investment holding company. Its shareholders are Yeah Hiang Nam and Yeah Chia Wei.

(n) Yeah Capital

Prior to the Business Transfer, Yeah Capital was in the business of gold bullion and jewellery trading. Upon completion of the Business Transfer Agreements, Yeah Capital is now in the business of property investment. Its shareholders are Yeah Hiang Nam and Tan Hong Yee.

(o) Dormant2 Jewellery

Prior to the Business Transfer, Dormant2 Jewellery was in the business of retail and wholesale of jewellery. Its shareholders are Yeah Hiang Nam and Yeah Lee Ching. Dormant2 Jewellery is now a dormant company and the shareholders of Dormant2 Jewellery will be taking steps to voluntarily wind up Dormant2 Jewellery.

(p) Hwa Goldsmith and Jewellers ("Hwa Goldsmith")

Hwa Goldsmith is a partnership in the business of manufacturing and wholesale of gold jewellery. Its partners are Lek Kim Ho and Yeo Mee Hwa, the brother-in-law and sister respectively of Yeah Hiang Nam.

(q) Zai Chen Goldsmith Jewellers ("Zai Chen Goldsmith")

Zai Chen Goldsmith was a sole-proprietorship in the business of the manufacture of jewellery. Its owner was Yeow Hean Sneah, the brother of Yeah Hiang Nam. The business of Zai Chen Goldsmith has been terminated since 6 January 2011.

(r) Lee Heng Jewellers

Lee Heng Jewellers is a partnership in the business of retail of jewellery, spectacles and other optical goods. Its partners are Tan Hock Yong and Tan Sar Tee, brothers of Tan Hong Yee, and brothers-in-law of Yeah Hiang Nam.

(s) Lucky Jewellery

Lucky Jewellery is a sole-proprietorship in the business of retail of jewellery. Its owner is Yeo Mooi Huang, the sister of Yeah Hiang Nam.

PAST INTERESTED PERSON TRANSACTIONS

Purchase of inventory of Golden Goldsmith by our Group

Our Group acquired all the inventory of Golden Goldsmith on 26 September 2013 pursuant to the Golden Goldsmith SPA, in preparation for our plans to open a flagship store comprising a pawnshop and a pre-owned jewellery retail outlet.

The purchase consideration was approximately $6.7 million, and was arrived at based on the valuation by an independent professional valuer appointed by our Company, Enoch Wong Keng Fai of Business World Consultant Pte Ltd. The valuation was based on the material cost plus the cost of reconditioning the inventory of Golden Goldsmith. The inventory consists of mainly diamond jewellery and a small proportion of precious gemstone jewellery. The material cost of diamonds is based on certain premiums or discounts to the current Rapaport prices according to the characteristics of the diamonds. The material cost of gold is based on the international spot price for gold at the date of valuation while the material cost of precious gemstones is based on the mode prices offered by color stone suppliers. Random sampling valuations of the inventory were carried out by Enoch Wong Keng Fai and in his opinion, the fair value of the inventory of Golden Goldsmith is approximately $6.7 million.

As such, our Directors are of the view that this transaction was conducted on an arm's length on ordinary commercial terms. The purchase consideration will be funded by our Group's internal resources and bank borrowings. Pursuant to the acquisition of the inventory of Golden Goldsmith, Golden Goldsmith no longer carries out any business activities.

Lease of properties to our Group

Our Group subleased the premises at (a) No. 8 Tampines Central 1 #01-16 Eastlink Mall Singapore 529543; (b) 303 Choa Chu Kang Avenue 4 #01-723 Singapore 680303; and (c) 301 Boon Lay Way #01-22 Boon Lay MRT Station Singapore 649846, from Dormant Jewellery for its operation of pawnshop and retail outlets. The aggregate rental and related charges paid by our Group to Dormant Jewellery during the Relevant Period for the aforesaid properties are as follows:

FY2010 ($'000)	FY2011 ($'000)	FY2012 ($'000)	1Q2013 ($'000)	1 April 2013 to the Latest Practicable Date ($'000)
323	323	355	–	–

The aggregate rental and related charges paid by our Group were based on the aggregate rental and related charges paid by Dormant Jewellery to the respective owners of such properties. As such, our Directors are of the view that the above transactions were entered into on an arm's length basis and on normal commercial terms.

Such subleases have been terminated since 30 November 2012 and our Group has entered into lease agreements directly with the respective owners of such properties for the premises described above. We do not intend to enter into any sublease arrangements with Dormant Jewellery after the admission of our Company to the Official List of the SGX-ST.

Provision of management services by our Group

Our Group provided management services to Dormant Jewellery during the Relevant Period. The amount paid by Dormant Jewellery was for its staff costs, accounting and support services provided by our Group to Dormant Jewellery. The aggregate amounts received from Dormant Jewellery by our Group during the Relevant Period are as follows:

FY2010 ($'000)	FY2011 ($'000)	FY2012 ($'000)	1Q2013 ($'000)	1 April 2013 to the Latest Practicable Date ($'000)
290	165	95	3	3

Our Directors are of the view that the above arrangements were not entered into on an arm's length basis and were not based on normal commercial terms as there was no reference made to market prices for such services provided. We do not intend to enter into such transactions in the future.

Advances to Interested Persons from our Group

We had provided advances to the following Interested Persons during the Relevant Period for working capital purposes. The advances were unsecured and were repayable on demand. The outstanding balances due from the various Interested Persons as at 31 December 2010, 2011, 2012, 31 March 2013 and the Latest Practicable Date, and the largest amount outstanding during the Relevant Period are as follows:

Advances to	As at 31 December 2010 ($'000)	As at 31 December 2011 ($'000)	As at 31 December 2012 ($'000)	As at 31 March 2013 ($'000)	As at the Latest Practicable Date ($'000)	Largest amount outstanding during the Relevant Period based on month-end balances ($'000)
Yeah Properties[(1)]	–	–	–	–	–	1,887
Golden Goldsmith[(1)]	–	–	–	–	–	480
VM Credit	461	500	2,210	–	–	3,994

Note:

(1) The advances to Yeah Properties and Golden Goldsmith were repaid in full prior to 31 December of each year during the Period Under Review.

Except for the advance to Golden Goldsmith which was interest-free, our Directors are of the view that the above transactions were entered into on an arm's length basis and on normal commercial terms as interest of 5.0% per annum was charged for the loans, based on the interest rates of the overdraft facilities obtained by our Group from commercial banks.

The advances have been fully repaid as at the Latest Practicable Date. We do not intend to grant such advances to any of our Interested Persons in the future.

Advances from Interested Persons

During the Relevant Period, the following Interested Persons have provided advances to our Group for working capital purposes. The advances were unsecured and repayable on demand. The outstanding balances due to the following Interested Persons as at at 31 December 2010, 2011, 2012, 31 March 2013 and the Latest Practicable Date, and the largest amount outstanding during the Relevant Period are as follows:

Advances from	As at 31 December 2010 ($'000)	As at 31 December 2011 ($'000)	As at 31 December 2012 ($'000)	As at 31 March 2013 ($'000)	As at the Latest Practicable Date ($'000)	Largest amount outstanding during the Relevant Period based on month-end balances ($'000)
Yeah Chia Wei	120	362	–	–	–	807
Yeah Lee Ching	200	476	–	–	–	926
Golden Goldsmith	6,508	5,269	–	–	–	6,644
Dormant Jewellery	–	4,977	6,860	–	–	6,860
Yeah Investment	231	–	150	–	–	489

Interest of 5.0% per annum was paid on the advances from the Interested Persons, set out in the table above. Our Directors are of the view that the above transactions were entered into on an arm's length basis and on normal commercial terms, taking into account the interest rates of the overdraft facilities obtained by our Group from commercial banks.

The advances have been fully repaid as at the Latest Practicable Date. We do not intend to obtain such advances from the aforesaid Interested Persons in the future.

Sales and purchases of unredeemed pledged articles, pre-owned jewellery and gold by our Group

During the Relevant Period, our Group had purchased from and sold to the following Interested Persons, unredeemed pledged articles, pre-owned jewellery and gold. The aggregate values of such transactions are as follows:

	FY2010		FY2011		FY2012		1Q2013		1 April 2013 to the Latest Practicable Date	
	($'000)	% of purchases /sales	($'000)	% of purchases /sales	($'000)	% of purchases /sales	($'000)	% of purchases /sales	($'000)	% of purchases /sales
Zai Chen Goldsmith										
Purchases of pre-owned jewellery and gold by our Group	193	–	–	–	–	–	–	–	–	–
Golden Goldsmith										
Purchases of pre-owned jewellery and gold by our Group	4,267	1.1	4,070	0.8	2,008	0.4	356	0.4	373	0.3
Sales of unredeemed pledged articles and gold by our Group	4,173	1.0	2,353	0.4	1,274	0.3	127	0.1	80	0.1
Dormant Jewellery										
Purchases of pre-owned jewellery and gold by our Group	7,072	1.8	364	0.1	2,089	0.4	–	–	–	–
Sales of unredeemed pledged articles and gold by our Group	1,622	0.4	315	0.1	–	–	–	–	–	–
Soonli Jewellery										
Purchases of pre-owned jewellery and gold by our Group	1,111	0.3	–	–	13	–	–	–	–	–
Sales of unredeemed pledged articles and gold by our Group	140	–	–	–	–	–	–	–	–	–
Big M Jewellery										
Purchases of pre-owned jewellery and gold by our Group	614	0.2	491	0.1	2,095	0.4	68	–	–	–
Sales of unredeemed pledged articles and gold by our Group	29	–	366	0.1	385	0.1	–	–	–	–

The above transactions included transactions between the above Interested Persons and Yeah Capital and/or Dormant2 Jewellery prior to the transfer of businesses pursuant to the Business Transfer Agreements.

Our Directors are of the view that our transactions with Zai Chen Goldsmith were conducted on an arm's length basis on normal commercial terms in the ordinary course of business as the purchases from Zai Chen Goldsmith were based on the prevailing spot gold price.

Save for the transactions with Zai Chen Goldsmith, our Directors are of the view that the above transactions were not conducted on an arm's length basis as the transactions were conducted on terms which are more favourable to the above Interested Persons than those extended to third parties in that the sale prices of the unredeemed pledged articles to these Interested Persons were based on a lower valuation than that offered to third parties.

We do not intend to enter into such transactions with the above Interested Persons in the future.

PRESENT AND ON-GOING INTERESTED PERSON TRANSACTIONS

Sales and purchases of pre-owned jewellery and gold by our Group

During the Relevant Period, our Group had purchased from and sold to the following Interested Persons, pre-owned jewellery and gold. The aggregate values of such transactions are as follows:

	FY2010		FY2011		FY2012		1Q2013		1 April 2013 to the Latest Practicable Date	
	($'000)	% of purchases /sales	($'000)	% of purchases /sales	($'000)	% of purchases /sales	($'000)	% of purchases /sales	($'000)	% of purchases /sales
Hwa Goldsmith										
Sales of pre-owned jewellery and gold by our Group	165	–	411	0.1	672	0.1	272	0.3	604	0.5
Lee Heng Jewellers										
Purchases of pre-owned jewellery and gold by our Group	115	–	128	–	381	0.1	–	–	132	0.1
Sales of pre-owned jewellery and gold by our Group	–	–	–	–	–	–	–	–	162	0.1
Lucky Jewellery										
Sales of pre-owned jewellery and gold by our Group	–	–	–	–	–	–	–	–	195	0.2

The above transactions included transactions between the above Interested Persons and Yeah Capital and/or Dormant2 Jewellery prior to the transfer of businesses pursuant to the Business Transfer Agreements.

Our Directors are of the view that the above transactions were conducted on an arm's length basis and on normal commercial terms in the ordinary course of business as the terms were not more favourable to these Interested Persons than those extended to unrelated third parties, and the prices of the pre-owned jewellery and gold were determined based on the prevailing spot gold price.

After the admission of our Company to the Official List of the SGX-ST, we may continue to purchase from and sell to the above Interested Persons in the ordinary course of business and on terms which are not more favourable to these Interested Persons than those extended to third parties. Such transactions shall be subject to the review procedures set out in the section entitled "Interested Person Transactions and Conflicts of Interests – Guidelines and Review Procedures for Future Interested Person Transactions" of this Prospectus and the applicable rules of the Listing Manual.

Advances from Interested Persons

During the Relevant Period, the following Interested Persons have provided advances to our Group for working capital purposes. The outstanding balances due to the following Interested Persons as at 31 December 2010, 2011, 2012, 31 March 2013 and the Latest Practicable Date, and the largest amount outstanding during the Relevant Period are as follows:

Advances from	As at 31 December 2010 ($'000)	As at 31 December 2011 ($'000)	As at 31 December 2012 ($'000)	As at 31 March 2013 ($'000)	As at the Latest Practicable Date ($'000)	Largest amount outstanding during the Relevant Period based on month-end balances ($'000)
Yeah Hiang Nam	6,403	7,291	221	–	–	11,227
Tan Hong Yee	8,327	8,877	–	–	–	17,712

Save for the advances made from Yeah Hiang Nam to our subsidiary, ValueMax Pawnshop (BD), no interest was paid on the advances from Yeah Hiang Nam and Tan Hong Yee. As such, our Directors are of the view that these advances were not granted on an arm's length basis and were not on normal commercial terms, but are beneficial to our Group.

Interest of 5.0% per annum was paid on the advances from Yeah Hiang Nam to our subsidiary, ValueMax Pawnshop (BD). Our Directors are of the view that this transaction was entered into on an arm's length basis and on normal commercial terms, taking into account the interest rates of the overdraft facilities obtained by our Group from commercial banks.

These advances have been fully repaid as at the Latest Practicable Date. In the event the need arises, we will obtain such loans and advances from such Interested Persons at no interest and therefore terms that are beneficial to our Group, or on an arm's length basis and on normal commercial terms, at the Group's then prevailing effective borrowing rates. Such transactions shall be subject to the review procedures set out in the section entitled "Interested Person Transactions and Conflicts of Interests – Guidelines and Review Procedures for Future Interested Person Transactions" of this Prospectus and the applicable rules of the Listing Manual.

Provision of guarantees and/or indemnities by Yeah Hiang Nam, Tan Hong Yee, Yeah Lee Ching, Yeah Chia Kai, Steven and Yeah Chia Wei

As at the Latest Practicable Date, Yeah Hiang Nam, Tan Hong Yee, Yeah Lee Ching, Yeah Chia Kai, Steven and Yeah Chia Wei have provided joint and several personal guarantees and indemnities to secure our Group's obligations under certain credit facilities, details of which are set out below:

Financial Institution	Type of facilities /Purpose	Facility for use by	Amount/limit of facilities granted ($'000)	Amount guaranteed ($'000)	Amount owing as at the Latest Practicable Date ($'000)	Guarantor
United Overseas Bank	Overdraft, money market loan, credit limits on credit cards	ValueMax Pawnshop, ValueMax Pawnshop (BD),ValueMax Pawnshop (PR), ValueMax Pawnshop (WL)	63,488	63,488	44,954	Yeah Hiang Nam, Tan Hong Yee, Yeah Lee Ching and Yeah Chia Wei
United Overseas Bank	Overdraft, performance guarantee, trade facilities, credit facilities	ValueMax Group, ValueMax Pawnshop (BK), Ban Soon Pawnshop	14,020	14,020	412	Yeah Hiang Nam and Tan Hong Yee
United Overseas Bank	Overdraft, performance guarantee	ValueMax Precious Metals	5,500	5,500	2,045	Yeah Hiang Nam and Yeah Lee Ching
OCBC Bank	Overdraft, specific advance facility, interest rate derivatives	ValueMax Pawnshop (JP), ValueMax Pawnshop (CCK), ValueMax Pawnshop (EL)	31,000	31,000	17,096	Yeah Hiang Nam and Yeah Lee Ching
OCBC Bank	Overdraft, specific advance facility	Ban Soon Pawnshop	1,750	1,750	1,700	Yeah Hiang Nam and Tan Hong Yee
DBS Bank	Overdraft, revolving credit	ValueMax Pawnshop (SG), ValueMax Retail	28,500	28,500	13,764	Yeah Hiang Nam and Yeah Lee Ching
CIMB Bank Berhad	Overdraft, uncommitted revolving credit facility	ValueMax Pawnshop	1,000	1,000	12	Yeah Hiang Nam, Yeah Lee Ching and Yeah Chia Wei
CIMB Bank Berhad	Overdraft, uncommitted revolving credit facility	ValueMax Pawnshop (CCK)	1,000	1,000	969	Yeah Hiang Nam and Yeah Lee Ching

Financial Institution	Type of facilities /Purpose	Facility for use by	Amount/limit of facilities granted ($'000)	Amount guaranteed ($'000)	Amount owing as at the Latest Practicable Date ($'000)	Guarantor
CIMB Bank Berhad	Overdraft, uncommitted revolving credit facility	ValueMax Pawnshop (WL), ValueMax Pawnshop (PR), ValueMax Pawnshop (BD)	1,500	1,500	934	Yeah Hiang Nam, Tan Hong, Yeah Lee Ching and Yeah Chia Wei
CIMB Bank Berhad	Overdraft, uncomitted revolving credit facility	Ban Soon Pawnshop	500	500	500	Yeah Hiang Nam and Tan Hong Yee
Habib Bank	Overdraft	ValueMax Pawnshop (WL), ValueMax Pawnshop	3,300	3,300	1,052	Yeah Hiang Nam, Yeah Lee Ching and Yeah Chia Wei
Habib Bank	Overdraft	ValueMax Pawnshop (PR), ValueMax Pawnshop (BD)	2,200	2,200	1,364	Yeah Hiang Nam, Yeah Lee Ching, Yeah Chia Kai, Steven and Yeah Chia Wei
RHB Bank	Revolving Credit	ValueMax Pawnshop, ValueMax Pawnshop (BD)	1,000	1,000	500	Yeah Hiang Nam, Yeah Lee Ching and Yeah Chia Wei
Bank of East Asia	Overdraft, revolving credit facilities	ValueMax Pawnshop	1,500	1,500	1,462	Yeah Hiang Nam, Yeah Lee Ching and Yeah Chia Wei
Bank of East Asia	Overdraft	Ban Soon Pawnshop	500	500	500	Yeah Hiang Nam and Tan Hong Yee
Total			156,758	156,758	87,264	

The amounts guaranteed on facilities granted to, and the amounts owing as at the Latest Practicable Date by our Group was $156.8 million and $87.3 million respectively.

The interest rates on these banking facilities range between 1.49% and 5.68% per annum, or such other rates as the respective financial institutions may determine from time to time.

The largest outstanding amount guaranteed by the above Interested Persons during the Relevant Period, based on month-end balances, was approximately $92.3 million.

As no fee was paid to the above guarantors for the provision of the above guarantees and/or indemnities, our Directors are of the view that the above arrangements were not carried out on an arm's length basis and not on normal commercial terms, but are beneficial to our Group.

Following the admission of our Company to the Official List of the SGX-ST, we intend to request the discharge of the above personal guarantees and/or indemnities by the above guarantor and replace them with corporate guarantees and/or indemnities provided by our Group. Our Directors do not expect any material change in the terms and conditions of the relevant credit facilities arising from the discharge of the personal guarantees and/or indemnities. Should any of the financial institutions be unwilling to release and discharge the above guarantees, the guarantors will continue to provide the guarantees.

Lease of properties to our Group

Our Group leased the premises set out below from Yeah Properties and Yeah Capital for the operation of our pawnshops and pre-owned jewellery retail outlets. The aggregate rental and related charges paid by our Group to Yeah Properties and Yeah Capital during the Relevant Period for the properties above are as follows:

Property	Amount paid to	FY2010 ($'000)	FY2011 ($'000)	FY2012 ($'000)	1Q2013 ($'000)	1 April 2013 to the Latest Practicable Date ($'000)
Block 664 Buffalo Road #01-05/06 Singapore 210664	Yeah Properties	71	106	195	71	127
204 Hougang Street 21 #01-121 Singapore 530204	Yeah Capital	36	144	144	36	61

Our Directors are of the view that the above transactions are based on prevailing rental rates for comparable premises and were entered into on an arm's length basis and on normal commercial terms.

Future renewal of the lease shall be subject to the review procedures set out in the section entitled "Interested Person Transactions and Conflicts of Interests – Guidelines and Review Procedures for Future Interested Person Transactions" of this Prospectus and the applicable rules of the Listing Manual.

GUIDELINES AND REVIEW PROCEDURES FOR FUTURE INTERESTED PERSON TRANSACTIONS

All future transactions with Interested Persons shall comply with the requirements of the Listing Manual. As stated in the Listing Manual, our Articles of Association require a Director to abstain from voting in any contract or arrangement in which he has a personal material interest.

Our Audit Committee will review all Interested Person Transactions on a quarterly basis to ensure that they are conducted on normal commercial terms and are not prejudicial to the interests of our Company and its minority Shareholders. Such procedures will include the following:

(a) for all sales or purchases of pre-owned jewellery and gold which sale/purchase price can be determined based on (a) the daily international spot price of gold or (b) Rapaport price being the international industry standard used by dealers for diamond pricing (for items with diamond components), such price will apply;

(b) subject to paragraph (a) above, in relation to any sale of products or provision of services to Interested Persons, the price and terms of at least two (2) other successful transactions of similar nature and size to non-Interested Persons shall be used as comparison wherever possible. The sale price or fee for the supply of services shall not be lower than the lowest sale price or fee of the other two (2) successful transactions to non-Interested Persons;

(c) subject to paragraph (a) above, in relation to any purchase of products or procurement of services from Interested Persons, quotes from at least two (2) other non-Interested Persons shall be used as comparison wherever possible. The purchase price or fee for services shall not be higher than the most competitive price of the two (2) comparative prices from the two (2) non-Interested Persons. In determining the most competitive price or fee, all pertinent factors, including but not limited to quality, requirements, specifications, delivery time and track record will be taken into consideration;

(d) when renting from or to Interested Persons, appropriate steps will be taken to ensure that such rent is commensurate with the prevailing market rates, including adopting measures such as making relevant enquiries with landlords of similar location and size, or obtaining necessary reports or reviews published by property agents (including an independent valuation report by a property valuer, where appropriate). The rent payable shall be based on the most competitive market rental rates of similar properties in terms of size and location, based on the results of the relevant enquiries; and

(e) where it is not possible to compare against the terms of other transactions with non-Interested Persons and given that the products and/or services may be purchased only from an Interested Person, the Interested Person Transaction will be approved by our Audit Committee, in accordance with our Group's usual business practices and policies. In determining the transaction price payable to the Interested Person for such products and/or services, factors such as, but not limited to, quantity, requirements and specifications will be taken into account.

In addition, we shall monitor all "Interested Person Transactions" entered into by us and categorise these transactions as follows:

(i) a "Category One" Interested Person Transaction is one where the value thereof is in excess of or equal to 3.0% of the NTA of our Group; and

(ii) a "Category Two" Interested Person Transaction is one where the value thereof is below 3.0% of the NTA of our Group.

All "Category One" Interested Person Transactions must be reviewed and approved by our Audit Committee prior to entry whereas "Category Two" Interested Person Transactions must be approved by a Director who shall not be an Interested Person in respect of the particular transaction prior to entry and must be reviewed on a quarterly basis by our Audit Committee. In its review, our Audit Committee will ensure that all future Interested Person Transactions are conducted on normal commercial terms and are not prejudicial to the interests of our Company and its minority Shareholders.

In respect of all Interested Person Transactions, we shall adopt the following policies:

(i) In the event that a member of our Audit Committee is interested in any Interested Person Transactions, he will abstain from deliberating, reviewing and/or approving that particular transaction.

(ii) We shall maintain a register to record all Interested Person Transactions which are entered into by our Group, including any quotations obtained from non-Interested Person to support the terms of the Interested Person Transactions.

(iii) We shall incorporate into our internal audit plan a review of the Interested Person Transactions entered into by our Group.

(iv) Our Audit Committee shall review the internal audit reports at least quarterly to ensure that Interested Person Transactions are carried out on an arm's length basis and in accordance with the procedures outlined above. Furthermore, if during these periodic reviews, our Audit Committee believes that the guidelines and procedures as stated above are not sufficient to ensure that the interests of minority Shareholders are not prejudiced, we will adopt new guidelines and procedures. Our Audit Committee may request an independent financial adviser's opinion as it deems fit.

Our Audit Committee shall ensure that Interested Person Transactions comply with the provisions in Chapter 9 of the Listing Manual, and if required, we will seek independent Shareholders' approval for such transactions. In accordance with Rule 919 of the Listing Manual, Interested Persons and their Associates shall abstain from voting on resolutions approving Interested Person Transactions involving themselves and our Group. In addition, such Interested Persons shall not act as proxies in relation to such resolutions unless specific instructions as to voting have been given by the Shareholder(s).

Our Board of Directors will ensure that Interested Person Transactions will be subject to the disclosure requirements of the Listing Manual, and will be subject to Shareholders' approval if deemed necessary under the provisions of the Listing Manual. We will disclose in our annual report the aggregate value of Interested Person Transactions conducted during the financial year.

In addition to the above procedures and the provisions in Chapter 9 of the Listing Manual (where applicable), all transactions with the Relatives (as described under the section entitled "Interested Person Transactions and Conflicts of Interests – Potential Conflicts of Interests" of this Prospectus) will also be subject to the following procedure:

(a) The Company will keep a record of all transactions made between the Group and the Relatives, regardless of the transaction value, in a register;

(b) The register shall include information such as name of the Relative, quantity, price fixed, basis of price fixing (which is the international spot gold price), date and time of price fixing, mode of payment, name of personnel handling the transaction and whether the transaction has been completed;

(c) The register shall be maintained by authorised personnel who is not related, whether directly or indirectly, to any of the Yeah Family; and

(d) The register shall be reviewed by our Audit Committee on a quarterly basis to ensure that they are on normal commercial terms and are not prejudicial to the interests of the Group and its minority Shareholders, and in accordance with the procedures outlined above.

POTENTIAL CONFLICTS OF INTERESTS

VM Credit

Yeah Hiang Nam (our Company's Managing Director and CEO) and Tan Hong Yee (our Company's Controlling Shareholder and spouse of Yeah Hiang Nam) each holds 50.0% of the issued and paid-up capital of VM Credit which is in the business of moneylending in Singapore.

The business of VM Credit is materially different from that of our Group for the reasons as set out below:

(a) Pawnbroking is a collateralised short-term micro-financing secured against pledged articles. The quantum of such pawn loans are usually small (typically below $3,000) and are based on a percentage of the value of the pledged articles. As at the Latest Practicable Date, save for loans to two (2) borrowers amounting to an aggregate of $22.2 million secured by mortgages over an industrial property and two (2) residential properties respectively, VM Credit has been granting unsecured loans to its customers since the commencement of its operations. As at the Latest Practicable Date, VM Credit has a loan book comprising loans with a total quantum of $29.5 million extended to 28 borrowers. The average loan quantum is in excess of $1.0 million per borrower while loan tenure ranges from one (1) month to 60 months. Therefore, the business of VM Credit is more akin to that of a finance company (or even a bank) than it is to pawnbroking.

(b) The risk assessment for the grant of loans for each business is different. For the moneylending business, the creditworthiness of the customer is usually the key consideration whereas for the pawnbroking business, the value of the collateral is the key credit consideration.

(c) There are separate regulatory systems governing the pawnbroking and moneylending businesses.

A pawnbroker's licence is required for pawnbroking whereas a moneylender's licence is required for moneylending.

The various restrictions on the conduct of the business of moneylending and pawnbroking are found in separate legislative enactments, being the Moneylenders Act and the Pawnbrokers Act respectively. Under each of these legislative enactments, there are different requirements governing and regulating the conduct of each of these businesses and the consequences of any breaches. Please refer to the section entitled "Government Regulations" as set out in Appendix D of this Prospectus for more details on the Pawnbrokers Act.

VM Credit is not an actively conducted business and does not advertise or market its services. VM Credit does not have a retail presence. VM Credit typically lends money to friends and business associates of Yeah Hiang Nam or to people personally referred by his friends and business associates. VM Credit does not have any staff, and conducts business transactions as and when an approach is made to Yeah Hiang Nam, and when he is willing to extend a loan, Tan Hong Yee or Yeah Chia Wei will then process the loan.

It is not expedient for our Group for the moneylending business of VM Credit to be brought within our Group as it would change the business scope and hence, risk profile, of our Group.

In view of the above, our Directors are of the view that the business and risk profile of VM Credit is sufficiently different and independent from that of our Group to pose no potential conflict of interest.

In any case, Yeah Hiang Nam and Tan Hong Yee have undertaken to progressively wind down the business of VM Credit. Upon admission of our Company to the Official List of the SGX-ST, VM Credit will cease to grant any new loans. Pursuant to the Moneylenders Act, VM Credit is required to submit a detailed report of all new loans granted to the Registry of Moneylenders on a quarterly basis. Such quarterly reports will be provided to our Audit Committee for their review so as to verify that no new loans are granted and that the business of VM Credit is indeed being progressively wound down with the repayment of existing outstanding loans, subsequent to the admission of our Company to the Official List of the SGX-ST and until the business of VM Credit is completely wound down.

Relatives of our Managing Director and CEO, Yeah Hiang Nam, and our Controlling Shareholder and spouse of Yeah Hiang Nam, Tan Hong Yee

Certain relatives of Yeah Hiang Nam (our Managing Director and CEO) and Tan Hong Yee (our Controlling Shareholder and spouse of Yeah Hiang Nam) are engaged in jewellery-related businesses. These relevant relatives (the "**Relatives**") and their business details are described below:-

Lucky Jewellery

Lucky Jewellery is solely owned by Yeo Mooi Huang, the sister of Yeah Hiang Nam. Lucky Jewellery, which operates from a stall (floor size of less than 100 sq ft) in a wet market in Ang Mo Kio, is in the business of retail of jewellery. In this context, our Group believes that Lucky Jewellery may engage in some form of trading of pre-owned jewellery as an ancillary part of its business by purchasing such pre-owned jewellery from its walk-in customers.

Kong Hin Goldsmith & Jewellers

Kong Hin Goldsmith & Jewellers is solely owned by Yeo Hiang Chuah, the brother of Yeah Hiang Nam. Kong Hin Goldsmith & Jewellers, which operates from part of a shop (floor size of approximately 120 sq ft) in the Bukit Merah area, is in the business of retail of jewellery. In this context, the Group believes that Kong Hin Goldsmith & Jewellers may engage in some form of trading of pre-owned jewellery as an ancillary part of its business by purchasing such pre-owned jewellery from its walk-in customers.

Mei Zhi Jewellery

Mei Zhi Jewellery is solely owned by Yeo Ah Nya, the sister of Yeah Hiang Nam. Mei Zhi Jewellery, which operates from a stall (floor size of approximately 86 sq ft) in a wet market in Jurong, is in the business of retail of jewellery. In this context, our Group believes that Mei Zhi Jewellery may engage in some form of trading of pre-owned jewellery as an ancillary part of its business by purchasing such pre-owned jewellery from its walk-in customers.

Lee Heng Jewellers

Lee Heng Jewellers is owned by Tan Hock Yong and Tan Sar Tee, brothers of Tan Hong Yee and brothers-in-law of Yeah Hiang Nam. Lee Heng Jewellers, which operates from three (3) jewellery retail shops located at Tiong Bahru Plaza, Chinatown Point and Tanglin Halt Rd (floor size of approximately 500 sq ft each) and an optical shop, is in the business of retail sale of new jewellery, spectacles and other optical goods. In this context, the Group believes that Lee Heng Jewellers may engage in some form of trading of pre-owned jewellery as an ancillary part of its business by purchasing such pre-owned jewellery from its walk-in customers.

Hwa Goldsmith and Jewellers

Hwa Goldsmith and Jewellers is owned by Lek Kim Ho and Yeo Mee Hwa, the brother-in-law and sister respectively of Yeah Hiang Nam. Hwa Goldsmith and Jewellers, which operates from a factory in Toa Payoh, is in the business of manufacturing and wholesale of gold ornaments. In this context, the Group believes that Hwa Goldsmith and Jewellers does not compete with the Group as it is not in the business of retail and trading of pre-owned jewellery and gold.

Some of these Relatives may also have interested person transactions (generally involving the sale and/or purchase of pre-owned jewellery and gold) with our Group. However, such interested person transactions with our Group are insignificant for the Period Under Review. Please refer to the sections entitled "Interested Person Transactions and Conflicts of Interests – Past Interested Person Transactions" and "Interested Person Transactions and Conflicts of Interests – Present and On-going Interested Person Transactions" of this Prospectus for more details on such interested person transactions.

Save for Hwa Goldsmith and Jewellers, the Relatives could technically be seen as being in competition with our Group in respect of retail and trading of pre-owned jewellery. However, any such perceived conflict of interest is mitigated by the following factors:

- the Relatives are engaged primarily in the retail sale of jewellery and are not involved in any pawnbroking business. Our Group, on the other hand, is principally engaged in pawnbroking business. Our pawnbroking business contributed to an average of approximately 72.6% of our gross profit during the Period Under Review;

- the scale of each of the Relatives' businesses is significantly smaller compared to the retail and trading of pre-owned jewellery business segment of our Group;

- the Relatives are mainly engaged in the retail sale of new jewellery while the focus of our retail and trading of jewellery business is in pre-owned jewellery;

- each of Yeah Hiang Nam and Tan Hong Yee has also provided a statutory declaration, *inter alia*, that the Yeah Family does not hold any shares or interests in any of the Relatives' businesses and none of the shareholders or owners (as the case may be) of the Relatives' businesses are holding any shares or interests in such businesses as a proxy for, or for and on behalf of, any of the Yeah Family members;

- save for the below-mentioned, the Relatives also do not have shareholdings in our Company, our Group's subsidiaries and associated companies:

    - Yeo Mooi Huang (sole proprietor of Lucky Jewellery) is a shareholder of our subsidiary ValueMax Pawnshop (PR) (owning 15,000 shares or 0.5% of its paid-up capital). She is also a shareholder of our four (4) Malaysia associated companies, which our Group does not exercise management control over. Yeo Mooi Huang owns 6.8% of the paid-up capital of each of the Malaysia associated company; and

    - Yeo Ah Nya (sole proprietor of Mei Zhi Jewellery) is a shareholder of our subsidiary ValueMax Pawnshop (PR) (owning 30,000 shares or 1.0% of its paid-up capital); and

- each of Yeah Hiang Nam and Tan Hong Yee has also provided a statutory declaration, *inter alia*, that, the Relatives are independent of our Group and none of the Relatives are involved in the management or participate in the operations of our Group's business.

Non-competition Undertakings

Each of the shareholders of our Controlling Shareholder, Yeah Holdings, being Yeah Hiang Nam, Yeah Lee Ching, Yeah Chia Kai, Steven, Yeah Chia Wei and Tan Hong Yee, has also provided an undertaking to our Company, *inter alia*, that:

(a) they shall not, and shall procure that their associates (whether present or future) shall not in any capacity either alone or jointly with, through or on behalf of any person or entity, either directly or indirectly, be engaged in or interested in or carry on the Business (as defined herein);

(b) they shall not, and shall procure that their associates (whether present or future) shall not have any interest, directly or indirectly in, and/or provide any financial assistance to, any person or entity to carry on any business which is in competition with the business of our Group;

(c) they shall not, and shall procure that their associates (whether present or future) shall not be a director and/or holder of any management position and/or commissioner (where applicable) of any entity in any business which will compete with the business of our Group; and

(d) they shall not share any confidential information in relation to the business of our Group with any person or entity outside of our Group.

For the purpose of the non-competition undertakings, "**Business**" means any business in pawnbroking and/or the retail and trading of pre-owned jewellery and gold in Singapore and any jurisdiction into which our Group has ventured for pawnbroking and/or the retail and trading of pre-owned jewellery and gold, which is in direct or indirect competition with the business of the Group. For the avoidance of any doubt, the Business shall not include businesses operated by the Relatives which are engaged in the retail sale of new jewellery and any trading of pre-owned jewellery is only of an ancillary nature.

For the avoidance of any doubt, the undertakings shall not apply to any personal investments (whether directly or through nominees) in less than 5.0% of any entity which securities are publicly traded, provided that such shareholder and/or his associates (as the case may be) do not have board representations in such personal investments.

The undertaking shall remain in force for as long as our Company remains listed on the SGX-ST and such shareholder and his associates (whether present or future), individually or collectively, remains a Controlling Shareholder or a director of the Company.

Save as disclosed above and in this section entitled "Interested Person Transactions and Conflicts of Interests" of this Prospectus:

(a) none of our Directors, Executive Officers, Controlling Shareholders or any of their Associates has had any interest, direct or indirect, in any material transactions to which our Company was or is to be a party;

(b) none of our Directors, Executive Officers, Controlling Shareholders or any of their Associates has any interest, direct or indirect, in any company carrying on the same business or a similar trade which competes materially and directly with the existing business of our Group; and

(c) none of our Directors, Executive Officers, Controlling Shareholders or any of their Associates has any interest, direct or indirect, in any company that is our customer or supplier of goods and services.

Save as disclosed in this Prospectus, none of our Directors, Executive Officers, Controlling Shareholders or any of their Associates has any interest in any existing contract or arrangement which is significant in relation to the business of our Group, taken as a whole.

Our Directors recognise the importance of corporate governance and the offering of high standards of accountability to our Shareholders. Our Board of Directors has formed three (3) committees: (i) the Audit Committee, (ii) the Remuneration Committee and (iii) the Nominating Committee.

AUDIT COMMITTEE

Our Audit Committee comprises our Independent Directors, Phua Tin How, Lim Tong Lee and Lim Hwee Hai. The chairman of the Audit Committee is Lim Tong Lee.

Our Audit Committee will assist our Board in discharging its responsibility to safeguard our assets, maintain adequate accounting records, and develop and maintain effective systems of internal control, with the overall objective of ensuring that our management creates and maintains an effective control environment in our Group. Our Audit Committee will provide a channel of communication between our Board, our management and our external auditors on matters relating to audit.

Our Audit Committee will meet periodically to perform the following functions:

(a) review with the external auditors and the internal auditors their audit plans including the results of the external auditors' and internal auditors' review and evaluation of our system of internal accounting controls;

(b) review the scope and results of the external audit, and the independence and objectivity of the external auditors;

(c) review the half yearly and annual, and quarterly if applicable, financial statements and results announcements before submission to our Board for approval, focusing in particular on changes in accounting policies and practices, major risk areas, significant adjustments resulting from the audit, compliance with accounting standards and compliance with the Listing Manual and any other relevant statutory or regulatory requirements;

(d) review the effectiveness and adequacy of the internal control procedures addressing financial, operational and compliance risks;

(e) review and approve policies relating to hedging transactions ("**Hedging Policy**") as well as monitor the implementation of the Hedging Policy, including reviewing the instruments, processes and practices in accordance with the Hedging Policy;

(f) review the summary of our Group's daily net trade position on a quarterly basis to ensure that the processes and procedures in relation to gold hedging transactions are adhered to, and to assess the continued adequacy of these processes and procedures;

(g) review any non-adherence to the cash ceiling policy (which serves as a general guideline for the maximum amount of cash to be maintained at each pawnshop for each business day) on a quarterly basis;

(h) monitor the status of the winding up process undertaken in relation to Ban Soon Retail Services Pte. Ltd., Big M Jewellery Pte. Ltd., Soonli Jewellery Pte. Ltd., Dormant2 Jewellery and Dormant Jewellery, on a quarterly basis;

(i) review the assistance given by our management to the auditors, and discuss problems and concerns, if any, arising from audits, and any matters which the auditors may wish to discuss (in the absence of our management, where necessary);

(j) review and discuss with the external auditors any suspected fraud or irregularity, or suspected infringement of any relevant laws, rules or regulations, which has or is likely to have a material impact on our Group's operating results or financial position;

(k) consider and recommend the appointment or re-appointment of the external and internal auditors and matters relating to the resignation or dismissal of the auditors;

(l) review any Interested Person Transactions and/or potential conflicts of interests, and review the guidelines and review procedures set out under the section entitled "Interested Person Transactions and Conflicts of Interests – Guidelines and Review Procedures for Future Interested Person Transactions" of this Prospectus and future interested person transactions, if any;

(m) monitor the undertakings described under the section entitled "Interested Person Transactions and Conflicts of Interests – Potential Conflicts of Interests" of this Prospectus and review potential conflicts of interests, if any;

(n) review the suitability of the Chief Financial Officer and the adequacy of the finance team on an on-going basis;

(o) review the appointments of any persons occupying managerial positions who are related to a director or a Substantial Shareholder of our Company;

(p) undertake such other reviews and projects as may be requested by our Board, and report to our Board its findings from time to time on matters arising and requiring the attention of our Audit Committee;

(q) review the Company's internal whistleblowing policy and arrangements and to ensure that proper arrangements are in place for fair and independent investigation of these matters and for appropriate follow up action;

(r) review the Company's key financial risk areas and disclose the outcome of their reviews in the Annual Report, or when the findings are material, immediately announce via SGXNET; and

(s) generally undertake such other functions and duties as may be required by statute or the Listing Manual.

Our Audit Committee will meet, at a minimum, on a quarterly basis. Apart from the duties listed above, our Audit Committee shall commission and review the findings of internal investigations into matters where there is any suspected fraud or irregularity, or failure of internal controls or infringement of any Singapore law, rule or regulation which has or is likely to have a material impact on our operating results and/or financial position. In the event that a member of our Audit Committee is interested in any matter being considered by our Audit Committee, he will abstain from reviewing that particular transaction or voting on that particular resolution.

Currently, our Board, with the concurrence of the Audit Committee, based on the internal controls established and maintained by our Group, work performed by the internal and external auditors, and reviews by our Board and our Audit Committee, is of the view that the internal control procedures of our Group are adequate to address financial, operational and compliance risks.

We will also be appointing a suitable compliance adviser for two (2) years after our admission to the Official List of the SGX-ST upon which our Audit Committee will review and assess if it is necessary for us to continue with such engagement.

Our Audit Committee's views on Carol Liew's suitability as Chief Financial Officer

Our Audit Committee, after having:

(a) conducted an interview with Carol Liew;

(b) considered the professional qualifications and past working experiences of Carol Liew (as described in the section entitled "Directors, Management and Staff – Executive Officers" of this Prospectus), which include audit and accounting related experiences which are compatible with her position as Chief Financial Officer of our Group;

(c) observed Carol Liew's demonstration of the requisite competency in finance-related matters in connection with the preparation for the listing of our Company; and

(d) noted the absence of negative feedback on Carol Liew from the representatives of our Group's Reporting Auditors, Ernst & Young LLP,

is of the view that Carol Liew is suitable for the position of Chief Financial Officer of our Group.

Further, after making all reasonable enquiries and to the best of their knowledge and belief, nothing has come to the attention of the Audit Committee to cause them to believe that Carol Liew does not have the competence, character and integrity expected of a Chief Financial Officer of a listed issuer.

REMUNERATION COMMITTEE

Our Remuneration Committee comprises our Independent Directors, Phua Tin How, Lim Tong Lee and Lim Hwee Hai. The chairman of the Remuneration Committee is Phua Tin How.

Our Remuneration Committee will recommend to our Board a framework of remuneration for the Directors and Executive Officers, and determine specific remuneration packages for each Executive Director. The recommendations of our Remuneration Committee shall be submitted for endorsement by the entire Board. All aspects of remuneration, including but not limited to directors' fees, salaries, allowances, bonuses, Award Shares, options and benefits-in-kind shall be covered by our Remuneration Committee. In addition, our Remuneration Committee will perform an annual review of the remuneration of employees related to our Directors and Substantial Shareholders to ensure that their remuneration packages are in line with our staff remuneration guidelines and commensurate with their respective job scopes and level of responsibilities. They will also review and approve any bonuses, pay increases and/or promotions for these employees. Each member of the Remuneration Committee shall abstain from voting on any resolutions in respect of his remuneration package or that of employees related to him.

NOMINATING COMMITTEE

Our Nominating Committee comprises our Independent Directors, Phua Tin How, Lim Tong Lee and Lim Hwee Hai. The chairman of the Nominating Committee is Lim Hwee Hai.

Our Nominating Committee will be responsible for:

(a) reviewing and recommending the nomination or re-nomination of our Directors having regard to the Director's contribution and performance;

(b) determining on an annual basis whether or not a Director is independent;

(c) assessing the performance of the Board and contribution of each Director to the effectiveness of the Board; and

(d) reviewing and approving any employment of persons related to our Directors and Substantial Shareholders and the proposed terms of their employment.

Our Nominating Committee will recommend a framework for the evaluation of the Board's and individual Director's performance for the approval of the Board. Each member of our Nominating Committee shall abstain from voting on any resolutions in respect of the assessment of his performance or re-nomination as director.

Our Nominating Committee has reviewed the multiple directorships in listed companies disclosed by each of our Independent Directors and is satisfied that each Independent Director can allocate sufficient time and attention to the affairs of the Company to adequately discharge their duties as Directors of the Company.

BOARD PRACTICES

Our Directors are appointed by our Shareholders at a general meeting, and an election of Directors takes place annually. One-third (or the number nearest one-third) of our Directors are required to retire from office at each annual general meeting. Further all our Directors are required to retire from office at least once in every three (3) years. However, a retiring Director is eligible for re-election at the meeting at which he retires. Further details on the appointment and retirement of Directors can be found in the section entitled "Summary of Selected Articles of Association of our Company" as set out in Appendix G of this Prospectus.

SHARE CAPITAL

1. As at the date of this Prospectus, there is only one (1) class of shares in the capital of our Company, being ordinary shares. There are no founder, management, deferred or unissued shares. Our existing Shares do not carry voting rights which are different from the New Shares. The rights of and privileges attached to the Shares are stated in the Articles of Association.

2. Save as disclosed in the section entitled "Share Capital and Shareholders" of this Prospectus, there were no changes in the issued and paid-up share capital of our Company or our Subsidiaries within the three (3) years preceding the Latest Practicable Date.

3. Save as disclosed in paragraph 2 above and in the section entitled "General Information of Our Group — Restructuring Exercise" of this Prospectus, no shares in or debentures of our Company or our Subsidiaries has been issued, or is proposed to be issued, as fully or partly paid-up for cash, or for a consideration other than cash, during the three (3) years preceding the Latest Practicable Date.

4. No person has, or has the right to be given, an option to subscribe for or purchase securities in our Company or our Subsidiaries.

MEMORANDUM AND ARTICLES OF ASSOCIATION

5. An extract of our Articles of Association relating to, *inter alia*, the transferability of shares, Directors' voting rights, borrowing powers of Directors and dividend rights are set out in Appendix G entitled "Summary of Selected Articles of Association of our Company" of this Prospectus. The Memorandum and Articles of Association of our Company are available for inspection at our registered office in accordance with the section entitled "Other General Information — Documents for Inspection" in this section of this Prospectus.

MATERIAL CONTRACTS

6. The following contracts, not being contracts entered into in the ordinary course of business, to which our Company or any member of our Group is a party, for a period of two (2) years before the date of lodgement of this Prospectus with the Authority, are or may be material:

   (a) Share Purchase Agreement;

   (b) Business Transfer Agreements;

   (c) Malaysian Share Restructuring Agreements; and

   (d) Golden Goldsmith SPA.

   Please refer to the section entitled "General Information of Our Group — Restructuring Exercise" of this Prospectus for further details.

FINANCIAL POSITION AND OPERATIONS OF OUR GROUP

7. Save as disclosed in the sections entitled "Risk Factors" and "Prospects, Business Strategies and Future Plans" of this Prospectus, our Directors are not aware of any event which has occurred between 1 January 2013 and the Latest Practicable Date, which may have a material effect on the financial position and results of operations of our Group.

8. Save as disclosed in the sections entitled "Risk Factors" and "Prospects, Business Strategies and Future Plans" of this Prospectus, our financial position and results of operations are not likely to be affected by any of the following:

   (a) known trends, uncertainties, demands, commitments or events that will result or are reasonably likely to result in our Group's liquidity increasing or decreasing in any material way;

   (b) commitments for material capital expenditure;

   (c) unusual or infrequent events or transactions or any significant economic changes that materially affect the amount of reported income from operations; and

   (d) known trends, uncertainties, demands, commitments or events that have had or that our Group expects to have a material favourable or unfavourable impact on revenues or operating income.

LITIGATION

9. Neither our Company nor our Subsidiaries are engaged in any litigation or arbitration either as plaintiff or defendant and our Directors have no knowledge and are not aware of any litigation or arbitration which are pending or threatened against our Company or our Subsidiaries or of any facts likely to give rise to any such litigation or arbitration, in respect of any claims or amounts which may have or had during the 12 months immediately before the date of lodgement of this Prospectus, a material effect on our Group's results of operations or financial position.

GENERAL

10. No Shares will be allotted or issued on the basis of this Prospectus later than six (6) months after the date of registration of this Prospectus.

11. The time of opening of the Invitation is stated in the section entitled "The Invitation – Details of the Invitation" of this Prospectus.

12. The amount payable on application is $0.51 for each New Share.

13. In the opinion of our Directors, there is no minimum amount which must be raised by the issue of the New Shares. Although no minimum amount must be raised by the Invitation, such amounts which are proposed to be provided out of the proceeds of the New Shares shall, in the event the Invitation is cancelled, be provided out of the existing banking facilities and/or internal funds generated from operations.

14. No amount of cash or securities or benefit has been or is intended to be paid or given to any promoter within the two (2) years preceding the date of lodgement of this Prospectus or is proposed or intended to be paid or given to any promoter at anytime in respect of this Invitation.

15. Application monies received by our Company in respect of successful applications (including successfully balloted applications which are subsequently rejected) will be placed in a separate non-interest bearing account with the Receiving Banker. In the ordinary course of its business, the Receiving Banker will deploy these monies in the interbank money market. Our Company and the Receiving Banker have agreed that our Company will not receive any revenue earned by the Receiving Banker from the deployment of such monies in the interbank money market. Any refund of all or part of the application monies to unsuccessful or partially successful applicants will be made without any interest or any share of revenue or any other benefit arising therefrom.

16. Details, including the names, addresses and professional qualifications (including membership in a professional body) of the auditors of our Company for FY2010, FY2011 and FY2012 are as follows:

Name, Membership and Address	Professional Body	Partner-in-charge / Professional Qualification
Ernst & Young LLP Public Accountants and Chartered Accountants One Raffles Quay North Tower, Level 18 Singapore 048583	Institute of Singapore Chartered Accountants	Max Loh Khum Whai / Chartered Accountant, Member of the Institute of Singapore Chartered Accountants

17. We currently have no intention of changing our auditors after the admission of our Company to the Official List of the SGX-ST.

18. There was no public take-over offer, by a third party in respect of our Shares or by our Company in respect of the shares of another corporation or the units of a business trust, which occurred between 1 January 2012 and the Latest Practicable Date.

MANAGEMENT AND UNDERWRITING AGREEMENT AND PLACEMENT AGREEMENT

19. Pursuant to a management and underwriting agreement dated 21 October 2013 (the "**Management and Underwriting Agreement**") entered into between our Company and Canaccord Genuity, our Company appointed Canaccord Genuity to manage the Invitation. The Issue Manager will receive a management fee from our Company for its services rendered in connection with the Invitation.

20. Pursuant to the Management and Underwriting Agreement, the Underwriter has agreed to underwrite the Offer Shares on the terms and conditions therein, and our Company agreed to pay to the Underwriter an underwriting commission of 2.5% of the aggregate Issue Price for the total number of Offer Shares. Payment of the commission shall be made whether or not any allotment, issue or transfer of the Offer Shares is made to the Underwriter or its nominees, except that no underwriting commission shall be payable for any portion of the Offer Shares which have been applied to satisfy excess applications for Placement Shares. The Underwriter may, at its absolute discretion, appoint one (1) or more sub-underwriters to underwrite the Offer Shares.

21. For Offer Shares, brokerage will be paid by our Company out of the underwriting commission (except the minimum brokerage fee levied by DBS Bank), to the members of the Association of Banks in Singapore (other than DBS Bank), members of the SGX-ST and merchant banks in Singapore in respect of successful applications made on Application Forms bearing their respective stamps, and to the Participating Banks (other than DBS Bank) in respect of successful applications made through Electronic Applications at their respective ATMs or IB websites, at the rate of 0.25%, and in the case of DBS Bank, 0.75%, of the Issue Price for each Offer Share. In addition, DBS Bank levies a minimum brokerage of $10,000 that will be paid by our Company.

22. Pursuant to the placement agreement dated 21 October 2013 (the "**Placement Agreement**") entered into between our Company and Canaccord Genuity as the Placement Agent, the Placement Agent has agreed to subscribe for and/or procure subscribers for the Placement Shares at the Issue Price for a placement commission of 2.5% of the aggregate Issue Price for the total number of Placement Shares, payable by our Company. The Placement Agent may, at its absolute discretion, appoint one (1) or more sub-placement agents for the Placement Shares.

23. Subscribers of the Placement Shares may be required to pay a brokerage of up to 1.0% of the Issue Price (plus the prevailing GST thereon, if applicable) to the Placement Agent or any sub-placement agent that may be appointed by the Placement Agent.

24. The Company will indemnify the Issue Manager, the Underwriter, the Underwriter's sub-underwriters, and the affiliates, associated and related companies and corporations of the Issue Manager, Underwriter and Underwriter's sub-underwriters, as well as their respective directors, employees and agents (including the directors and employees of such agents), the Placement Agent and the sub-placement agents, associated and related companies and corporations of the Placement Agent, as well as their respective directors, employees and agents (including the directors and employees of such agents) (collectively, the "**Indemnified Persons**") from all losses, costs (including legal costs on a full indemnity basis) and liabilities which the Indemnified Persons may incur as a result of the Invitation, the lodgement and registration of the Prospectus, any actual or alleged misrepresentations by the Company, any actual or alleged inaccuracies or omissions from the Prospectus, any actual or alleged breach by the Company of the representations, warranties and undertakings in the Management and Underwriting Agreement or the Placement Agreement (as the case may be), any failure or delay by the Company in performing its undertakings or obligations under the Management and Underwriting Agreement or the Placement Agreement (as the case may be), or any fraud, act or omission by the Company (or its respective directors, employees or agents). Further, the Company will indemnify the Indemnified Persons from all losses, costs (including legal costs on a full indemnity basis) and liabilities arising out of any proceedings brought against the Indemnified Persons in relation to the Invitation as a result of any failure by the Company to comply with applicable laws and regulations, the Prospectus not containing all information material in the context of the Invitation, any statement contained in the Invitation being untrue, incorrect or misleading, any misrepresentation contained in the Prospectus, any breach by the Company of the representations, warranties and undertakings in the Management and Underwriting Agreement or the Placement Agreement (as the case may be), any failure or delay by the Company in performing its obligations under the Management and Underwriting Agreement or the Placement Agreement (as the case may be) and any exercise of the Underwriter or the Placement Agent (as the case may be) of any rights and authorities granted under the Management and Underwriting Agreement or the Placement Agreement (as the case may be), in each case except in relation to any claim arising out of the wilful default, gross negligence or fraud of the Indemnified Persons.

25. Save as stated in this Prospectus, no commission, discount or brokerage, has been paid or other special terms granted by our Company within the two (2) years preceding the date of this Prospectus or is payable to any Director, promoter, expert, proposed Director or any other person for subscribing or agreeing to subscribe or procuring or agreeing to procure subscriptions for any shares in, or debentures of, our Company or our Subsidiaries.

26. If there shall have been, since the date of the Management and Underwriting Agreement and prior to the close of the Application List:

    (a) the issue of a stop order by the Authority in accordance with section 242 of the SFA; or

    (b) any breach of the representations, warranties or undertakings by our Company in the Management and Underwriting Agreement or Placement Agreement; or

    (c) any occurrence of certain specified events which comes to the knowledge of the Issue Manager and Underwriters; or

    (d) any material adverse change, or any development involving a prospective adverse change, in the condition (financial or otherwise) of our Company or of our Group as a whole; or

(e) any introduction or prospective introduction of or any change or prospective change in any legislation, regulation, order, notice, policy, rule, guideline or directive (whether or not having the force of law and including, without limitation, any directive, notice or request issued by the Authority, the Securities Industry Council of Singapore or the SGX-ST) or in the interpretation or application thereof by any court, government body, regulatory authority or other competent authority in Singapore or elsewhere including but not limited to foreign exchange controls in Singapore or overseas; or

(f) any change, or any development involving a prospective change, in local, national, regional or international, financial (including stock market, foreign exchange market, inter-bank market or interest rates or money market), political, industrial, economic, legal or monetary conditions, taxation or exchange controls (including without limitation, the imposition of any moratorium, suspension or material restriction on trading in securities generally on the SGX-ST due to exceptional financial circumstances or otherwise adverse changes in foreign exchange controls in Singapore or overseas, or any combination of any such changes or developments or crisis, or any deterioration of any such conditions); or

(g) any imminent threat or occurrence of any local, national, regional or international outbreak or escalation of hostilities, insurrection, terrorist attacks or armed conflict (whether or not involving financial markets in any jurisdiction); or

(h) any regional or local outbreak of disease that may have an adverse effect on the financial markets; or

(i) foreign exchange controls in Singapore and overseas or any occurrence of a combination of any such changes or developments or crises, or any deterioriation of any such conditions; or

(j) any other occurrence of any nature whatsoever,

which has resulted or is in the reasonable opinion of the Issue Manager or the Underwriter likely to result in the issue of a Stop Order by the Authority; or a material adverse fluctuation or material adverse conditions in the stock market in Singapore or elsewhere; or the success of the Invitation being materially prejudiced; or it becoming impracticable, inadvisable, inexpedient or not commercially viable or otherwise contrary to or outside the usual commercial customs or practices in Singapore for the Issue Manager or the Underwriter to observe or perform or be obliged to observe or perform the terms of the Management and Underwriting Agreement or the Placement Agreement; or it being such that no reasonable underwriter would have entered into the Management and Underwriting Agreement; or the business, trading position, operations or prospects of our Group being materially and adversely affected, the Issue Manager (for itself and for and on behalf of the Underwriter) may at any time prior to the close of the Application List rescind or terminate the Management and Underwriting Agreement.

27. Notwithstanding the aforesaid, the Issue Manager or the Underwriter may terminate the Management and Underwriting Agreement if:-

(a) at any time up to the commencement of trading of the Shares on the SGX-ST, a stop order shall have been issued by the Authority in accordance with section 242 of the SFA; or

(b) at any time after the registration of this Prospectus with the Authority but before the close of the Application List, our Company fail and/or neglect to lodge a supplementary or replacement prospectus (as the case may be) if they become aware of:-

(i) a false or misleading statement in this Prospectus;

(ii) an omission from this Prospectus of any information that should have been included in it under section 243 of the SFA; or

(iii) a new circumstance that has arisen since this Prospectus was lodged with the Authority and would have been required by section 243 of the SFA to be included in the Prospectus if it had arisen before this Prospectus was lodged, that is materially adverse from the point of view of an investor; or

(c) the Shares have not been admitted to the Official List of the SGX-ST on or before 30 October 2013 (or such other date as our Company, the Issue Manager and the Underwriter may agree).

28. The obligations under the Placement Agreement are conditional upon, amongst others, the Management and Underwriting Agreement not being terminated or rescinded pursuant to the provisions of the Management and Underwriting Agreement. In the case of the non-fulfilment of any of the conditions in the Management and Underwriting Agreement or the release or discharge of the Issue Manager and the Underwriter (as the case may be) from their obligations under or pursuant to the Management and Underwriting Agreement, the Placement Agreement shall be terminated and the parties shall be released from their respective obligations under the Placement Agreement.

29. In the event that the Management and Underwriting Agreement and/or the Placement Agreement is terminated, our Company undertakes to forthwith terminate the Invitation, and shall in this regard authorise the Issue Manager and Underwriter to act on behalf of the Company and to do such acts and things as they may deem necessary or advisable to terminate the Invitation.

30. Save as disclosed above, we do not have any material relationship with the Issue Manager, Underwriter and Placement Agent.

INTERESTS OF EXPERTS AND UNDERWRITERS

31. Interests of Experts

No expert is employed on a contingent basis by our Company or our Subsidiaries, has a material interest, whether direct or indirect, in the shares of our Company or our Subsidiaries, or has a material economic interest, whether direct or indirect, in our Company, including in the success of the Invitation.

32. Interests of Underwriters

In the reasonable opinion of our Directors, the Underwriter, Canaccord Genuity, does not have a material relationship with our Company save as below:

(a) Canaccord Genuity is the Issue Manager, Underwriter and the Placement Agent of the Invitation.

CONSENTS

33. (a) The Reporting Auditors, Ernst & Young LLP, have given and have not withdrawn their written consent to the issue of this Prospectus with the inclusion herein of (i) the "Audited Combined Financial Statements of ValueMax Group Limited and its Subsidiaries for the Financial Years Ended 31 December 2010, 2011 and 2012" as set out in Appendix A of this Prospectus; (ii) the "Unaudited Interim Combined Financial Statements of ValueMax Group Limited and its Subsidiaries for the Three-Month Period Ended 31 March 2013" as set out in Appendix B of this Prospectus; and (iii) the "Unaudited Pro Forma Combined Financial Information of ValueMax Group Limited and its Subsidiaries for the Financial Year Ended 31 December 2012 and the Three-Month Period Ended 31 March 2013" as set out in Appendix C of this Prospectus, in the form and context in which they appear in this Prospectus and to act in such capacity in relation to this Prospectus.

(b) The Issue Manager, Underwriter and Placement Agent, has given and not withdrawn its written consent to the issue of this Prospectus with the inclusion of its name in the form and context in which it appears in the Prospectus and to act in such capacity in relation to this Prospectus.

RESPONSIBILITY STATEMENT BY OUR DIRECTORS

34. The Directors collectively and individually accept full responsibility for the accuracy of the information given in this Prospectus and confirm after making all reasonable enquiries that, to the best of their knowledge and belief, this Prospectus constitutes full and true disclosure of all material facts about the Invitation and our Group, and the Directors are not aware of any fact the omission of which would make any statement in this Prospectus misleading. Where information in this Prospectus has been extracted from published or otherwise publicly available sources or obtained from a named source, the sole responsibility of the Directors has been to ensure that such information has been accurately and correctly extracted from those sources and/or reproduced in this Prospectus in its proper form and context.

DOCUMENTS FOR INSPECTION

35. The following documents may be inspected at our registered office at 213 Bedok North Street 1 #01-121 Singapore 460213 during normal business hours for a period of six (6) months from the date of registration of this Prospectus:

(a) the Memorandum and Articles of Association of our Company;

(b) Audited Combined Financial Statements of ValueMax Group Limited and its Subsidiaries for the Financial Years Ended 31 December 2010, 2011 and 2012;

(c) Unaudited Interim Combined Financial Statements of ValueMax Group Limited and its Subsidiaries for the Three-Month Period Ended 31 March 2013;

(d) Unaudited Pro Forma Combined Financial Information of ValueMax Group Limited and its Subsidiaries for the Financial Year Ended 31 December 2012 and the Three-Month Period Ended 31 March 2013;

(e) the material contracts referred to in the section entitled "Other General Information — Material Contracts" of this Prospectus;

(f) the letters of consent referred to in the section entitled "Other General Information — Consents" of this Prospectus; and

(g) the Service Agreements referred to in the section entitled "Directors, Management and Staff — Service Agreements" of this Prospectus.

APPENDIX A – AUDITED COMBINED FINANCIAL STATEMENTS OF VALUEMAX GROUP LIMITED AND ITS SUBSIDIARIES FOR THE FINANCIAL YEARS ENDED 31 DECEMBER 2010, 2011 AND 2012

VALUEMAX GROUP LIMITED AND ITS SUBSIDIARIES

STATEMENT BY DIRECTORS

We, Yeah Hiang Nam and Yeah Lee Ching, being two of the directors of ValueMax Group Limited (the "Company"), do hereby state that, in the opinion of the directors,

(i) the accompanying combined financial statements together with notes thereto are drawn up so as to present fairly, in all material respects, the state of affairs of the Group as at 31 December 2010, 2011 and 2012 and the results of the business, changes in equity and cash flows of the Group for the financial years ended on those dates, and

(ii) at the date of this statement, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they fall due.

On behalf of the board of directors:

Yeah Hiang Nam
Director

Yeah Lee Ching
Director

21 October 2013

The Board of Directors
ValueMax Group Limited
213 Bedok North Street 1,
#01-121
Singapore 460213

Report on the combined financial statements

We have audited the accompanying financial statements of ValueMax Group Limited (the "Company") and its subsidiaries (collectively, the "Group"), comprising the combined statements of financial position as at 31 December 2010, 2011 and 2012, its combined statements of comprehensive income, statements of changes in equity and statements of cash flows for each of the financial years ended 31 December 2010, 2011 and 2012, and a summary of significant accounting policies and other explanatory notes, as set out on pages A-4 to A-58.

Management's responsibility for the combined financial statements

The Company's management is responsible for the preparation and fair presentation of these combined financial statements in accordance with the provisions of Singapore Financial Reporting Standards, and for devising and maintaining a system of internal accounting controls sufficient to provide a reasonable assurance that assets are safeguarded against loss from unauthorised use or disposition; and transactions are properly authorised and that they are recorded as necessary to permit the preparation of true and fair profit and loss accounts and balance sheets and to maintain accountability of assets.

Auditor's responsibility

Our responsibility is to express an opinion on these combined financial statements based on our audits. We conducted our audits in accordance with Singapore Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the combined financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the combined financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the combined financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of combined financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the combined financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the abovementioned combined financial statements of the Group present fairly, in all material respects, the state of affairs of the Group as at 31 December 2010, 2011 and 2012 and its results of operations, changes in equity and cash flows for each of the financial years ended 31 December 2010, 2011 and 2012 in accordance with Singapore Financial Reporting Standards.

Restriction on distribution and use

This report is made solely to you as a body and for the inclusion in the Prospectus to be issued in relation to the proposed offering of the shares of the Company in connection with the Company's listing on the Singapore Exchange Securities Trading Limited.

ERNST & YOUNG LLP
Public Accountants and
Chartered Accountants
Singapore

Max Loh Khum Whai
Partner

21 October 2013

VALUEMAX GROUP LIMITED AND ITS SUBSIDIARIES

COMBINED STATEMENTS OF COMPREHENSIVE INCOME FOR THE FINANCIAL YEARS ENDED 31 DECEMBER 2010, 2011 AND 2012

(Amounts expressed in Singapore Dollars)

	Note	2010 $'000	2011 $'000	2012 $'000
Revenue	4	398,393	531,948	508,984
Cost of sales		(379,300)	(507,514)	(483,203)
Gross profit		19,093	24,434	25,781
Other item of income				
Other operating income	5	1,300	999	1,242
Other items of expense				
Marketing and distribution expenses		(116)	(211)	(198)
Administrative expenses		(5,947)	(7,987)	(9,759)
Finance costs	6	(187)	(365)	(314)
Other operating expenses	7	–	(306)	(656)
Share of results of associates		825	878	797
Profit before tax	8	14,968	17,442	16,893
Income tax expense	11	(1,817)	(2,444)	(2,034)
Profit for the year, representing total comprehensive income for the year		13,151	14,998	14,859
Attributable to:				
Owners of the Company		12,906	14,506	14,346
Non-controlling interests		245	492	513
		13,151	14,998	14,859
Earnings per share (cents per share)				
Basic and diluted	12	2.42	2.72	2.69

The accompanying accounting policies and explanatory notes form an integral part of the combined financial statements.

VALUEMAX GROUP LIMITED AND ITS SUBSIDIARIES

COMBINED STATEMENTS OF FINANCIAL POSITION
AS AT 31 DECEMBER 2010, 2011 AND 2012

(Amounts expressed in Singapore Dollars)

	Note	2010 $'000	2011 $'000	2012 $'000
Non-current assets				
Property, plant and equipment	13	2,166	2,299	2,535
Investment in associates	15	2,754	2,934	3,511
Other investments	16	399	399	399
		5,319	5,632	6,445
Current assets				
Inventories	17	17,631	26,898	32,364
Trade and other receivables	18	111,331	150,185	145,784
Prepaid operating expenses		151	105	854
Cash and bank balances	19	2,170	2,589	3,087
		131,283	179,777	182,089
Total assets		136,602	185,409	188,534
Current liabilities				
Trade and other payables	20	25,188	43,730	18,546
Other liabilities	21	1,204	1,277	1,546
Interest-bearing loans and borrowings	22	63,004	77,452	90,751
Income tax payable		2,532	3,556	3,552
		91,928	126,015	114,395
Net current assets		39,355	53,762	67,694
Non-current liabilities				
Provisions	23	–	–	29
Deferred tax liabilities	11	32	45	49
Interest-bearing loans and borrowings	22	–	–	2
		32	45	80
Total liabilities		91,960	126,060	114,475
Net assets		44,642	59,349	74,059
Equity attributable to owners of the Company				
Share capital	24	5,742	5,742	5,742
Retained earnings		36,902	50,321	64,667
Capital reserve	25	896	1,843	1,843
		43,540	57,906	72,252
Non-controlling interests		1,102	1,443	1,807
Total equity		44,642	59,349	74,059

The accompanying accounting policies and explanatory notes form an integral part of the combined financial statements.

VALUEMAX GROUP LIMITED AND ITS SUBSIDIARIES

COMBINED STATEMENTS OF CHANGES IN EQUITY
AS AT 31 DECEMBER 2010, 2011 AND 2012

(Amounts expressed in Singapore Dollars)

	Attributable to owners of the Company					
	Share capital (Note 24) $'000	**Capital reserve (Note 25)** $'000	**Retained earnings** $'000	**Total** $'000	**Non-controlling interests** $'000	**Total equity** $'000
Year ended 31 December 2010						
At 1 January 2010	5,742	(24)	24,916	30,634	951	31,585
Profit for the year, representing total comprehensive income for the year	–	–	12,906	12,906	245	13,151
Contributions by and distributions to owners						
Issuance of bonus shares by subsidiaries	–	920	(920)	–	–	–
Dividends paid to non-controlling interests	–	–	–	–	(94)	(94)
Total transactions with owners in their capacity as owners	–	920	(920)	–	(94)	(94)
At 31 December 2010	5,742	896	36,902	43,540	1,102	44,642
Year ended 31 December 2011						
At 1 January 2011	5,742	896	36,902	43,540	1,102	44,642
Profit for the year, representing total comprehensive income for the year	–	–	14,506	14,506	492	14,998
Contributions by and distributions to owners						
Issuance of bonus shares by subsidiaries	–	947	(947)	–	–	–
Dividends paid to non-controlling interests	–	–	–	–	(151)	(151)
Dividends paid to the then-existing shareholders of a subsidiary	–	–	(140)	(140)	–	(140)
Total transactions with owners in their capacity as owners	–	947	(1,087)	(140)	(151)	(291)
At 31 December 2011	5,742	1,843	50,321	57,906	1,443	59,349

The accompanying accounting policies and explanatory notes form an integral part of the combined financial statements.

VALUEMAX GROUP LIMITED AND ITS SUBSIDIARIES

COMBINED STATEMENTS OF CHANGES IN EQUITY
AS AT 31 DECEMBER 2010, 2011 AND 2012

(Amounts expressed in Singapore Dollars)

	Attributable to owners of the Company					
	Share capital (Note 24) $'000	**Capital reserve (Note 25)** $'000	**Retained earnings** $'000	**Total** $'000	**Non-controlling interests** $'000	**Total equity** $'000
Year ended 31 December 2012						
At 1 January 2012	5,742	1,843	50,321	57,906	1,443	59,349
Profit for the year, representing total comprehensive income for the year	–	–	14,346	14,346	513	14,859
Contributions by and distributions to owners						
Dividends paid to non-controlling interests	–	–	–	–	(149)	(149)
Total transactions with owners in their capacity as owners	–	–	–	–	(149)	(149)
At 31 December 2012	5,742	1,843	64,667	72,252	1,807	74,059

The accompanying accounting policies and explanatory notes form an integral part of the combined financial statements.

VALUEMAX GROUP LIMITED AND ITS SUBSIDIARIES

COMBINED STATEMENTS OF CASH FLOWS
FOR THE FINANCIAL YEARS ENDED 31 DECEMBER 2010, 2011 AND 2012

(Amounts expressed in Singapore Dollars)

	Notes	2010 $'000	2011 $'000	2012 $'000
Operating activities				
Profit before tax		14,968	17,442	16,893
Adjustments for:				
Depreciation of property, plant and equipment	13	223	282	322
Allowance for doubtful trade receivables		–	–	656
Interest income	5	(211)	(88)	(175)
Finance costs	6	1,756	2,351	2,208
Dividend income from unquoted investments		(106)	(106)	(76)
Increase in fair value of inventories less point-of-sale costs	17	(65)	(18)	(30)
Net fair value loss on financial liability at fair value through profit or loss	8	306	199	2
Share of results of associates		(825)	(878)	(797)
Unrealised exchange gain		(136)	(913)	(316)
Operating cash flows before changes in working capital		15,910	18,271	18,687
Changes in working capital				
Increase in inventories		(8,607)	(9,249)	(5,435)
(Increase)/decrease in trade and other receivables		(22,556)	(37,941)	4,061
Decrease/(increase) in prepaid operating expenses		202	46	(750)
(Decrease)/increase in trade and other payables		(7,248)	11,519	(3,392)
Increase in other liabilities		826	73	269
Cash flows (used in)/generated from operations		(21,473)	(17,281)	13,440
Interest received		211	88	175
Finance costs paid		(1,756)	(2,351)	(2,208)
Income taxes paid		(1,100)	(1,408)	(2,034)
Net cash flows (used in)/generated from operating activities		(24,118)	(20,952)	9,373
Investing activities				
Purchase of property, plant and equipment	A	(418)	(415)	(522)
Acquisition of additional interest in an associate	15	–	–	(248)
Dividend income from associates		629	698	468
Dividend income from other investments		106	106	76
Net cash flows generated from/(used in) investing activities		317	389	(226)

VALUEMAX GROUP LIMITED AND ITS SUBSIDIARIES

COMBINED STATEMENTS OF CASH FLOWS
FOR THE FINANCIAL YEARS ENDED 31 DECEMBER 2010, 2011 AND 2012

(Amounts expressed in Singapore Dollars)

	Note	2010 $'000	2011 $'000	2012 $'000
Financing activities				
Proceeds from short-term bank borrowings		18,150	10,750	29,666
Proceeds from loans from related parties		2,260	7,023	–
Repayment of loans from related parties		–	–	(21,798)
Repayment of obligations under finance leases		–	–	(1)
Dividends paid to non-controlling interests		–	(151)	(149)
Dividends paid to the then-existing shareholders of a subsidiary		–	(140)	–
Net cash flows from financing activities		20,410	17,482	7,718
Net (decrease)/increase in cash and cash equivalents		(3,391)	(3,081)	16,865
Cash and cash equivalents at beginning of year		(18,824)	(22,215)	(25,296)
Cash and cash equivalents at end of year	19	(22,215)	(25,296)	(8,431)

Note to the combined statements of cash flows

A. Property, plant and equipment

	Note	2010 $'000	2011 $'000	2012 $'000
Current year additions to property, plant and equipment	13	418	415	558
Less: Additions under finance leases	13	–	–	(7)
Less: Provision for restoration costs included in "Renovations"	13	–	–	(29)
Net cash outflow for purchase of property, plant and equipment		418	415	522

The accompanying accounting policies and explanatory notes form an integral part of the combined financial statements.

VALUEMAX GROUP LIMITED AND ITS SUBSIDIARIES

NOTES TO THE COMBINED FINANCIAL STATEMENTS
31 DECEMBER 2010, 2011 AND 2012

1. Corporate information

1.1 *The Company*

The Company was incorporated on 7 August 2003 under the Companies Act as a private company limited by shares under the name of Fang Yuan Holdings Pte. Ltd.. It changed its name to ValueMax Group Pte. Ltd. on 7 April 2004. On 16 October 2013, the Company was converted to a public limited company and changed its name to ValueMax Group Limited. The immediate and ultimate holding company is Yeah Holdings Pte. Ltd. ("Yeah Holdings").

The registered office and principal place of business of the Company is located at 213 Bedok North Street 1, #01-121, Singapore 460213.

The principal activities of the Company are those of investment holding and provision of management services. The principal activities of the subsidiaries are disclosed in Note 14 to the financial statements.

1.2 *The Restructuring Exercise*

Transfer of businesses under common control

The Group undertook the following transaction as part of a corporate reorganisation implemented in preparation for its listing on the Singapore Exchange Securities Trading Limited ("SGX-ST") (the "Restructuring Exercise"), the effects of which have been included in the combined financial statements of the Group for the financial years ended 31 December 2010, 2011 and 2012:

Transfer of gold trading and retail of pre-owned jewellery businesses from Yeah Capital and Dormant2 Jewellery, respectively (the "Business Transfer")

Pursuant to the business transfer agreements dated 1 January 2013 and 1 February 2013 respectively ("Business Transfer Agreements"), ValueMax Precious Metals and Spring Jewellery (SG) purchased the gold trading and retail of pre-owned jewellery businesses of Yeah Capital and Dormant2 Jewellery, respectively. The purchase consideration for the retail of pre-owned jewellery business of Dormant2 Jewellery was approximately $1,787,000, being the carrying value of the net assets of the retail of pre-owned jewellery business of Dormant2 Jewellery acquired by the Group as at 31 January 2013. The purchase consideration for the gold trading business of Yeah Capital was approximately $12,438,000, being the carrying value of the net assets of the gold trading business of Yeah Capital acquired by the Group as at 31 December 2012. The purchase consideration for each of Yeah Capital and Dormant2 Jewellery was satisfied in cash to Yeah Capital and Dormant2 Jewellery respectively.

The above Restructuring Exercise is considered to be a business combination involving entities under common control and is accounted for by applying the pooling of interests method. Accordingly, the assets and liabilities of these businesses transferred have been included in the combined financial statements at their carrying amounts. Although the Restructuring Exercise occurred in January and February 2013, the combined financial statements present the financial condition and results of operations as if the businesses had always been combined since the beginning of the earliest period presented.

1. Corporate information (cont'd)

1.2 ***The Restructuring Exercise (cont'd)***

Transfer of businesses under common control (cont'd)

In accordance with Recommended Accounting Practice 12, Merger Accounting for Common Control Combinations for financial statements prepared under Part IX of the Fifth Schedule to the Securities and Futures (Offers of Investments) (Shares and Debentures) Regulations 2005, where the business has been under common control but has not formed a legal group as at the end of the group's latest reporting period, the financial statements of the businesses may, if meaningful, be presented on a combined basis (as distinct from consolidated financial statements) provided that the common control combination under which the legal group is formed is completed before the date of approval of the combined financial statements by the directors.

In connection with the Restructuring Exercise, the Group also undertook the transactions described below, the effects of which have not been included in the combined financial statements for the financial years ended 31 December 2010, 2011 and 2012:

(a) *Acquisition of equity interests in ValueMax Pawnshop, ValueMax Pawnshop (BD), ValueMax Pawnshop (PR), ValueMax Pawnshop (CCK), ValueMax Pawnshop (WL), ValueMax Pawnshop (EL), ValueMax Pawnshop (BK), ValueMax Pawnshop (SG), ValueMax Retail, Soon Hong Pawnshop, Ban Soon Pawnshop, Ban Lian Pawnshop, Ban Seng Pawnshop and Fook Loy Trading (collectively, the "Singapore Entities")*

Pursuant to a share purchase agreement dated 1 August 2013 (the "Share Purchase Agreement") entered into between the Company (as the purchaser) and certain shareholders of the Singapore Entities (the "Existing Shareholders"), the Company acquired the shares held by the Existing Shareholders in the Singapore Entities for an aggregate consideration of approximately $2,928,000. Save for Ban Seng Pawnshop, the purchase consideration was arrived at based on the latest audited net asset value of the companies as at 31 December 2012. The purchase consideration of Ban Seng Pawnshop of $688,000, was at a premium of approximately $272,000 above the latest audited net asset value of Ban Seng Pawnshop as at 31 December 2012. The purchase consideration was satisfied by (a) the issue and allotment of 53,344 ordinary shares at $12.90 per ordinary share (being the net asset value of the Group as at 31 December 2012) in the issued share capital of the Company, credited as fully paid, by the Company to the Existing Shareholders; and (b) in cash of an amount of approximately $2,240,000 to the Existing Shareholders. The Existing Shareholders then renounced and transferred all the 53,344 shares received as purchase consideration to Yeah Holdings.

(b) *Acquisition of equity interests in Kedai Emas Well Chip, Kedai Pajak Well Chip, SYT Pavilion and Thye Shing (collectively, the "Malaysian Companies")*

Pursuant to the share restructuring agreements dated 12 August 2013 (the "Malaysian Share Restructuring Agreements") entered into between the Company, Goldjew, Great Prompt as well as the Managing Director and CEO, Yeah Hiang Nam, and his nominees, the Company acquired 46.6% of the issued share capital of each of the Malaysian Companies for a purchase consideration of approximately $3,279,000. VMM Holdings, a subsidiary of the Group, was nominated to receive the shares. The purchase consideration was arrived at based on the latest audited net asset value of the Malaysian Companies as at 31 December 2012 of approximately RM 20,017,000 (equivalent to approximately $8,007,000), and was satisfied fully by the allotment and issue of 147,245, 55,278 and 86,632 ordinary shares at $12.90 per ordinary share (being the approximate net asset value of the Group as at 31 December 2012), credited as fully paid, to Yeah Hiang Nam, Goldjew and Great Prompt respectively.

1. Corporate information (cont'd)

1.2 ***The Restructuring Exercise (cont'd)***

(b) *Acquisition of equity interests in Kedai Emas Well Chip, Kedai Pajak Well Chip, SYT Pavilion and Thye Shing (collectively, the "Malaysian Companies") (cont'd)*

Goldjew and Great Prompt are investment holding companies. They own various assets including real estate in Malaysia and are not in the business of pawnbroking. The shares of Goldjew and Great Prompt are beneficially owned by Yeah Hiang Nam.

Each of Goldjew and Great Prompt subsequently declared a dividend in specie in favour of Yeah Hiang Nam, whereupon the aggregate 141,190 shares which Goldjew and Great Prompt received pursuant to the Malaysian Share Restructuring Agreements were distributed to Yeah Hiang Nam. Goldjew and Great Prompt consequently ceased to hold any shares in the Company.

Yeah Hiang Nam thereafter renounced and transferred all the 289,155 shares received pursuant to the Malaysian Share Restructuring Agreements to Yeah Holdings.

Upon completion of the Malaysian Share Restructuring Agreements, the issued and paid-up share capital of the Company increased to approximately $10,159,000, comprising 6,084,584 shares.

2. Summary of significant accounting policies

2.1 ***Basis of preparation***

The combined financial statements of the Group have been prepared in accordance with Singapore Financial Reporting Standards ("FRS").

The combined financial statements have been prepared on the historical cost basis except as disclosed in the accounting policies below.

The combined financial statements are presented in Singapore Dollars (SGD or $) and all values in the tables are rounded to the nearest thousand ($'000) except as otherwise indicated.

2.2 ***Changes in accounting policies***

The accounting policies have been consistently applied by the Group during the financial years ended 31 December 2010, 2011 and 2012, except that during the financial years ended 31 December 2010, 2011 and 2012, the Group has adopted all the new and revised standards and interpretations that are effective for annual periods beginning on or after 1 January 2010, 2011 and 2012 respectively. The adoption of these standards and interpretations did not have any effect on the financial performance or position of the Group except as discussed below:

2. Summary of significant accounting policies (cont'd)

2.2 ***Changes in accounting policies (cont'd)***

Revised FRS 24 Related Party Disclosures

The revised FRS 24 clarifies the definition of a related party to simplify the identification of such relationships and to eliminate inconsistencies in its application. The revised FRS 24 expands the definition of a related party and would treat two entities as related to each other whenever a person (or a close member of that person's family) or a third party has control or joint control over the entity, or has significant influence over the entity. The revised standard also introduces a partial exemption of disclosure requirements for government-related entities. As this is a disclosure standard, it had no impact on the financial position or financial performance of the Group when implemented in 2011.

2.3 ***Standards issued but not yet effective***

The Group has not adopted the following standards and interpretations that have been issued but not yet effective:

Description	Effective for annual periods beginning on or after
Amendments to FRS 1 *Presentation of Items of Other Comprehensive Income*	1 July 2012
Revised FRS 19 *Employee Benefits*	1 January 2013
Amendments to FRS 107 *Disclosures – Offsetting Financial Assets and Financial Liabilities*	1 January 2013
FRS 113 *Fair Value Measurement*	1 January 2013
Improvements to FRSs 2012	
– Amendment to FRS 1 *Presentation of Financial Statements*	1 January 2013
– Amendment to FRS 16 *Property, Plant and Equipment*	1 January 2013
– Amendment to FRS 32 *Financial Instruments: Presentation*	1 January 2013
– Amendment to FRS 34 *Interim Financial Reporting*	1 January 2013
Revised FRS 27 *Separate Financial Statements*	1 January 2014
Revised FRS 28 *Investments in Associates and Joint Ventures*	1 January 2014
FRS 110 *Consolidated Financial Statements*	1 January 2014
FRS 111 *Joint Arrangements*	1 January 2014
FRS 112 *Disclosure of Interests in Other Entities*	1 January 2014
Amendments to FRS 32 *Offsetting Financial Assets and Financial Liabilities*	1 January 2014
Amendments to the transition guidance of FRS 110 *Consolidated Financial Statements*, FRS 111 *Joint Arrangements* and FRS 112 *Disclosure of Interests in Other Entities*	1 January 2014
Amendments to FRS 110, FRS 111 and FRS 27: *Investment Entities*	1 January 2014

2. Summary of significant accounting policies (cont'd)

2.3 ***Standards issued but not yet effective (cont'd)***

Except for the Amendments to FRS 1, FRS 112 and FRS 113, the directors expect that the adoption of the other standards and interpretations above will have no material impact on the financial statements in the period of initial application. The nature of the impending changes in accounting policy on adoption of the Amendments to FRS 1, FRS 112 and FRS 113 is described below.

Amendments to FRS 1 *Presentation of Items of Other Comprehensive Income*

The Amendments to FRS 1 Presentation of Items of Other Comprehensive Income ("OCI") is effective for financial periods beginning on or after 1 July 2012.

The Amendments to FRS 1 changes the grouping of items presented in OCI. Items that could be reclassified to profit or loss at a future point in time would be presented separately from items which will never be reclassified. As the Amendments only affect the presentation of items that are already recognised in OCI, the Group does not expect any impact on its financial position or performance upon adoption of this standard.

FRS 112 *Disclosure of Interests in Other Entities*

FRS 112 *Disclosure of Interests in Other Entities* is effective for financial periods beginning on or after 1 January 2014.

FRS 112 is a new and comprehensive standard on disclosure requirements for all forms of interests in other entities, including joint arrangements, associates, special purpose vehicles and other off balance sheet vehicles. FRS 112 requires an entity to disclose information that helps users of its financial statements to evaluate the nature and risks associated with its interests in other entities and the effects of those interests on its financial statements. As this is a disclosure standard, it will have no impact to the financial position and financial performance of the Group when implemented in 2014.

FRS 113 *Fair Value Measurement*

FRS 113 *Fair Value Measurement* is effective for financial periods beginning on or after 1 January 2013.

FRS 113 *Fair Value Measurement* provides a single source of guidance for all fair value measurements. FRS 113 does not change when an entity is required to use fair value, but rather provides guidance on how to measure fair value under FRS when fair value is required or permitted by FRS. The Group does not expect any impact on its financial position or performance upon adoption of this standard.

2. Summary of significant accounting policies (cont'd)

2.4 ***Basis of consolidation***

The combined financial statements comprise the financial statements of the Company and its subsidiaries as at the end of the reporting period. The financial statements of the subsidiaries are prepared for the same reporting date as the Company. Consistent accounting policies are applied for like transactions and events in similar circumstances.

All intra-group balances, income and expenses and unrealised gains and losses resulting from intra-group transactions that are recognised in assets are eliminated in full.

The combined financial statements of the Group for the financial years ended 31 December 2010, 2011 and 2012 have been prepared using the pooling of interest method as the Restructuring Exercise completed as described in Note 1.2 is a legal reorganisation of entities under common control. Under this method, the Company has been treated as the holding company of its subsidiaries for the financial years presented rather than from the date of completion of the Restructuring Exercise.

Pursuant to this:
– Assets and liabilities of combined entities are reflected at their carrying amounts; and
– No amount is recognised for goodwill.

2.5 ***Transactions with non-controlling interests***

Non-controlling interest represents the equity in subsidiaries not attributable, directly or indirectly, to owners of the Company, and are presented separately in the combined statement of comprehensive income and within equity in the combined statement of financial position, separately from equity attributable to owners of the Company.

Changes in the Company's ownership interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions. In such circumstances, the carrying amounts of the controlling and non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiary. Any difference between the amount by which the non-controlling interest is adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to owners of the Company.

2.6 ***Functional and foreign currency***

(a) *Functional currency*

The Group's combined financial statements are presented in SGD, which is also the Company's functional currency. Each entity in the Group determines its own functional currency and items included in the financial statements of each entity are measured using the functional currency.

2. Summary of significant accounting policies (cont'd)

2.6 ***Functional and foreign currency (cont'd)***

(b) *Transactions and balances*

Transactions in foreign currencies are measured in the respective functional currencies of the Company and its subsidiaries and are recorded on initial recognition in the functional currencies at exchange rates approximating those ruling at the transaction dates. Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the end of the reporting period. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined.

Exchange differences arising on the settlement of monetary items or on translating monetary items at the end of the reporting period are recognised in profit or loss except for exchange differences arising on monetary items that form part of the Group's net investment in foreign operations, which are recognised initially in other comprehensive income and accumulated under foreign currency translation reserve in equity. The foreign currency translation reserve is reclassified from equity to profit or loss of the Group on disposal of the foreign operation.

2.7 ***Property, plant and equipment***

All items of property, plant and equipment are initially recorded at cost. Subsequent to recognition, property, plant and equipment are measured at cost less accumulated depreciation and any accumulated impairment losses. The cost includes the cost of replacing part of the property, plant and equipment and borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying property, plant and equipment. The accounting policy for borrowing costs is set out in Note 2.18. The cost of an item of property, plant and equipment is recognised as an asset if, and only if, it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably.

When significant parts of plant and equipment are required to be replaced in intervals, the Group recognises such parts as individual assets with specific useful lives and depreciation, respectively. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognised in profit or loss as incurred.

Depreciation is computed on a straight-line basis over the estimated useful lives of the assets as follows:

Leasehold property	–	50 years
Machinery, tools, office equipment and computers	–	3 – 5 years
Furniture and fittings	–	5 years
Renovations	–	5 years

The carrying values of property, plant and equipment are reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable.

2. Summary of significant accounting policies (cont'd)

2.7 ***Property, plant and equipment (cont'd)***

The residual value, useful life and depreciation method are reviewed at each financial year-end, and adjusted prospectively, if appropriate.

An item of property, plant and equipment is de-recognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on de-recognition of the asset is included in profit or loss in the year the asset is de-recognised.

2.8 ***Impairment of non-financial assets***

The Group assesses at each reporting date whether there is indication that an asset may be impaired. If any indication exists, or when annual impairment assessment for an asset is required, the Group makes an estimate of the asset's recoverable amount.

An asset's recoverable amount is the higher of an asset's or cash-generating unit's fair value less costs to sell and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or group of assets. Where the carrying amount of an asset or cash-generating unit exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing value in use, the estimated future cash flows expected to be generated by the asset are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs to sell, recent market transactions are taken into account, if available. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples or other available fair value indicators.

The Group bases its impairment calculation on detailed budgets and forecast calculations which are prepared separately for each of the Group's cash-generating units to which the individual assets are allocated. These budgets and forecast calculations are generally covering a period of five years. For longer periods, a long-term growth rate is calculated and applied to project future cash flows after the fifth year.

Impairment losses are recognised in profit or loss in those expense categories consistent with the function of the impaired asset.

An assessment is made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. If such indication exists, the Group estimates the asset's or cash-generating unit's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. If that is the case, the carrying amount of the asset is increased to its recoverable amount. That increase cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised previously. Such reversal is recognised in profit or loss.

2.9 ***Subsidiaries***

A subsidiary is an entity over which the Group has the power to govern the financial and operating policies so as to obtain benefits from its activities.

2. Summary of significant accounting policies (cont'd)

2.10 ***Associates***

An associate is an entity, not being a subsidiary or a joint venture, in which the Group has significant influence. An associate is equity accounted for from the date the Group obtains significant influence until the date the Group ceases to have significant influence over the associate.

The Group's investments in associates are accounted for using the equity method. Under the equity method, the investment in associates is carried in the balance sheet at cost plus post-acquisition changes in the Group's share of net assets of the associates. Goodwill relating to associates is included in the carrying amount of the investment and is neither amortised nor tested individually for impairment. Any excess of the Group's share of the net fair value of the associate's identifiable assets, liabilities and contingent liabilities over the cost of the investment is included as income in the determination of the Group's share of results of the associate in the period in which the investment is acquired.

The profit or loss reflects the share of the results of the operations of the associates. Where there has been a change recognised in other comprehensive income by the associates, the Group recognises its share of such changes in other comprehensive income. Unrealised gains and losses resulting from transactions between the Group and the associate are eliminated to the extent of the interest in the associates.

The Group's share of the profit or loss of its associates is the profit attributable to equity holders of the associate and, therefore is the profit or loss after tax and non-controlling interests in the subsidiaries of associates.

When the Group's share of losses in an associate equals or exceeds its interest in the associate, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the associate.

After application of the equity method, the Group determines whether it is necessary to recognise an additional impairment loss on the Group's investment in its associates. The Group determines at the end of each reporting period whether there is any objective evidence that the investment in the associate is impaired. If this is the case, the Group calculates the amount of impairment as the difference between the recoverable amount of the associate and its carrying value and recognises the amount in profit or loss.

The financial statements of the associates are prepared as of the same reporting date as the Company. Where necessary, adjustments are made to bring the accounting policies in line with those of the Group.

Upon loss of significant influence over the associate, the Group measures and recognises any retained investment at its fair value. Any difference between the carrying amount of the associate upon loss of significant influence and the fair value of the aggregate of the retained investment and proceeds from disposal is recognised in profit or loss.

2. Summary of significant accounting policies (cont'd)

2.11 ***Financial assets***

Initial recognition and measurement

Financial assets are recognised when, and only when, the Group becomes a party to the contractual provisions of the financial instrument. The Group determines the classification of its financial assets at initial recognition.

When financial assets are recognised initially, they are measured at fair value plus directly attributable transaction costs.

Subsequent measurement

Non-derivative financial assets with fixed or determinable payments that are not quoted in an active market are classified as loans and receivables. Subsequent to initial recognition, loans and receivables are measured at amortised cost using the effective interest method, less impairment. Gains and losses are recognised in profit or loss when the loans and receivables are derecognised or impaired, and through the amortisation process.

De-recognition

A financial asset is de-recognised where the contractual right to receive cash flows from the asset has expired. On de-recognition of a financial asset in its entirety, the difference between the carrying amount and the sum of the consideration received and any cumulative gain or loss that had been recognised in other comprehensive income is recognised in profit or loss.

Regular way purchase or sale of a financial asset

All regular way purchases and sales of financial assets are recognised or de-recognised on the trade date i.e., the date that the Group commits to purchase or sell the asset. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the period generally established by regulation or convention in the marketplace concerned.

2.12 ***Impairment of financial assets***

The Group assesses at each reporting date whether there is any objective evidence that a financial asset is impaired.

Financial assets carried at amortised cost

For financial assets carried at amortised cost, the Group first assesses whether objective evidence of impairment exists individually for financial assets that are individually significant, or collectively for financial assets that are not individually significant. If the Group determines that no objective evidence of impairment exists for an individually assessed financial asset, whether significant or not, it includes the asset in a group of financial assets with similar credit risk characteristics and collectively assesses them for impairment. Assets that are individually assessed for impairment and for which an impairment loss is, or continues to be recognised are not included in a collective assessment of impairment.

2. Summary of significant accounting policies (cont'd)

2.12 ***Impairment of financial assets (cont'd)***

Financial assets carried at amortised cost (cont'd)

If there is objective evidence that an impairment loss on financial assets carried at amortised cost has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the financial asset's original effective interest rate. If a loan has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate. The carrying amount of the asset is reduced through the use of an allowance account. The impairment loss is recognised in profit or loss.

When the asset becomes uncollectible, the carrying amount of impaired financial assets is reduced directly or if an amount was charged to the allowance account, the amounts charged to the allowance account are written off against the carrying value of the financial asset.

To determine whether there is objective evidence that an impairment loss on financial assets has been incurred, the Group considers factors such as the probability of insolvency or significant financial difficulties of the debtor and default or significant delay in payments.

If in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed to the extent that the carrying amount of the asset does not exceed its amortised cost at the reversal date. The amount of reversal is recognised in profit or loss.

2.13 ***Cash and cash equivalents***

Cash and cash equivalents comprise cash at bank and on hand, and short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value. These also include bank overdrafts that form an integral part of the Group's cash management.

2.14 ***Inventories***

Inventories principally comprise gold held for trading and inventories that form part of the Group's normal purchase, sale or usage requirements for its retailing activities.

All the inventories of the Group for its gold trading business is measured at fair value less costs to sell, with changes in fair value less costs to sell recognised in profit or loss in the period of the change.

All the other inventories are stated at the lower of cost and net realisable value. Finished goods include costs of raw materials, labour and an attributable portion of overheads, determined on a specific identification basis. Net realisable value is based on estimated selling prices less estimated costs of completion and the estimated costs necessary to make the sale. Where necessary, allowance is provided for damaged, obsolete and slow moving items to adjust the carrying value of inventories to the lower of cost and net realisable value.

2. Summary of significant accounting policies (cont'd)

2.15 ***Provisions***

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and the amount of the obligation can be estimated reliably.

Provisions are reviewed at the end of each reporting period and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of economic resources will be required to settle the obligation, the provision is reversed. If the effect of the time value of money is material, provisions are discounted using a current pre tax rate that reflects, where appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

2.16 ***Government grants***

Government grants are recognised at their fair value where there is reasonable assurance that the grant will be received and all attaching conditions will be complied with. Where the grant relates to income, the government grant is recognised in profit or loss on a systematic basis over the periods in which the entity recognises as expenses the related costs for which the grants are intended to compensate. Grants related to income are presented under other operating income.

2.17 ***Financial liabilities***

Initial recognition and measurement

Financial liabilities are recognised when, and only when, the Group becomes a party to the contractual provisions of the financial instrument. The Group determines the classification of its financial liabilities at initial recognition.

All financial liabilities are recognised initially at fair value plus in the case of financial liabilities not at fair value through profit or loss, directly attributable transaction costs.

Subsequent measurement

The measurement of financial liabilities depends on their classification as follows:

(a) *Financial liabilities at fair value through profit or loss*

Financial liabilities at fair value through profit or loss includes financial liabilities held for trading and financial liabilities designated upon initial recognition at fair value through profit or loss. Financial liabilities are classified as held for trading if they are acquired for the purpose of selling in the near term. This category includes derivative financial instruments entered into by the Group that are not designated as hedging instruments in hedge relationships. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments.

Subsequent to initial recognition, financial liabilities at fair value through profit or loss are measured at fair value. Any gains or losses arising from changes in fair value of the financial liabilities are recognised in profit or loss.

2. Summary of significant accounting policies (cont'd)

2.17 ***Financial liabilities (cont'd)***

Subsequent measurement (cont'd)

(b) *Other financial liabilities*

After initial recognition, other financial liabilities are subsequently measured at amortised cost using the effective interest method. Gains and losses are recognised in profit or loss when the liabilities are de-recognised, and through the amortisation process.

De-recognition

A financial liability is de-recognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a de-recognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognised in profit or loss.

2.18 ***Borrowing costs***

Borrowing costs are capitalised as part of the cost of a qualifying asset if they are directly attributable to the acquisition, construction or production of that asset. Capitalisation of borrowing costs commences when the activities to prepare the asset for its intended use or sale are in progress and the expenditures and borrowing costs are incurred. Borrowing costs are capitalised until the assets are substantially completed for their intended use or sale. All other borrowing costs are expensed in the period they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

2.19 ***Employee benefits***

(a) *Defined contribution plans*

The Group participates in the national pension schemes as defined by the laws of the countries in which it has operations. In particular, the Group makes contributions to the Central Provident Fund scheme in Singapore, a defined contribution pension scheme. Contributions to defined contribution pension schemes are recognised as an expense in the period in which the related service is performed.

(b) *Employee leave entitlement*

Employee entitlements to annual leave are recognised as a liability when they accrue to the employees. The estimated liability for leave is recognised for services rendered by employees up to the end of the reporting period.

2. Summary of significant accounting policies (cont'd)

2.20 ***Leases***

The determination of whether an arrangement is, or contains a lease is based on the substance of the arrangement at inception date: whether fulfilment of the arrangement is dependent on the use of a specific asset or assets or the arrangement conveys a right to use the asset, even if that right is not explicitly specified in an arrangement.

(a) *As lessee*

Finance leases, which transfer to the Group substantially all the risks and rewards incidental to ownership of the leased item, are capitalised at the inception of the lease at the fair value of the leased asset or, if lower, at the present value of the minimum lease payments. Any initial direct costs are also added to the amount capitalised. Lease payments are apportioned between the finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are charged to profit or loss. Contingent rents, if any, are charged as expenses in the periods in which they are incurred.

Capitalised leased assets are depreciated over the shorter of the estimated useful life of the asset and the lease term, if there is no reasonable certainty that the Group will obtain ownership by the end of the lease term.

Operating lease payments are recognised as an expense in profit or loss on a straight-line basis over the lease term. The aggregate benefit of incentives provided by the lessor is recognised as a reduction of rental expense over the lease term on a straight-line basis.

(b) *As lessor*

Leases where the Group retains substantially all the risks and rewards of ownership of the asset are classified as operating leases. Initial direct costs incurred in negotiating an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same bases as rental income. The accounting policy for rental income is set out in Note 2.21(c). Contingent rents are recognised as revenue in the period in which they are earned.

2.21 ***Revenue***

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured, regardless of when the payment is made. Revenue is measured at the fair value of consideration received or receivable excluding discounts, rebates, sales taxes or duty. The Group assesses its revenue arrangements to determine if it is acting as principal or agent. The Group has concluded that it is acting as a principal in all of its revenue arrangements. The following specific recognition criteria must also be met before revenue is recognised:

(a) *Sale of goods*

Revenue from retail and trading of pre-owned jewellery and gold is recognised upon the transfer of significant risk and rewards of ownership of the goods to the customer, usually on delivery of goods. Revenue is not recognised to the extent where there are significant uncertainties regarding recovery of the consideration due, associated costs or the possible return of goods.

2. Summary of significant accounting policies (cont'd)

2.21 ***Revenue (cont'd)***

(b) *Interest income*

Interest income from loans to customers and from banks is recognised on a time-proportion basis using the effective interest method.

(c) *Rental income*

Rental income arising from operating leases on leasehold properties is accounted for on a straight-line basis over the lease terms. The aggregate costs of incentives provided to lessees are recognised as a reduction of rental income over the lease term on a straight-line basis.

(d) *Rendering of services*

Revenue from the rendering of management services is recognised on an accrual basis upon rendering of services.

(e) *Dividends*

Dividend income is recognised when the Group's right to receive payment is established.

2.22 ***Taxes***

(a) *Current income tax*

Current income tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted at the end of the reporting period, in the country where the Group operates and generates taxable income.

Current income taxes are recognised in profit or loss except to the extent that the tax relates to items recognised outside profit or loss, either in other comprehensive income or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

(b) *Deferred tax*

Deferred tax is provided using the liability method on temporary differences at the end of the reporting period between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

2. Summary of significant accounting policies (cont'd)

2.22 ***Taxes (cont'd)***

(b) *Deferred tax (cont'd)*

Deferred tax liabilities are recognised for all taxable temporary differences, except:

- Where the deferred tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither accounting profit nor taxable profit or loss; and

- In respect of taxable temporary differences associated with investments in subsidiaries and associates, where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognised for all deductible temporary differences, carry forward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised except:

- Where the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither accounting profit nor taxable profit or loss; and

- In respect of deductible temporary differences associated with investments in subsidiaries and associates, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are reassessed at the end of each reporting period and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the end of each reporting period.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss. Deferred tax items are recognised in correlation to the underlying transaction either in other comprehensive income or directly in equity and deferred tax arising from a business combination is adjusted against goodwill on acquisition.

Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set off current income tax assets against current income tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

2. Summary of significant accounting policies (cont'd)

2.22 ***Taxes (cont'd)***

(b) *Deferred tax (cont'd)*

Tax benefits acquired as part of a business combination, but not satisfying the criteria for separate recognition at that date, would be recognised subsequently if new information about facts and circumstances changed. The adjustment would either be treated as a reduction to goodwill (as long as it does not exceed goodwill) if it had been incurred during the measurement period or in profit or loss.

(c) *Sales tax*

Revenues, expenses and assets are recognised net of the amount of sales tax except:

- Where the sales tax incurred in a purchase of assets or services is not recoverable from the taxation authority, in which case the sales tax is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable; and

- Receivables and payables that are stated with the amount of sales tax included.

The net amount of sales tax recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the balance sheet.

2.23 ***Segment reporting***

For management purposes, the Group is organised into operating segments based on their products and services which are independently managed by the respective segment managers responsible for the performance of the respective segments under their charge. The segment managers report directly to the management of the Company who regularly review the segment results in order to allocate resources to the segments and to assess the segment performance. Additional disclosures on each of these segments are shown in Note 27, including the factors used to identify the reportable segments and the measurement basis of segment information.

2.24 ***Share capital and share issue expenses***

Proceeds from issuance of ordinary shares are recognised as share capital in equity. Incremental costs directly attributable to the issuance of ordinary shares are deducted against share capital.

2. Summary of significant accounting policies (cont'd)

2.25 ***Contingencies***

A contingent liability is:

(a) a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group; or

(b) a present obligation that arises from past events but is not recognised because:

(i) It is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or

(ii) The amount of the obligation cannot be measured with sufficient reliability.

A contingent asset is a possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group.

Contingent liabilities and assets are not recognised on the balance sheet of the Group, except for contingent liabilities assumed in a business combination that are present obligations and which the fair values can be reliably determined.

2.26 ***Related parties***

A related party is defined as follows:

(a) A person or a close member of that person's family is related to the Group and Company if that person:

(i) Has control or joint control over the Company;
(ii) Has significant influence over the Company; or
(iii) Is a member of the key management personnel of the Group or Company or of a parent of the Company.

(b) An entity is related to the Group and the Company if any of the following conditions applies:

(i) The entity and the Company are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others);
(ii) One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member);
(iii) Both entities are joint ventures of the same third party;
(iv) One entity is a joint venture of a third entity and the other entity is an associate of the third entity;
(v) The entity is a post-employment benefit plan for the benefit of employees of either the Company or an entity related to the Company. If the Company is itself such a plan, the sponsoring employers are also related to the Company;
(vi) The entity is controlled or jointly controlled by a person identified in (a); or
(vii) A person identified in (a) (i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).

3. Significant accounting judgments and estimates

The preparation of the Group's combined financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities at the end of each reporting period. However, uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of the asset or liability affected in the future periods.

3.1 *Judgments made in applying accounting policies*

In the process of applying the Group's accounting policies, management has made the following judgments, apart from those involving estimations, which have the most significant effect on the amounts recognised in the combined financial statements:

Income taxes

The Group has exposure to income taxes in Singapore. Significant judgment is involved in determining the Group's provision for income taxes. There are certain transactions and computations for which the ultimate tax determination is uncertain during the ordinary course of business. The Group recognises liabilities for expected tax issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recognised, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made. The carrying amount of the Group's income tax payables and deferred tax liabilities at the end of the reporting period was $3,552,000 (2011: $3,556,000; 2010: $2,532,000) and $49,000 (2011: $45,000; 2010: $32,000) respectively.

3.2 *Key sources of estimation uncertainty*

The key assumptions concerning the future and other key sources of estimation uncertainty at the end of each reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

(a) *Impairment of loans and receivables*

The Group assesses at the end of each reporting period whether there is any objective evidence that a financial asset is impaired. To determine whether there is objective evidence of impairment, the Group considers factors such as the probability of insolvency or significant financial difficulties of the debtor and default or significant delay in payments.

Where there is objective evidence of impairment, the amount and timing of future cash flows are estimated based on historical loss experience for assets with similar credit risk characteristics. The carrying amount of the Group's loans and receivables at the end of the reporting period is disclosed in Note 18 to the financial statements.

3. Significant accounting judgments and estimates (cont'd)

3.2 ***Key sources of estimation uncertainty (cont'd)***

(b) *Allowance for inventory obsolescence*

The Group assesses periodically the allowance for inventory obsolescence for inventories that are stated at the lower of cost or net realisable value. When inventories are deemed obsolete or when the net realisable value falls below cost, the amount of obsolete inventories or fall in value is recognised as an allowance for inventory obsolescence. To determine whether there is objective evidence of obsolescence or decline in net realisable value, the Group estimates future demand for the product and assesses prevailing market conditions and gold prices. A 5% change in the prevailing market gold prices is not expected to have a significant impact on the Group's financial statements. The carrying amount of the Group's inventories at the end of the reporting period is disclosed in Note 17 to the financial statements.

(c) *Valuation of trade receivables of pawnbroking segment*

The Group has trade receivables that are in the form of collateralised loans to customers. These loans are extended to customers based on a fraction of the individual values of the corresponding pledged articles, for which individual values are assigned to each article by the Group's appraisers. Estimating the values of the articles requires the Group to make certain estimates and assumptions, including assessing prevailing market conditions and gold prices. The carrying amount of such receivables at the end of the reporting period was $122,920,000 (2011: $136,089,000; 2010: $97,726,000).

4. Revenue

	2010 $'000	2011 $'000	2012 $'000
Interest income from providing collateral loan services	15,265	19,057	22,273
Retail and trading of pre-owned jewellery and gold	383,128	512,891	486,711
	398,393	531,948	508,984

5. Other operating income

	2010 $'000	2011 $'000	2012 $'000
Rental income from leasehold property	148	163	265
Interest income on loans and receivables	211	88	175
Workmanship income	153	155	224
Dividend income from unquoted investments	106	106	76
Management fee income from director-related companies	559	418	416
Increase in fair value of inventories less point-of-sale costs	65	18	30
Grant income from SME cash grant	–	10	9
Net foreign exchange gain	–	2	–
Others	58	39	47
	1,300	999	1,242

During the financial year ended 31 December 2011, the Singapore Finance Minister announced the introduction of Corporate Income Tax ("CIT") Rebate or SME cash grant (for smaller companies that are not taxable) in Budget 2011. Under this Scheme, certain entities of the Group received a 5% cash grant on their respective total revenue, subject to a cap of $5,000 per entity.

6. Finance costs

	2010 $'000	2011 $'000	2012 $'000
Interest expense			
- bank overdrafts	1,132	1,304	986
- short-term bank borrowings	551	855	1,072
- loans from director-related companies	7	114	39
- loans from directors/shareholders	66	78	111
	1,756	2,351	2,208
Included in the combined statement of comprehensive income under:			
- Cost of sales	1,569	1,986	1,894
- Finance costs	187	365	314
	1,756	2,351	2,208

7. Other operating expenses

	2010 $'000	2011 $'000	2012 $'000
GST reclaimable written off	–	306	–
Allowance for doubtful trade receivables	–	–	656
	–	306	656

8. Profit before tax

The following items have been included in arriving at profit before tax:

	Note	2010 $'000	2011 $'000	2012 $'000
Audit fees paid to auditors of the Group		68	86	143
Depreciation of property, plant and equipment	13	223	282	322
Employee benefits expense	9	3,929	5,131	6,105
Inventories recognised as an expense in cost of sales	17	377,730	505,529	481,309
Operating lease expense	26(a)	1,018	1,390	2,076
Net fair value loss on loan from an unrelated party	22	306	199	2

9. Employee benefits

	2010 $'000	2011 $'000	2012 $'000
Employee benefits expense (including directors):			
Salaries and bonuses	3,647	4,632	5,466
Central Provident Fund contributions	245	439	557
Other personnel expenses	37	60	82
	3,929	5,131	6,105

10. Related party transactions

(a) *Sale and purchase of goods and services*

In addition to the related party information disclosed elsewhere in the financial statements, the following significant transactions between the Group and related parties took place on terms agreed between the parties during the financial year:

	2010 $'000	2011 $'000	2012 $'000
Sale of goods to director-related companies	6,147	3,445	2,345
Purchase of goods from associates	(1,320)	(1,438)	(3,156)
Purchase of goods from an investee company	(421)	(331)	(322)
Purchase of goods from director-related companies	(16,050)	(7,966)	(7,394)
Dividend income from associates	629	698	468
Dividend income from an investee company	106	106	76
Rental received from a director-related company	72	72	61
Rental paid to director-related companies	(394)	(429)	(550)
Rental paid to a director	(7)	(31)	(55)
Management fee income received from an associate	15	15	15
Management fee income received from an investee company	246	48	50
Management fee income received from director-related companies	408	255	246
Interest received from associates	–	20	41
Interest received from an investee company	–	4	–
Interest received from director-related companies	–	–	75
Interest paid to a director-related company	(90)	(48)	(4)
Interest paid to directors	(27)	(35)	(73)
Interest paid to shareholders	(15)	(13)	(69)

(b) *Compensation of key management personnel*

	2010 $'000	2011 $'000	2012 $'000
Short-term employee benefits	808	905	1,096
Central Provident Fund contributions	54	48	83
Total compensation paid to key management personnel	862	953	1,179
Comprise amounts paid to:			
Directors of the Company	221	290	386
Other key management personnel	641	663	793
	862	953	1,179

(c) *Commitments with related parties*

On 20 August 2010, ValueMax Retail Pte. Ltd. ("ValueMax Retail"), a subsidiary of the Group, entered into a 37-month agreement ending 30 September 2013 with Yeah Capital Pte. Ltd. ("Yeah Capital"), a director-related company, for the lease of a ValueMax Retail retail outlet. The Group expects the rental paid to Yeah Capital to be $54,000 in 2013.

On 1 September 2010, ValueMax Pawnshop (SG) Pte. Ltd. ("VMSG"), a subsidiary of the Group, entered into a 37-month agreement ending 30 September 2013 with Yeah Capital for the lease of one of VMSG's pawnshop outlet. The Group expects the rental paid to Yeah Capital to be $54,000 in 2013.

11. Income tax

(a) ***Income tax expense***

The major components of income tax expense for the years ended 31 December 2010, 2011 and 2012 are:

	2010 $'000	2011 $'000	2012 $'000
Current income tax			
Current income taxation	1,813	2,525	2,030
Over provision in respect of previous years	(18)	(94)	–
	1,795	2,431	2,030
Deferred income tax			
Origination and reversal of temporary differences	22	13	4
	1,817	2,444	2,034

(b) ***Relationship between tax expense and accounting profit***

The reconciliations between tax expense and the product of accounting profit multiplied by the applicable corporate tax rate for the years ended 31 December are as follows:

	2010 $'000	2011 $'000	2012 $'000
Profit before tax	14,968	17,442	16,893
Tax calculated at a tax rate of 17%	2,545	2,965	2,872
Adjustments:			
- Non-deductible expenses	61	154	35
- Income not subject to taxation	(54)	(25)	(83)
- Effect of partial tax exemption	(322)	(365)	(653)
- Deferred tax assets not recognised	–	9	22
- Over provision in respect of previous years	(18)	(94)	–
- Share of results of associates	(169)	(180)	(139)
- Others	(226)	(20)	(20)
	1,817	2,444	2,034

11. Income tax (cont'd)

(c) ***Deferred income tax***

	2010 $'000	2011 $'000	2012 $'000
Balance at 1 January	10	32	45
Tax charge to combined statement of comprehensive income	22	13	4
Balance at 31 December	32	45	49

Deferred income tax as at 31 December relates to the following:

	2010 $'000	2011 $'000	2012 $'000
Deferred tax liabilities			
Difference in depreciation	32	45	49

At the end of the reporting periods, the Group had tax losses and unabsorbed capital allowances of approximately $99,000 (2011: $29,000; 2010: $14,000) and $7,000 (2011: $1,000; 2010: $Nil) respectively. The use of these balances is subject to the agreement of the tax authorities and compliance with the relevant provisions of the tax legislation.

12. Earnings per share

Basic earnings per share amounts are calculated by dividing the profit for the year attributable to ordinary equity holders of the Company by the post-placement share capital of the Company. The Company's post-placement share capital of 533,497,960 ordinary shares is assumed to be in issue throughout the entire financial years presented.

Diluted earnings per share are similar to basic earnings per share as there were no potential dilutive ordinary shares existing during the respective financial years.

13. Property, plant and equipment

	Leasehold property $'000	Machinery, tools, office equipment and computers $'000	Furniture and fittings $'000	Renovations $'000	Total $'000
Cost					
At 1 January 2010	2,167	349	69	607	3,192
Additions	–	224	36	158	418
At 31 December 2010	2,167	573	105	765	3,610
Accumulated depreciation					
At 1 January 2010	434	259	60	468	1,221
Depreciation charge for the year	43	92	10	78	223
At 31 December 2010	477	351	70	546	1,444
Net carrying amount					
At 31 December 2010	1,690	222	35	219	2,166
Cost					
At 1 January 2011	2,167	573	105	765	3,610
Additions	–	161	23	231	415
Disposals	–	(19)	(39)	(74)	(132)
At 31 December 2011	2,167	715	89	922	3,893
Accumulated depreciation					
At 1 January 2011	477	351	70	546	1,444
Depreciation charge for the year	43	113	14	112	282
Disposals	–	(19)	(39)	(74)	(132)
At 31 December 2011	520	445	45	584	1,594
Net carrying amount					
At 31 December 2011	1,647	270	44	338	2,299

13. Property, plant and equipment

	Leasehold property $'000	Machinery, tools, office equipment and computers $'000	Furniture and fittings $'000	Renovations $'000	Total $'000
Cost					
At 1 January 2012	2,167	715	89	922	3,893
Additions	–	266	117	175	558
At 31 December 2012	2,167	981	206	1,097	4,451
Accumulated depreciation					
At 1 January 2012	520	445	45	584	1,594
Depreciation charge for the year	43	137	20	122	322
At 31 December 2012	563	582	65	706	1,916
Net carrying amount					
At 31 December 2012	1,604	399	141	391	2,535

Assets held under finance leases

During the financial year, the Group acquired property, plant and equipment with an aggregate cost of $7,000 (2011: $Nil, 2010: $Nil) by means of finance leases. The carrying amount of the property, plant and equipment held under finance leases at the end of the reporting period was $7,000 (2011: $Nil, 2010: $Nil), which has been included in the Group's carrying amount of machinery, tools, office equipment and computers.

Restoration costs

Included in the Group's carrying amount of renovations is $29,000 (2011: $Nil, 2010: $Nil) of provision for restoration costs.

Assets pledged as security

In addition to assets held under finance leases, a floating charge has been placed on property, plant and equipment of certain subsidiaries of the Group as security for bank loans (Note 22). The carrying amount of the property, plant and equipment pledged at the end of the reporting period was $2,142,000 (2011: $2,118,000, 2010: $2,058,000).

14. Investment in subsidiaries

The Company had the following subsidiaries as at 31 December:

Name of subsidiaries	Country of incorporation and place of business	Principal activities	Proportion (%) of ownership interest 2010	2011	2012
Held by the Company					
ValueMax Pawnshop Pte. Ltd.	Singapore	Pawnbrokerage	99.75	99.75	99.75
ValueMax Pawnshop (BD) Pte. Ltd.	Singapore	Pawnbrokerage	95.25	95.25	95.25
ValueMax Pawnshop (PR) Pte. Ltd.	Singapore	Pawnbrokerage	90.64	90.64	90.64
ValueMax Pawnshop (SG) Pte. Ltd.	Singapore	Pawnbrokerage	99.99	99.99	99.99
ValueMax Pawnshop (JP) Pte. Ltd.	Singapore	Pawnbrokerage	100	100	100
ValueMax Pawnshop (CCK) Pte. Ltd.	Singapore	Pawnbrokerage	99.75	99.75	99.75
ValueMax Pawnshop (BK) Pte. Ltd.	Singapore	Pawnbrokerage	99.99	99.99	99.99
ValueMax Pawnshop (WL) Pte. Ltd.	Singapore	Pawnbrokerage	94.75	94.75	94.75
ValueMax Pawnshop (EL) Pte. Ltd.	Singapore	Pawnbrokerage	90	90	90
ValueMax Retail Pte. Ltd.	Singapore	Retail sale of pre-owned jewellery	90	90	90
ValueMax International Pte. Ltd.	Singapore	Investment holding and provision of management services	100	100	100
ValueMax Management Pte. Ltd.	Singapore	Provision of management and IT services	100	100	100
ValueMax Corporate Services Pte. Ltd.	Singapore	Provision of business management and consultancy services	–	100 *	100
ValueMax Precious Metals Pte. Ltd.	Singapore	Retail and trading of gold	–	–	100 *
Spring Jewellery (SG) Pte. Ltd.	Singapore	Retail sale of pre-owned jewellery	–	–	100 *

* Incorporated during the year.

All subsidiaries are audited by Ernst & Young LLP, Singapore.

15. Investment in associates

	2010 $'000	2011 $'000	2012 $'000
Unquoted shares, at cost	2,017	2,017	2,265
Share of post-acquisition reserves	737	917	1,246
	2,754	2,934	3,511

Name of associates (Country of incorporation and place of business)	Principal activities	Effective equity held by the Group			Cost of investments		
		2010 %	2011 %	2012 %	2010 $'000	2011 $'000	2012 $'000
Held by the Company							
^ Ban Soon Pawnshop Pte. Ltd. (Singapore)	Pawnbrokerage	29.97	29.97	32.71	1,022	1,022	1,270
# Soon Hong Pawnshop Pte. Ltd. (Singapore)	Pawnbrokerage	49.75	49.75	49.75	995	995	995

^ Audited by Ernst & Young LLP, Singapore
# Audited by Teo Liang Chye & Co., Singapore

The summarised financial information of the associates, not adjusted for the proportion of ownership interest held by the Group, is as follows:

	2010 $'000	2011 $'000	2012 $'000
Assets and liabilities:			
Total assets	25,715	29,662	29,070
Total liabilities	18,661	22,140	20,637
Results:			
Revenue	7,073	7,482	8,158
Profit for the year	2,114	2,270	2,019

16. Other investments

	2010 $'000	2011 $'000	2012 $'000
Unquoted shares, at cost	399	399	399

Unquoted shares are stated at cost less impairment as there is no market price and the fair value cannot be reliably measured using valuation techniques.

17. Inventories

	2010 $'000	2011 $'000	2012 $'000
Commodity inventories at fair value	9,065	8,546	8,940
Other inventories at the lower of cost and net realisable value	8,566	18,352	23,424
	17,631	26,898	32,364
Recognised in the combined statement of comprehensive income			
- Inventories recognised as cost of sales	377,730	505,529	481,309

There were no inventories written-down for the financial years ended 31 December 2010, 2011 and 2012.

A floating charge has been placed on inventories of certain subsidiaries of the Group as security for bank loans (Note 22). The carrying amount of inventories pledged as at the end of the reporting period was $Nil (2011: $176,000, 2010: $1,831,000).

18. Trade and other receivables

	Note	2010 $'000	2011 $'000	2012 $'000
Trade receivables		106,465	147,480	136,170
Other receivables		150	123	73
Deposits		501	822	1,224
Amounts due from associates (non-trade)		15	–	33
Loans to associates		600	–	5,000
Amount due from an investee company (non-trade)		11	17	14
Loans to an investee company		380	–	–
Amounts due from director-related companies (trade)		–	1,182	493
Amounts due from director-related companies (non-trade)		3,209	561	2,777
Total trade and other receivables		111,331	150,185	145,784
Add:				
Cash and bank balances	19	2,170	2,589	3,087
Total loans and receivables		113,501	152,774	148,871

Trade and other receivables denominated in foreign currency at 31 December is as follows:

	2010 $'000	2011 $'000	2012 $'000
United States Dollar	178	3,875	4,266

Included in trade receivables are receivables from retail and trading of pre-owned jewellery and gold, and loans to customers.

Receivables from retail and trading of pre-owned jewellery and gold are non-interest bearing and are generally repayable on demand. They are recognised at their original invoice amounts which represent their fair values on initial recognition.

Loans to customers are loans which are interest bearing at 1.0% for the first month and 1.5% for the subsequent 5 months (2011: 1.0% for the first month and 1.5% for the subsequent 5 months, 2010: 1.5% for all 6 months). The quantum of loans granted to customers is based on a fraction of the value of the articles pledged to the Group.

Related party balances

Loans to associates and an investee company are unsecured, bear interest at 5% (2011: 5%) per annum, repayable on demand and are to be settled in cash.

Amounts due from associates, amount due from an investee company and amounts due from director-related companies are unsecured, interest-free, repayable on demand and are to be settled in cash.

18. Trade and other receivables (cont'd)

Receivables that are past due but not impaired

The Group does not have receivables that are past due but not impaired as at 31 December 2010 and 2012. The Group has unsecured trade receivables amounting to $18,000 that are past due as at 31 December 2011 and aged more than 120 days, but not impaired.

Receivables that are impaired

The Group's trade receivables that are impaired at the end of the reporting period and the movement of the allowance accounts used to record the impairment are as follows:

	2010 $'000	2011 $'000	2012 $'000
Trade receivables – nominal amounts	–	–	136,826
Less: Allowance for impairment	–	–	(656)
	–	–	136,170
Movement in allowance accounts:			
At 1 January	–	–	–
Charge for the year	–	–	656
	–	–	656

Trade receivables that are individually determined to be impaired at the end of the reporting period relate to loans to customers that have defaulted on payments. These receivables are secured by the related articles pledged to the Group.

19. Cash and bank balances

	2010 $'000	2011 $'000	2012 $'000
Cash at banks and on hand	2,170	2,589	3,087

Cash at banks do not earn interest.

There are no cash and bank balances denominated in foreign currencies as at 31 December 2010, 2011 and 2012.

19. Cash and bank balances (cont'd)

Cash and cash equivalents

For the purpose of the combined statements of cash flows, cash and cash equivalents comprise the following at the end of the reporting period:

	Note	2010 $'000	2011 $'000	2012 $'000
Cash at banks and on hand		2,170	2,589	3,087
Bank overdrafts	22	(24,385)	(27,885)	(11,518)
Cash and cash equivalents		(22,215)	(25,296)	(8,431)

Bank overdrafts are denominated in SGD, bear interest at the banks' prime lending rate and are secured by a fixed and floating charge over the assets of certain subsidiaries of the Group, as disclosed in Notes 13 and 17 to the financial statements.

20. Trade and other payables

	Note	2010 $'000	2011 $'000	2012 $'000
Trade payables		3,580	6,681	7,834
Other payables		989	1,097	2,107
Amounts due to director-related companies (trade)		2,080	2,582	3,195
Amounts due to director-related companies (non-trade)		2,909	10,720	4,557
Amounts due to directors		14,827	17,183	–
Amounts due to shareholders		3	–	–
Loans from shareholders		800	5,467	853
Total trade and other payables		25,188	43,730	18,546
Add:				
Accrued operating expenses	21	1,190	1,248	1,308
Interest-bearing loans and borrowings	22	63,004	77,452	90,753
Less:				
Loan from an unrelated party	22	(1,829)	(2,027)	(2,029)
Total financial liabilities carried at amortised cost		87,553	120,403	108,578

20. Trade and other payables (cont'd)

Trade and other payables denominated in foreign currency at 31 December is as follows:

	2010 $'000	2011 $'000	2012 $'000
United States Dollar	3,209	132	–

Trade and other payables are unsecured and non-interest bearing. Trade payables are repayable on demand while other payables are generally on 30 days' terms.

Related party balances

Amounts due to director-related companies, directors and shareholders are unsecured, interest-free, repayable on demand and are to be settled in cash.

Loans from shareholders are unsecured, bear interest at 5% (2011: 5%, 2010: 5%) per annum, and are repayable on demand.

21. Other liabilities

	2010 $'000	2011 $'000	2012 $'000
Accrued operating expenses	1,190	1,248	1,308
Advances from customers	14	26	232
Deferred revenue from customer loyalty award	–	3	6
	1,204	1,277	1,546

Deferred revenue from customer loyalty award represents consideration received from the sale of goods that is allocated to the points issued under the customer loyalty programme that are expected to be redeemed but are still outstanding as at the end of the reporting period. The movement in the deferred revenue is as follows:

	2010 $'000	2011 $'000	2012 $'000
At 1 January	–	–	3
Additions during the year	–	3	4
Recognised in profit or loss	–	–	(1)
At 31 December	–	3	6

22. Interest-bearing loans and borrowings

	Note	2010 $'000	2011 $'000	2012 $'000
Secured borrowings				
Current				
Obligations under finance leases	26(c)	–	–	4
Loan from an unrelated party		1,829	2,027	2,029
Bank overdrafts		24,385	27,885	11,518
Bank loans		36,790	47,540	77,200
		63,004	77,452	90,751
Non-current				
Obligations under finance leases	26(c)	–	–	2
		–	–	2
Add:				
Loans from shareholders	20	800	5,467	853
Total loans and borrowings		63,804	82,919	91,606

Obligations under finance leases

These obligations are secured by a charge over the leased assets (Note 13). The average discount rate implicit in the leases is 2.96% p.a..

Loan from an unrelated party

This loan is unsecured, repayable on demand and is a financial liability carried at fair value through profit or loss.

Bank overdrafts

Bank overdrafts are repayable on demand and secured by a fixed and floating charge on all assets of certain subsidiaries and personal guarantees by certain directors of the Company and its subsidiaries.

Bank loans

These revolving bank loans are repayable on demand and secured by a fixed and floating charge on all assets of certain subsidiaries and personal guarantees by certain directors of the Company and its subsidiaries.

22. Interest-bearing loans and borrowings (cont'd)

Effective interest rate

Weighted average effective interest rates per annum of total borrowings at the end of the reporting period are as follows:

	Note	2010	2011	2012
Bank overdrafts		2.44% to 5.00%	2.31% to 5.75%	2.31% to 5.75%
Bank loans		1.455% to 3.875%	1.445% to 3.50%	1.445% to 3.175%
Loan from an unrelated party		2.50%	2.50%	2.50%
Loans from shareholders	20	5.00%	5.00%	5.00%

23. Provisions

	2010 $'000	2011 $'000	2012 $'000
Provision for restoration costs:			
At 1 January	–	–	–
- Arose during the financial year	–	–	29
At 31 December	–	–	29

The provision for restoration costs is the estimated costs to dismantle, remove or restore plant and equipment arising from the return of the leases of rented operating premises to the landlords pursuant to lease agreements.

24. Share capital

	2010		2011		2012	
	No. of shares '000	$'000	No. of shares '000	$'000	No. of shares '000	$'000
Issued and fully paid ordinary shares						
At 1 January and 31 December	5,742	5,742	5,742	5,742	5,742	5,742

The holders of ordinary shares are entitled to receive dividends as and when declared by the Company. All ordinary shares carry one vote per share without restrictions. The ordinary shares have no par value.

25. Capital reserve

The capital reserve arose mainly from the issuance of bonus shares by subsidiaries.

26. Commitments

(a) ***Operating lease commitments - as lessee***

The Group has entered into commercial leases in respect of office and retail outlet premises. There is no contingent rent provision included in the contracts. Certain of the leases contain an escalation clause. Lease terms do not contain restrictions on the Group's activities concerning dividends, additional debt or further leasing.

Minimum lease payments recognised as an expense in profit or loss for the financial year ended 31 December 2012 amounted to $2,076,000 (2011: $1,390,000, 2010: $1,018,000).

Future minimum rental payable under non-cancellable operating leases at the end of the reporting period are as follows:

	2010 $'000	**2011** $'000	**2012** $'000
Not later than one year	691	1,032	2,171
Later than one year but not later than five years	787	950	2,380
Later than five years	–	–	75
	1,478	1,982	4,626

(b) ***Operating lease commitments - as lessor***

The Group has entered into commercial lease agreements on its office and retail outlet premises. The lease agreements do not contain escalation clauses. Certain of the lease agreements provides for contingent rentals based on a percentage of sales derived. The minimum contingent rental receivable under the lease agreements amounted to $3,925 per month.

Future minimum rental receivable under non-cancellable operating leases at the end of the reporting period are as follows:

	2010 $'000	**2011** $'000	**2012** $'000
Not later than one year	–	–	437
Later than one year but not later than five years	–	–	305
	–	–	742

26. Commitments (cont'd)

(c) ***Finance lease commitments***

The Group has finance leases for certain items of machinery, tools, office equipment and computers included in property, plant and equipment (Note 13).

Future minimum lease payments under finance leases together with the present value of the net minimum lease payments are as follows:

	Minimum lease payments 2010 $'000	**Present value of payments 2010** $'000	**Minimum lease payments 2011** $'000	**Present value of payments 2011** $'000	**Minimum lease payments 2012** $'000	**Present value of payments 2012** $'000
Not later than one year	–	–	–	–	4	4
Later than one year but not later than five years	–	–	–	–	2	2
Total minimum lease payments	–	–	–	–	6	6
Less: Amounts representing finance charges	–	–	–	–	– *	–
Present value of minimum lease payments	–	–	–	–	6	6

* Less than $1,000

27. Segmental information

Business segments

The segment reporting format is determined to be business segments as the Group's risks and rates of return are affected predominantly by differences in the products and services rendered. The operating businesses are organised and managed separately according to the nature of the products and services provided, with each segment representing a strategic business unit that offers different products and serves different markets.

The Group is organised into two main operating business segments, namely:

(a) Pawnbroking; and
(b) Retail and trading of pre-owned jewellery and gold.

Other operations include investment holding and provision of other support services.

Allocation basis and transfer pricing

Segment results, assets and liabilities include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Unallocated items comprise mainly provision for taxation, deferred tax liabilities and deferred tax assets.

Transfer prices between business segments are set on an arm's length basis in a manner similar to transactions with third parties. Segment revenue, expenses and results include transfers between business segments. These transfers are eliminated on consolidation.

Non-cash items are not material to the financial statements and have not been separately presented.

Geographical information

As the Group's business activities are mainly conducted in Singapore, with its non-current assets mainly located in Singapore, information about geographical segments is not relevant to the Group.

Information about major customers

Revenue from 5 major customers amounted to $430,336,000 (2011: $455,397,000, 2010: $304,506,000), arising from the retail and trading of pre-owned jewellery and gold segment.

27. Segmental information (cont'd)

	Pawnbroking $'000	Retail and trading of pre-owned jewellery and gold $'000	Others $'000	Elimination $'000	Note	Group $'000
2010						
Revenue from external customers	15,265	383,128	–	–		398,393
Inter-segment revenue	2,826	–	–	(2,826)	A	–
Results:						
Interest income	–	–	1,041	(830)	A	211
Share of results of associates	–	–	825	–		825
Segment profit	8,736	4,563	1,377	292	B	14,968
Assets:						
Investment in associates	–	–	2,754	–		2,754
Segment assets	109,205	30,464	37,048	(40,115)	C	136,602
Segment liabilities	76,136	24,864	11,715	(20,755)	D	91,960
2011						
Revenue from external customers	19,057	512,891	–	–		531,948
Inter-segment revenue	7,674	–	–	(7,674)	A	–
Results:						
Interest income	–	–	1,446	(1,358)	A	88
Share of results of associates	–	–	878	–		878
Segment profit	10,400	5,023	1,620	399	B	17,442
Assets:						
Investment in associates	–	–	2,934	–		2,934
Segment assets	150,091	43,688	58,100	(66,470)	C	185,409
Segment liabilities	109,134	33,308	26,090	(42,472)	D	126,060

27. Segmental information (cont'd)

	Pawnbroking $'000	Retail and trading of pre-owned jewellery and gold $'000	Others $'000	Elimination $'000	Note	Group $'000
2012						
Revenue from external customers	22,273	486,711	–	–		508,984
Inter-segment revenue	10,839	–	–	(10,839)	A	–
Results:						
Interest income	–	–	2,010	(1,835)	A	175
Share of results of associates	–	–	797	–		797
Segment profit	11,502	3,408	1,924	59	B	16,893
Assets:						
Investment in associates	–	–	3,511	–		3,511
Segment assets	136,885	51,219	46,887	(46,457)	C	188,534
Segment liabilities	90,336	38,127	6,530	(20,518)	D	114,475

Notes

A Inter-segment revenues and income are eliminated on combination.

B The following items are added to/(deducted from) segment profit to arrive at "profit before tax" presented in the combined statements of comprehensive income:

	2010 $'000	2011 $'000	2012 $'000
Share of results of associates	825	878	797
Profit from inter-segment sales	(533)	(479)	(738)
	292	399	59

C The following items are deducted from segment assets to arrive at total assets reported in the combined statements of financial position:

	2010 $'000	2011 $'000	2012 $'000
Inter-segment assets	40,115	66,470	46,457

D The following items are deducted from segment liabilities to arrive at total liabilities reported in the combined statements of financial position:

	2010 $'000	2011 $'000	2012 $'000
Deferred tax liabilities	32	45	49
Income tax payable	2,532	3,556	3,552
Inter-segment liabilities	(23,319)	(46,073)	(24,119)
	(20,755)	(42,472)	(20,518)

28. Financial risk management objectives and policies

The Group is exposed to financial risks arising from its operations and the use of financial instruments. The key financial risks include credit risk, liquidity risk and interest rate risk. The board of directors reviews and agrees policies and procedures for the management of these risks, which are executed by the Chief Financial Officer. The Audit Committee provides independent oversight to the effectiveness of the risk management process. It is, and has been throughout the current and previous financial year, the Group's policy that no trading in derivatives for speculative purposes shall be undertaken.

The following sections provide details regarding the Group's exposure to the above-mentioned financial risks and the objectives, policies and processes for the management of these risks.

There has been no change to the Group's exposure to these financial risks or the manner in which it manages and measures the risks.

(a) *Credit risk*

Credit risk is the risk of loss that may arise on outstanding financial instruments should a counterparty default on its obligations. The Group's exposure to credit risk arises primarily from trade and other receivables. For other financial assets (including cash and bank balances), the Group minimises credit risk by dealing exclusively with high credit rating counterparties.

The Group's objective is to seek continual revenue growth while minimising losses incurred due to increased credit risk exposure. The Group trades only with recognised and creditworthy third parties. It is the Group's policy that all customers who wish to trade on credit terms are subject to credit verification procedures. In addition, receivable balances are monitored on an ongoing basis with the result that the Group's exposure to bad debts is not significant.

Excessive risk concentration

Concentration arises when a number of counterparties are engaged in similar business activities, or activities in the same geographical region, or have economic features that would cause their ability to meet contractual obligations to be similarly affected by changes in economic, political and other conditions. Concentration indicates the relative sensitivity of the Group's performance to developments affecting a particular industry.

In order to avoid excessive concentration of risk, the Group's policies and procedures include specific guidelines to focus on maintaining a diversified portfolio. Identified concentrations of credit risk are controlled and managed accordingly. Selective hedging is used within the Group to manage risk concentrations at both the relationship and industry levels.

Exposure to credit risk

At the end of the reporting period, the Group's maximum exposure to credit risk is represented by the carrying amount of each class of financial assets recognised in the combined statements of financial position.

28. Financial risk management objectives and policies (cont'd)

(a) ***Credit risk (cont'd)***

Credit risk concentration profile

At the end of the reporting period, the Company has no significant concentration of credit risk.

Financial assets that are neither past due nor impaired

Trade and other receivables that are neither past due nor impaired are with creditworthy debtors with good payment record with the Group. Cash and bank balances that are neither past due nor impaired are placed with reputable financial institutions or companies with high credit ratings and no history of default.

Financial assets that are either past due or impaired

Information regarding financial assets that are either past due or impaired is disclosed in Note 18 (Trade and other receivables).

(b) ***Liquidity risk***

Liquidity risk is the risk that the Group will encounter difficulty in meeting financial obligations due to shortage of funds. The Group's exposure to liquidity risk arises primarily from mismatches of the maturities of financial assets and liabilities for its business. The Group's objective is to maintain a balance between continuity of funding and flexibility through the use of stand-by credit facilities.

The Group monitors and maintains a level of cash and cash equivalents deemed adequate by the management to finance the Group's operations and mitigate the effect of fluctuations in cash flows.

28. Financial risk management objectives and policies (cont'd)

(b) ***Liquidity risk (cont'd)***

Analysis of financial instruments by remaining contractual maturities

The table below summarises the maturity profile of the Group's financial assets and liabilities at the end of the reporting period based on contractual undiscounted repayment obligations.

	1 year or less $'000	1 to 5 years $'000	Total $'000
2010			
Financial assets:			
Trade and other receivables	111,331	–	111,331
Cash and bank balances	2,170	–	2,170
Total undiscounted financial assets	113,501	–	113,501
Financial liabilities:			
Trade and other payables	25,188	–	25,188
Accrued operating expenses	1,190	–	1,190
Interest-bearing loans and borrowings	63,004	–	63,004
Total undiscounted financial liabilities	89,382	–	89,382
Total net undiscounted financial assets	24,119	–	24,119

	1 year or less $'000	1 to 5 years $'000	Total $'000
2011			
Financial assets:			
Trade and other receivables	150,185	–	150,185
Cash and bank balances	2,589	–	2,589
Total undiscounted financial assets	152,774	–	152,774
Financial liabilities:			
Trade and other payables	43,730	–	43,730
Accrued operating expenses	1,248	–	1,248
Interest-bearing loans and borrowings	77,452	–	77,452
Total undiscounted financial liabilities	122,430	–	122,430
Total net undiscounted financial assets	30,344	–	30,344

28. Financial risk management objectives and policies (cont'd)

(b) ***Liquidity risk (cont'd)***

	1 year or less $'000	1 to 5 years $'000	Total $'000
2012			
Financial assets:			
Trade and other receivables	145,784	–	145,784
Cash and bank balances	3,087	–	3,087
Total undiscounted financial assets	148,871	–	148,871
Financial liabilities:			
Trade and other payables	18,546	–	18,546
Accrued operating expenses	1,308	–	1,308
Interest-bearing loans and borrowings	90,751	2	90,753
Total undiscounted financial liabilities	110,605	2	110,607
Total net undiscounted financial assets/(liabilities)	38,266	(2)	38,264

(c) ***Interest rate risk***

Interest rate risk is the risk that the fair value or future cash flows of the Group's financial instruments will fluctuate because of changes in market interest rates. The Group's exposure to interest rate risk arises primarily from their loans and borrowings. The Group's loans and borrowings are at floating rates which are contractually repriced at intervals of 6 months or less from the end of the reporting period.

Sensitivity analysis for interest rate risk

At the end of the reporting period, if SGD interest rates had been 50 (2011 and 2010: 50) basis points lower/higher with all other variables held constant, the Group's profit before tax would have been $428,000 (2011: $364,000; 2010: $295,000) higher/lower, arising mainly as a result of lower/higher interest expense on floating rate loans and borrowings.

29. Fair value of financial instruments

The fair value of a financial instrument is the amount at which the instrument could be exchanged or settled between knowledgeable and willing parties in an arm's length transaction, other than in a forced or liquidation sale.

Fair value of financial instruments that are carried at fair value

The Group carries Loan from an unrelated party (Note 22) as a Level 1 financial instrument carried at fair value at the end of the reporting period.

Fair value hierarchy

The Group classifies fair value measurement using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

- Level 1 – Quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2 – Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices); and
- Level 3 – Inputs for the asset or liability that are not based on observable market data (unobservable inputs).

Determination of fair value

Loan from an unrelated party (Note 22): Fair value is determined directly by reference to the bid price quotation of gold at the end of the reporting period.

Fair value of financial instruments by classes that are not carried at fair value and whose carrying amounts are a reasonable approximation of fair value

Trade and other receivables, trade and other payables and accrued operating expenses wherein, the carrying amounts of these financial instruments are based on their notional amounts, reasonably approximate their fair values because these are mostly short-term in nature or that they are floating rate instruments that are repriced to market interest rates on or near the end of the reporting period.

The carrying amounts of current interest-bearing loans and borrowings approximate fair values as these instruments bear interest at variable market rates.

29. Fair value of financial instruments (cont'd)

Financial instruments carried at other than fair value

The fair value of financial assets and liabilities by classes that are not carried at fair value and whose carrying amounts are not a reasonable approximation of fair values are as follows:

	Carrying amount 2010 $'000	Fair value 2010 $'000	Carrying amount 2011 $'000	Fair value 2011 $'000	Carrying amount 2012 $'000	Fair value 2012 $'000
Financial liabilities:						
Non-current						
Obligation under finance leases	–	–	–	–	6	6

30. Capital management

Capital includes debt and equity items as disclosed in the table below.

The primary objective of the Group's capital management is to ensure that it maintains a strong credit rating and healthy capital ratios in order to support its business and maximise shareholder value.

The Group manages its capital structure and makes adjustments to it, in light of changes in economic conditions. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. No changes were made in the objectives, policies or processes during the years ended 31 December 2010, 2011 and 2012.

The Group monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt. The Group's policy is to keep the gearing ratio between 50% to 75%. The Group includes within net debt, interest-bearing loans and borrowings, trade and other payables, other liabilities, less cash and bank balances. Capital refers to equity attributable to the owners of the Company.

	Note	2010	2011	2012
Interest-bearing loans and borrowings	22	63,004	77,452	90,753
Trade and other payables	20	25,188	43,730	18,546
Other liabilities	21	1,204	1,277	1,546
Less: Cash and bank balances	19	(2,170)	(2,589)	(3,087)
Net debt		87,226	119,870	107,758
Equity attributable to owners of the Company		43,540	57,906	72,252
Capital and net debt		130,766	177,776	180,010
Gearing ratio		67%	67%	60%

31. Events occurring after the reporting period

Pursuant to resolutions passed on 11 October 2013, the shareholders of the Company approved, *inter alia*, the following:

(a) the sub-division of every one (1) Share in the capital of the Company into 65 Shares;

(b) the conversion of the Company into a public company limited by shares and the consequential change of name to "ValueMax Group Limited";

(c) the adoption of a new set of Memorandum and Articles of Association;

(d) the issue of the New Shares pursuant to the Invitation, which when allotted, issued and fully paid, will rank *pari passu* in all respects with our existing issued Shares;

(e) that authority be given to the Directors, pursuant to section 161 of the Companies Act, to:

(i) (aa) issue Shares whether by way of rights, bonus or otherwise; and/or

(bb) make or grant offers, agreements or options (collectively, "Instruments") that might or would require Shares to be issued during the continuance of this authority or thereafter, including but not limited to the creation and issue of (as well as adjustments to) warrants, debentures or other instruments convertible into Shares,

at any time and upon such terms and conditions and for such purposes and to such persons as the Directors may, in their absolute discretion, deem fit; and

(ii) issue Shares in pursuance of any Instruments made or granted by the Directors while such authority was in force (notwithstanding that such issue of Shares pursuant to the Instruments may occur after the expiration of the authority contained in this resolution),

provided that:

(iii) the aggregate number of Shares issued pursuant to such authority (including the Shares to be issued in pursuance of Instruments made or granted pursuant to such authority), does not exceed 50.0% of the Post-Invitation Issued Share Capital, and provided further that where Shareholders with registered addresses in Singapore are not given the opportunity to participate in the same on a pro-rata basis ("non pro-rata basis"), then the Shares to be issued under such circumstances (including the Shares to be issued in pursuance of Instruments made or granted pursuant to such authority) shall not exceed 20.0% of the Post-Invitation Issued Share Capital; and

(iv) (unless revoked or varied by the Company in general meeting) the authority so conferred shall continue in force until the conclusion of the next annual general meeting of the Company or the date by which the next annual general meeting of the Company is required by law to be held, whichever is the earlier.

31. Events occurring after the reporting period (cont'd)

For the purposes of this resolution, the "Post-Invitation Issued Share Capital" shall mean the total number of issued Shares of the Company (excluding treasury shares) immediately after this Invitation, after adjusting for: (i) new Shares arising from the conversion or exercise of any convertible securities; (ii) new Shares arising from exercising share options or vesting of share awards outstanding or subsisting at the time such authority is given, provided the options or awards were granted in compliance with the Listing Manual; and (iii) any subsequent bonus issue, consolidation or sub-division of Shares. Upon full utilisation of the authority granted to Directors, the Company will seek specific approval from Shareholders for any further issues of Shares or Instruments; and

(f) the adoption of the ValueMax Performance Share Plan, the rules of which are set out in Appendix H of the Prospectus and that the Directors be authorised to grant Awards in accordance with the provisions of the ValueMax Performance Share Plan and to allot an issue such number of Award Shares as may be required to be issued pursuant to the ValueMax Performance Share Plan.

32. Authorisation of financial statements

The financial statements for the years ended 31 December 2010, 2011 and 2012 were authorised for issue in accordance with a directors' resolution dated 21 October 2013.

APPENDIX B – UNAUDITED INTERIM COMBINED FINANCIAL STATEMENTS OF VALUEMAX GROUP LIMITED AND ITS SUBSIDIARIES FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2013

VALUEMAX GROUP LIMITED AND ITS SUBSIDIARIES

STATEMENT BY DIRECTORS

We, Yeah Hiang Nam and Yeah Lee Ching, being two of the directors of ValueMax Group Limited (the "Company"), do hereby state that, in the opinion of the Directors,

(i) the accompanying unaudited interim combined financial statements together with notes thereto are drawn up so as to present fairly, in all material respects, the state of affairs of the Group as at 31 March 2013 and the results of the business, changes in equity and cash flows of the Group for the three-month period ended on that date, and

(ii) at the date of this statement, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they fall due.

On behalf of the Board of Directors:

Yeah Hiang Nam
Director

Yeah Lee Ching
Director

21 October 2013

The Board of Directors
ValueMax Group Limited
213 Bedok North Street 1,
#01-121
Singapore 460213

Dear Sirs:

Introduction

We have reviewed the accompanying interim combined financial statements of ValueMax Group Limited (the "Company") and its subsidiaries (collectively, the "Group"), comprising the combined statement of financial position as at 31 March 2013, the interim combined statement of comprehensive income, combined statement of changes in equity and combined statement of cash flows for the three-month period ended 31 March 2013, and a summary of significant accounting policies and other explanatory notes, as set out on pages B-4 to B-58. Management is responsible for the preparation and fair presentation of these interim financial statements in accordance with Singapore Financial Reporting Standard FRS 34 Interim Financial Reporting ("FRS 34"). Our responsibility is to express a conclusion on these interim financial statements based on our review.

Scope of Review

We conducted our review in accordance with Singapore Standard on Review Engagements 2410, Review of Interim Financial Information Performed by the Independent Auditor of the Entity. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Singapore Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim financial statements do not present fairly, in all material respects, the financial position of the Group as at 31 March 2013 and of its financial performance and its cash flows and changes in equity for the three-month period ended 31 March 2013 in accordance with Singapore Financial Reporting Standards.

Restriction on Distribution and Use

This report is made solely to you as a body and for the inclusion in the Prospectus to be issued in relation to the proposed offering of the shares of the Company in connection with the Company's listing on the Singapore Exchange Securities Trading Limited.

ERNST & YOUNG LLP
Public Accountants and
Chartered Accountants
Singapore

Max Loh Khum Whai
Partner

21 October 2013

VALUEMAX GROUP LIMITED AND ITS SUBSIDIARIES

UNAUDITED INTERIM COMBINED STATEMENTS OF COMPREHENSIVE INCOME FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2013

(Amounts expressed in Singapore Dollars)

	Note	Three-month period ended 31 March	
		2012	**2013**
		$'000	$'000
		(Unaudited)	**(Unaudited)**
Revenue	4	147,601	90,427
Cost of sales		(140,189)	(84,060)
Gross profit		7,412	6,367
Other item of income			
Other operating income	5	315	578
Other items of expense			
Marketing and distribution expenses		(54)	(52)
Administrative expenses		(1,852)	(2,501)
Finance costs	6	(84)	(30)
Other operating expenses	7	–	(746)
Share of results of associates		264	182
Profit before tax	8	6,001	3,798
Income tax expense	11	(493)	(227)
Profit for the period representing total comprehensive income for the period		5,508	3,571
Attributable to:			
Owners of the Company		5,262	3,467
Non-controlling interests		246	104
		5,508	3,571
Earnings per share (cents per share)			
Basic and diluted	12	0.99	0.65

The accompanying accounting policies and explanatory notes form an integral part of the combined financial statements.

VALUEMAX GROUP LIMITED AND ITS SUBSIDIARIES

UNAUDITED INTERIM COMBINED STATEMENTS OF FINANCIAL POSITION AS AT 31 MARCH 2013

(Amounts expressed in Singapore Dollars)

	Note	31.12.2012 $'000 (Audited)	31.3.2013 $'000 (Unaudited)
Non-current assets			
Property, plant and equipment	13	2,535	2,476
Investment in associates	15	3,511	3,693
Other investments	16	399	399
		6,445	6,568
Current assets			
Inventories	17	32,364	28,830
Trade and other receivables	18	145,784	127,941
Prepaid operating expenses		854	599
Cash and bank balances	19	3,087	4,384
		182,089	161,754
Total assets		188,534	168,322
Current liabilities			
Trade and other payables	20	18,546	13,162
Other liabilities	21	1,546	405
Interest-bearing loans and borrowings	22	90,751	81,234
Income tax payable		3,552	3,416
		114,395	98,217
Net current assets		67,694	63,537
Non-current liabilities			
Provisions	23	29	29
Deferred tax liabilities	11	49	49
Interest-bearing loans and borrowings	22	2	1
		80	79
Total liabilities		114,475	98,296
Net assets		74,059	70,026
Equity attributable to owners of the Company			
Share capital	24	5,742	5,742
Retained earnings		64,667	68,134
Other reserves	25	1,843	(5,756)
		72,252	68,120
Non-controlling interests		1,807	1,906
Total equity		74,059	70,026

The accompanying accounting policies and explanatory notes form an integral part of the combined financial statements.

VALUEMAX GROUP LIMITED AND ITS SUBSIDIARIES

UNAUDITED INTERIM COMBINED STATEMENTS OF CHANGES IN EQUITY FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2013

(Amounts expressed in Singapore Dollars)

	Attributable to owners of the Company						
	Share capital (Note 24) $'000	**Capital reserve (Note 25)** $'000	**Merger reserve (Note 25)** $'000	**Retained earnings** $'000	**Total** $'000	**Non-controlling interests** $'000	**Total equity** $'000
UNAUDITED							
31 March 2012							
At 1 January 2012	5,742	1,843	–	50,321	57,906	1,443	59,349
Profit for the period, representing total comprehensive income for the period	–	–	–	5,262	5,262	246	5,508
At 31 March 2012	5,742	1,843	–	55,583	63,168	1,689	64,857

The accompanying accounting policies and explanatory notes form an integral part of the combined financial statements.

VALUEMAX GROUP LIMITED AND ITS SUBSIDIARIES

UNAUDITED INTERIM COMBINED STATEMENTS OF CHANGES IN EQUITY FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2013

(Amounts expressed in Singapore Dollars)

	Attributable to owners of the Company						
	Share capital (Note 24) $'000	**Capital reserve (Note 25)** $'000	**Merger reserve (Note 25)** $'000	**Retained earnings** $'000	**Total** $'000	**Non-controlling interests** $'000	**Total equity** $'000
UNAUDITED 31 March 2013							
At 1 January 2013	5,742	1,843	–	64,667	72,252	1,807	74,059
Profit for the period, representing total comprehensive income for the period	–	–	–	3,467	3,467	104	3,571
Contributions by and distributions to owners							
Dividends paid to non-controlling interests	–	–	–	–	–	(5)	(5)
Adjustment pursuant to the Restructuring Exercise (Note 1.2)	–	–	(7,599)	–	(7,599)	–	(7,599)
Total transactions with owners in their capacity as owners	–	–	(7,599)	–	(7,599)	(5)	(7,604)
At 31 March 2013	5,742	1,843	(7,599)	68,134	68,120	1,906	70,026

The accompanying accounting policies and explanatory notes form an integral part of the combined financial statements.

VALUEMAX GROUP LIMITED AND ITS SUBSIDIARIES

UNAUDITED INTERIM COMBINED STATEMENTS OF CASH FLOWS FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2013

(Amounts expressed in Singapore Dollars)

	Note	Three-month period ended 31 March	
		2012 $'000 **(Unaudited)**	**2013** $'000 **(Unaudited)**
Operating activities			
Profit before tax		6,001	3,798
Adjustments for:			
Depreciation of property, plant and equipment	13	69	88
Allowance for doubtful trade receivables	18	–	746
Interest income	5	(8)	(104)
Finance costs	6	84	30
(Increase)/Decrease in fair value of inventories less point-of-sale costs	17	(165)	94
Net fair value loss/(gain) on financial liability at fair value through profit or loss	8	55	(41)
Share of results of associates		(264)	(182)
Unrealised exchange gain		(317)	(49)
Operating cash flows before changes in working capital		5,455	4,380
Changes in working capital			
Increase in inventories		2,519	3,439
Decrease/(Increase) in trade and other receivables		(7,220)	17,146
Decrease/(Increase) in prepaid operating expenses		(92)	256
Decrease in trade and other payables		(10,353)	(12,982)
Decrease in other liabilities		(1,001)	(1,141)
Cash flows (used in)/generated from operations		(10,692)	11,098
Interest received		8	104
Finance costs paid		(84)	(30)
Income taxes paid		(30)	(364)
Net cash flows (used in)/generated from operating activities		(10,798)	10,808
Investing activities			
Purchase of property, plant and equipment	13	(113)	(29)
Net cash flows used in investing activities		(113)	(29)

VALUEMAX GROUP LIMITED AND ITS SUBSIDIARIES

UNAUDITED INTERIM COMBINED STATEMENTS OF CASH FLOWS FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2013

(Amounts expressed in Singapore Dollars)

	Note	Three-month period ended 31 March	
		2012 $'000 **(Unaudited)**	**2013** $'000 **(Unaudited)**
Financing activities			
Proceeds from short-term bank borrowings		960	–
Proceeds from loans from related parties		5,968	–
Repayment of short-term bank borrowings		–	(1,670)
Repayment of obligations under finance leases		–	(1)
Dividends paid to non-controlling interests		–	(5)
Net cash flows generated from/(used in) financing activities		6,928	(1,676)
Net (decrease)/increase in cash and cash equivalents		(3,983)	9,103
Cash and cash equivalents at beginning of period		(25,296)	(8,431)
Cash and cash equivalents at end of period		(29,279)	672

The accompanying accounting policies and explanatory notes form an integral part of the combined financial statements.

VALUEMAX GROUP LIMITED AND ITS SUBSIDIARIES

NOTES TO THE UNAUDITED COMBINED FINANCIAL STATEMENTS FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2013

1. Corporate information

1.1 *The Company*

The Company was incorporated on 7 August 2003 under the Companies Act as a private company limited by shares under the name of Fang Yuan Holdings Pte. Ltd.. It changed its name to ValueMax Group Pte. Ltd. on 7 April 2004. On 16 October 2013, the Company was converted to a public limited company and changed its name to ValueMax Group Limited. The immediate and ultimate holding company is Yeah Holdings Pte. Ltd. ("Yeah Holdings").

The registered office and principal place of business of the Company is located at 213 Bedok North Street 1, #01-121, Singapore 460213.

The principal activities of the Company are those of investment holding and provision of management services. The principal activities of the subsidiaries are disclosed in Note 14 to the financial statements.

1.2 *The Restructuring Exercise*

Transfer of businesses under common control

The Group undertook the following transaction as part of a corporate reorganisation implemented in preparation for its listing on the Singapore Exchange Securities Trading Limited ("SGX-ST") (the "Restructuring Exercise"), the effects of which have been included in the combined financial statements of the Group for the financial years ended 31 December 2010, 2011 and 2012 and the three-month period ended 31 March 2013:

Transfer of gold trading and retail of pre-owned jewellery businesses from Yeah Capital and Dormant2 Jewellery, respectively (the "Business Transfer")

Pursuant to the business transfer agreements dated 1 January 2013 and 1 February 2013 respectively ("Business Transfer Agreements"), ValueMax Precious Metals and Spring Jewellery (SG) purchased the gold trading and retail of pre-owned jewellery businesses of Yeah Capital and Dormant2 Jewellery, respectively. The purchase consideration for the retail of pre-owned jewellery business of Dormant2 Jewellery was approximately $1,787,000, being the carrying value of the net assets of the retail of pre-owned jewellery business of Dormant2 Jewellery acquired by the Group as at 31 January 2013. The purchase consideration for the gold trading business of Yeah Capital was approximately $12,438,000, being the carrying value of the net assets of the gold trading business of Yeah Capital acquired by the Group as at 31 December 2012. The purchase consideration for each of Yeah Capital and Dormant2 Jewellery was satisfied in cash to Yeah Capital and Dormant2 Jewellery respectively.

The above Restructuring Exercise is considered to be a business combination involving entities under common control and is accounted for by applying the pooling of interests method. Accordingly, the assets and liabilities of these businesses transferred have been included in the combined financial statements at their carrying amounts. Although the Restructuring Exercise occurred in January and February 2013, the combined financial statements present the financial condition and results of operations as if the businesses had always been combined since the beginning of the earliest period presented.

1. Corporate information (cont'd)

1.2 ***The Restructuring Exercise (cont'd)***

Transfer of businesses under common control (cont'd)

In accordance with Recommended Accounting Practice 12, Merger Accounting for Common Control Combinations for financial statements prepared under Part IX of the Fifth Schedule to the Securities and Futures (Offers of Investments) (Shares and Debentures) Regulations 2005, where the business has been under common control but has not formed a legal group as at the end of the group's latest reporting period, the financial statements of the businesses may, if meaningful, be presented on a combined basis (as distinct from consolidated financial statements) provided that the common control combination under which the legal group is formed is completed before the date of approval of the combined financial statements by the directors.

In connection with the Restructuring Exercise, the Group also undertook the transactions described below, the effects of which have not been included in the combined financial statements for the financial years ended 31 December 2010, 2011 and 2012:

(a) *Acquisition of equity interests in ValueMax Pawnshop, ValueMax Pawnshop (BD), ValueMax Pawnshop (PR), ValueMax Pawnshop (CCK), ValueMax Pawnshop (WL), ValueMax Pawnshop (EL), ValueMax Pawnshop (BK), ValueMax Pawnshop (SG), ValueMax Retail, Soon Hong Pawnshop, Ban Soon Pawnshop, Ban Lian Pawnshop, Ban Seng Pawnshop and Fook Loy Trading (collectively, the "Singapore Entities")*

Pursuant to a share purchase agreement dated 1 August 2013 (the "Share Purchase Agreement") entered into between the Company (as the purchaser) and certain shareholders of the Singapore Entities (the "Existing Shareholders"), the Company acquired the shares held by the Existing Shareholders in the Singapore Entities for an aggregate consideration of approximately $2,928,000. Save for Ban Seng Pawnshop, the purchase consideration was arrived at based on the latest audited net asset value of the companies as at 31 December 2012. The purchase consideration of Ban Seng Pawnshop of $688,000, was at a premium of approximately $272,000 above the latest audited net asset value of Ban Seng Pawnshop as at 31 December 2012. The purchase consideration was satisfied by (a) the issue and allotment of 53,344 ordinary shares at $12.90 per ordinary share (being the net asset value of the Group as at 31 December 2012) in the issued share capital of the Company, credited as fully paid, by the Company to the Existing Shareholders; and (b) in cash of an amount of approximately $2,240,000 to the Existing Shareholders. The Existing Shareholders then renounced and transferred all the 53,344 shares received as purchase consideration to Yeah Holdings.

(b) *Acquisition of equity interests in Kedai Emas Well Chip, Kedai Pajak Well Chip, SYT Pavilion and Thye Shing (collectively, the "Malaysian Companies")*

Pursuant to the share restructuring agreements dated 12 August 2013 (the "Malaysian Share Restructuring Agreements") entered into between the Company, Goldjew, Great Prompt as well as the Managing Director and CEO, Yeah Hiang Nam, and his nominees, the Company acquired 46.6% of the issued share capital of each of the Malaysian Companies for a purchase consideration of approximately $3,279,000. VMM Holdings, a subsidiary of the Group, was nominated to receive the shares. The purchase consideration was arrived at based on the latest audited net asset value of the Malaysian Companies as at 31 December 2012 of approximately RM 20,017,000 (equivalent to approximately $8,007,000), and was satisfied fully by the allotment and issue of 147,245, 55,278 and 86,632 ordinary shares at $12.90 per ordinary share (being the approximate net asset value of the Group as at 31 December 2012), credited as fully paid, to Yeah Hiang Nam, Goldjew and Great Prompt respectively.

VALUEMAX GROUP LIMITED AND ITS SUBSIDIARIES

NOTES TO THE UNAUDITED COMBINED FINANCIAL STATEMENTS FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2013

1. Corporate information (cont'd)

1.2 ***The Restructuring Exercise (cont'd)***

(b) *Acquisition of equity interests in Kedai Emas Well Chip, Kedai Pajak Well Chip, SYT Pavilion and Thye Shing (collectively, the "Malaysian Companies") (cont'd)*

Goldjew and Great Prompt are investment holding companies. They own various assets including real estate in Malaysia and are not in the business of pawnbroking. The shares of Goldjew and Great Prompt are beneficially owned by Yeah Hiang Nam.

Each of Goldjew and Great Prompt subsequently declared a dividend in specie in favour of Yeah Hiang Nam, whereupon the aggregate 141,190 shares which Goldjew and Great Prompt received pursuant to the Malaysian Share Restructuring Agreements were distributed to Yeah Hiang Nam. Goldjew and Great Prompt consequently ceased to hold any shares in the Company.

Yeah Hiang Nam thereafter renounced and transferred all the 289,155 shares received pursuant to the Malaysian Share Restructuring Agreements to Yeah Holdings.

Upon completion of the Malaysian Share Restructuring Agreements, the issued and paid-up share capital of the Company increased to approximately $10,159,000, comprising 6,084,584 shares.

2. Summary of significant accounting policies

2.1 ***Basis of preparation***

The interim combined financial statements of the Group have been prepared in accordance with Singapore Financial Reporting Standards ("FRS").

The financial statements have been prepared on the historical cost basis except as disclosed in the accounting policies below.

The financial statements are presented in Singapore Dollars (SGD or $) and all values in the tables are rounded to the nearest thousand ($'000) except as otherwise indicated.

2.2 ***Changes in accounting policies***

The accounting policies adopted in the interim combined financial statements are consistent with those of the previous financial year. The Group has adopted all the new and revised standards and interpretations that are effective for annual periods beginning on or after 1 January 2013. The adoption of these standards did not have any effect on the financial performance or position of the Group.

2.3 ***Standards issued but not yet effective***

The Group has not adopted the following standards and interpretations that have been issued but not yet effective:

Description	Effective for annual periods beginning on or after
Revised FRS 27 *Separate Financial Statements*	1 January 2014
Revised FRS 28 *Investments in Associates and Joint Ventures*	1 January 2014
FRS 110 *Consolidated Financial Statements*	1 January 2014
FRS 111 *Joint Arrangements*	1 January 2014
FRS 112 *Disclosure of Interests in Other Entities*	1 January 2014
Amendments to FRS 32 *Offsetting Financial Assets and Financial Liabilities*	1 January 2014
Amendments to the transition guidance of FRS 110 *Consolidated Financial Statements*, FRS 111 *Joint Arrangements* and FRS 112 *Disclosure of Interests in Other Entities*	1 January 2014
Amendments to FRS 110, FRS 111 and FRS 27: *Investment Entities*	1 January 2014

Except for FRS 112, the directors expect that the adoption of the other standards and interpretations above will have no material impact on the financial statements in the period of initial application. The nature of the impending changes in accounting policy on adoption of FRS 112 is described below.

FRS 112 *Disclosure of Interests in Other Entities*

FRS 112 *Disclosure of Interests in Other Entities* is effective for financial periods beginning on or after 1 January 2014.

FRS 112 is a new and comprehensive standard on disclosure requirements for all forms of interests in other entities, including joint arrangements, associates, special purpose vehicles and other off balance sheet vehicles. FRS 112 requires an entity to disclose information that helps users of its financial statements to evaluate the nature and risks associated with its interests in other entities and the effects of those interests on its financial statements. As this is a disclosure standard, it will have no impact to the financial position and financial performance of the Group when implemented in 2014.

2. Summary of significant accounting policies (cont'd)

2.4 ***Basis of consolidation***

The combined financial statements comprise the financial statements of the Company and its subsidiaries as at the end of the reporting period. The financial statements of the subsidiaries are prepared for the same reporting date as the Company. Consistent accounting policies are applied for like transactions and events in similar circumstances.

All intra-group balances, income and expenses and unrealised gains and losses resulting from intra-group transactions that are recognised in assets are eliminated in full.

The combined financial statements of the Group for the financial years ended 31 December 2010, 2011 and 2012 have been prepared using the pooling of interest method as the Restructuring Exercise completed as described in Note 1.2 is a legal reorganisation of entities under common control. Under this method, the Company has been treated as the holding company of its subsidiaries for the financial years presented rather than from the date of completion of the Restructuring Exercise.

Pursuant to this:

– Assets and liabilities of combined entities are reflected at their carrying amounts;
– No amount is recognised for goodwill; and
– Upon the completion of the Restructuring Exercise, any difference between the consideration paid and the share capital of the "acquired" entity is reflected within equity as merger reserve.

2.5 ***Transactions with non-controlling interests***

Non-controlling interest represents the equity in subsidiaries not attributable, directly or indirectly, to owners of the Company, and are presented separately in the combined statement of comprehensive income and within equity in the combined statement of financial position, separately from equity attributable to owners of the Company.

Changes in the Company's ownership interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions. In such circumstances, the carrying amounts of the controlling and non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiary. Any difference between the amount by which the non-controlling interest is adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to owners of the Company.

2.6 ***Functional and foreign currency***

(a) *Functional currency*

The Group's combined financial statements are presented in SGD, which is also the Company's functional currency. Each entity in the Group determines its own functional currency and items included in the financial statements of each entity are measured using the functional currency.

2. Summary of significant accounting policies (cont'd)

2.6 ***Functional and foreign currency (cont'd)***

(b) *Transactions and balances*

Transactions in foreign currencies are measured in the respective functional currencies of the Company and its subsidiaries and are recorded on initial recognition in the functional currencies at exchange rates approximating those ruling at the transaction dates. Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the end of the reporting period. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined.

Exchange differences arising on the settlement of monetary items or on translating monetary items at the end of the reporting period are recognised in profit or loss except for exchange differences arising on monetary items that form part of the Group's net investment in foreign operations, which are recognised initially in other comprehensive income and accumulated under foreign currency translation reserve in equity. The foreign currency translation reserve is reclassified from equity to profit or loss of the Group on disposal of the foreign operation.

2.7 ***Property, plant and equipment***

All items of property, plant and equipment are initially recorded at cost. Subsequent to recognition, property, plant and equipment are measured at cost less accumulated depreciation and any accumulated impairment losses. The cost includes the cost of replacing part of the property, plant and equipment and borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying property, plant and equipment. The accounting policy for borrowing costs is set out in Note 2.18. The cost of an item of property, plant and equipment is recognised as an asset if, and only if, it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably.

When significant parts of plant and equipment are required to be replaced in intervals, the Group recognises such parts as individual assets with specific useful lives and depreciation, respectively. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognised in profit or loss as incurred.

Depreciation is computed on a straight-line basis over the estimated useful lives of the assets as follows:

Leasehold property	–	50 years
Machinery, tools, office equipment and computers	–	3 – 5 years
Furniture and fittings	–	5 years
Renovations	–	5 years

The carrying values of property, plant and equipment are reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable.

2. Summary of significant accounting policies (cont'd)

2.7 ***Property, plant and equipment (cont'd)***

The residual value, useful life and depreciation method are reviewed at each financial year-end, and adjusted prospectively, if appropriate.

An item of property, plant and equipment is de-recognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on de-recognition of the asset is included in profit or loss in the year the asset is de-recognised.

2.8 ***Impairment of non-financial assets***

The Group assesses at each reporting date whether there is indication that an asset may be impaired. If any indication exists, or when annual impairment assessment for an asset is required, the Group makes an estimate of the asset's recoverable amount.

An asset's recoverable amount is the higher of an asset's or cash-generating unit's fair value less costs to sell and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or group of assets. Where the carrying amount of an asset or cash-generating unit exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing value in use, the estimated future cash flows expected to be generated by the asset are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs to sell, recent market transactions are taken into account, if available. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples or other available fair value indicators.

The Group bases its impairment calculation on detailed budgets and forecast calculations which are prepared separately for each of the Group's cash-generating units to which the individual assets are allocated. These budgets and forecast calculations are generally covering a period of five years. For longer periods, a long-term growth rate is calculated and applied to project future cash flows after the fifth year.

Impairment losses are recognised in profit or loss in those expense categories consistent with the function of the impaired asset.

An assessment is made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. If such indication exists, the Group estimates the asset's or cash-generating unit's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. If that is the case, the carrying amount of the asset is increased to its recoverable amount. That increase cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised previously. Such reversal is recognised in profit or loss.

2.9 ***Subsidiaries***

A subsidiary is an entity over which the Group has the power to govern the financial and operating policies so as to obtain benefits from its activities.

2. Summary of significant accounting policies (cont'd)

2.10 ***Associates***

An associate is an entity, not being a subsidiary or a joint venture, in which the Group has significant influence. An associate is equity accounted for from the date the Group obtains significant influence until the date the Group ceases to have significant influence over the associate.

The Group's investments in associates are accounted for using the equity method. Under the equity method, the investment in associates is carried in the statement of financial position at cost plus post-acquisition changes in the Group's share of net assets of the associates. Goodwill relating to associates is included in the carrying amount of the investment and is neither amortised nor tested individually for impairment. Any excess of the Group's share of the net fair value of the associate's identifiable assets, liabilities and contingent liabilities over the cost of the investment is included as income in the determination of the Group's share of results of the associate in the period in which the investment is acquired.

The profit or loss reflects the share of the results of the operations of the associates. Where there has been a change recognised in other comprehensive income by the associates, the Group recognises its share of such changes in other comprehensive income. Unrealised gains and losses resulting from transactions between the Group and the associate are eliminated to the extent of the interest in the associates.

The Group's share of the profit or loss of its associates is the profit attributable to equity holders of the associate and, therefore is the profit or loss after tax and non-controlling interests in the subsidiaries of associates.

When the Group's share of losses in an associate equals or exceeds its interest in the associate, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the associate.

After application of the equity method, the Group determines whether it is necessary to recognise an additional impairment loss on the Group's investment in its associates. The Group determines at the end of each reporting period whether there is any objective evidence that the investment in the associate is impaired. If this is the case, the Group calculates the amount of impairment as the difference between the recoverable amount of the associate and its carrying value and recognises the amount in profit or loss.

The financial statements of the associates are prepared as of the same reporting date as the Company. Where necessary, adjustments are made to bring the accounting policies in line with those of the Group.

Upon loss of significant influence over the associate, the Group measures and recognises any retained investment at its fair value. Any difference between the carrying amount of the associate upon loss of significant influence and the fair value of the aggregate of the retained investment and proceeds from disposal is recognised in profit or loss.

2. Summary of significant accounting policies (cont'd)

2.11 ***Financial assets***

Initial recognition and measurement

Financial assets are recognised when, and only when, the Group becomes a party to the contractual provisions of the financial instrument. The Group determines the classification of its financial assets at initial recognition.

When financial assets are recognised initially, they are measured at fair value plus directly attributable transaction costs.

Subsequent measurement

Non-derivative financial assets with fixed or determinable payments that are not quoted in an active market are classified as loans and receivables. Subsequent to initial recognition, loans and receivables are measured at amortised cost using the effective interest method, less impairment. Gains and losses are recognised in profit or loss when the loans and receivables are derecognised or impaired, and through the amortisation process.

De-recognition

A financial asset is de-recognised where the contractual right to receive cash flows from the asset has expired. On de-recognition of a financial asset in its entirety, the difference between the carrying amount and the sum of the consideration received and any cumulative gain or loss that had been recognised in other comprehensive income is recognised in profit or loss.

Regular way purchase or sale of a financial asset

All regular way purchases and sales of financial assets are recognised or de-recognised on the trade date i.e., the date that the Group commits to purchase or sell the asset. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the period generally established by regulation or convention in the marketplace concerned.

2.12 ***Impairment of financial assets***

The Group assesses at each reporting date whether there is any objective evidence that a financial asset is impaired.

Financial assets carried at amortised cost

For financial assets carried at amortised cost, the Group first assesses whether objective evidence of impairment exists individually for financial assets that are individually significant, or collectively for financial assets that are not individually significant. If the Group determines that no objective evidence of impairment exists for an individually assessed financial asset, whether significant or not, it includes the asset in a group of financial assets with similar credit risk characteristics and collectively assesses them for impairment. Assets that are individually assessed for impairment and for which an impairment loss is, or continues to be recognised are not included in a collective assessment of impairment.

2. Summary of significant accounting policies (cont'd)

2.12 ***Impairment of financial assets (cont'd)***

If there is objective evidence that an impairment loss on financial assets carried at amortised cost has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the financial asset's original effective interest rate. If a loan has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate. The carrying amount of the asset is reduced through the use of an allowance account. The impairment loss is recognised in profit or loss.

When the asset becomes uncollectible, the carrying amount of impaired financial assets is reduced directly or if an amount was charged to the allowance account, the amounts charged to the allowance account are written off against the carrying value of the financial asset.

To determine whether there is objective evidence that an impairment loss on financial assets has been incurred, the Group considers factors such as the probability of insolvency or significant financial difficulties of the debtor and default or significant delay in payments.

If in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed to the extent that the carrying amount of the asset does not exceed its amortised cost at the reversal date. The amount of reversal is recognised in profit or loss.

2.13 ***Cash and cash equivalents***

Cash and cash equivalents comprise cash at bank and on hand, and short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value. These also include bank overdrafts that form an integral part of the Group's cash management.

2.14 ***Inventories***

Inventories principally comprise gold held for trading and inventories that form part of the Group's normal purchase, sale or usage requirements for its retailing activities.

All the inventories of the Group for its gold trading business is measured at fair value less costs to sell, with changes in fair value less costs to sell recognised in profit or loss in the period of the change.

All the other inventories are stated at the lower of cost and net realisable value. Finished goods include costs of raw materials, labour and an attributable portion of overheads, determined on a specific identification basis. Net realisable value is based on estimated selling prices less estimated costs of completion and the estimated costs necessary to make the sale. Where necessary, allowance is provided for damaged, obsolete and slow moving items to adjust the carrying value of inventories to the lower of cost and net realisable value.

2. Summary of significant accounting policies (cont'd)

2.15 ***Provisions***

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and the amount of the obligation can be estimated reliably.

Provisions are reviewed at the end of each reporting period and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of economic resources will be required to settle the obligation, the provision is reversed. If the effect of the time value of money is material, provisions are discounted using a current pre tax rate that reflects, where appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

2.16 ***Government grants***

Government grants are recognised at their fair value where there is reasonable assurance that the grant will be received and all attaching conditions will be complied with. Where the grant relates to income, the government grant is recognised in profit or loss on a systematic basis over the periods in which the entity recognises as expenses the related costs for which the grants are intended to compensate. Grants related to income are presented under other operating income.

2.17 ***Financial liabilities***

Initial recognition and measurement

Financial liabilities are recognised when, and only when, the Group becomes a party to the contractual provisions of the financial instrument. The Group determines the classification of its financial liabilities at initial recognition.

All financial liabilities are recognised initially at fair value plus in the case of financial liabilities not at fair value through profit or loss, directly attributable transaction costs.

Subsequent measurement

The measurement of financial liabilities depends on their classification as follows:

(a) *Financial liabilities at fair value through profit or loss*

Financial liabilities at fair value through profit or loss includes financial liabilities held for trading and financial liabilities designated upon initial recognition at fair value through profit or loss. Financial liabilities are classified as held for trading if they are acquired for the purpose of selling in the near term. This category includes derivative financial instruments entered into by the Group that are not designated as hedging instruments in hedge relationships. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments.

Subsequent to initial recognition, financial liabilities at fair value through profit or loss are measured at fair value. Any gains or losses arising from changes in fair value of the financial liabilities are recognised in profit or loss.

2. Summary of significant accounting policies (cont'd)

2.17 ***Financial liabilities (cont'd)***

Subsequent measurement (cont'd)

(b) *Other financial liabilities*

After initial recognition, other financial liabilities are subsequently measured at amortised cost using the effective interest method. Gains and losses are recognised in profit or loss when the liabilities are de-recognised, and through the amortisation process.

De-recognition

A financial liability is de-recognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a de-recognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognised in profit or loss.

2.18 ***Borrowing costs***

Borrowing costs are capitalised as part of the cost of a qualifying asset if they are directly attributable to the acquisition, construction or production of that asset. Capitalisation of borrowing costs commences when the activities to prepare the asset for its intended use or sale are in progress and the expenditures and borrowing costs are incurred. Borrowing costs are capitalised until the assets are substantially completed for their intended use or sale. All other borrowing costs are expensed in the period they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

2.19 ***Employee benefits***

(a) *Defined contribution plans*

The Group participates in the national pension schemes as defined by the laws of the countries in which it has operations. In particular, the Group makes contributions to the Central Provident Fund scheme in Singapore, a defined contribution pension scheme. Contributions to defined contribution pension schemes are recognised as an expense in the period in which the related service is performed.

(b) *Employee leave entitlement*

Employee entitlements to annual leave are recognised as a liability when they accrue to the employees. The estimated liability for leave is recognised for services rendered by employees up to the end of the reporting period.

2. Summary of significant accounting policies (cont'd)

2.20 ***Leases***

The determination of whether an arrangement is, or contains a lease is based on the substance of the arrangement at inception date: whether fulfilment of the arrangement is dependent on the use of a specific asset or assets or the arrangement conveys a right to use the asset, even if that right is not explicitly specified in an arrangement.

(a) *As lessee*

Finance leases, which transfer to the Group substantially all the risks and rewards incidental to ownership of the leased item, are capitalised at the inception of the lease at the fair value of the leased asset or, if lower, at the present value of the minimum lease payments. Any initial direct costs are also added to the amount capitalised. Lease payments are apportioned between the finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are charged to profit or loss. Contingent rents, if any, are charged as expenses in the periods in which they are incurred.

Capitalised leased assets are depreciated over the shorter of the estimated useful life of the asset and the lease term, if there is no reasonable certainty that the Group will obtain ownership by the end of the lease term.

Operating lease payments are recognised as an expense in profit or loss on a straight-line basis over the lease term. The aggregate benefit of incentives provided by the lessor is recognised as a reduction of rental expense over the lease term on a straight-line basis.

(b) *As lessor*

Leases where the Group retains substantially all the risks and rewards of ownership of the asset are classified as operating leases. Initial direct costs incurred in negotiating an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same bases as rental income. The accounting policy for rental income is set out in Note 2.21(c). Contingent rents are recognised as revenue in the period in which they are earned.

2.21 ***Revenue***

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured, regardless of when the payment is made. Revenue is measured at the fair value of consideration received or receivable excluding discounts, rebates, sales taxes or duty. The Group assesses its revenue arrangements to determine if it is acting as principal or agent. The Group has concluded that it is acting as a principal in all of its revenue arrangements. The following specific recognition criteria must also be met before revenue is recognised:

(a) *Sale of goods*

Revenue from retail and trading of pre-owned jewellery and gold is recognised upon the transfer of significant risk and rewards of ownership of the goods to the customer, usually on delivery of goods. Revenue is not recognised to the extent where there are significant uncertainties regarding recovery of the consideration due, associated costs or the possible return of goods.

2. Summary of significant accounting policies (cont'd)

2.21 ***Revenue (cont'd)***

(b) *Interest income*

Interest income from loans to customers and from banks is recognised on a time-proportion basis using the effective interest method.

(c) *Rental income*

Rental income arising from operating leases on leasehold properties is accounted for on a straight-line basis over the lease terms. The aggregate costs of incentives provided to lessees are recognised as a reduction of rental income over the lease term on a straight-line basis.

(d) *Rendering of services*

Revenue from the rendering of management services is recognised on an accrual basis upon rendering of services.

(e) *Dividends*

Dividend income is recognised when the Group's right to receive payment is established.

2.22 ***Taxes***

(a) *Current income tax*

Current income tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted at the end of the reporting period, in the country where the Group operates and generates taxable income.

Current income taxes are recognised in profit or loss except to the extent that the tax relates to items recognised outside profit or loss, either in other comprehensive income or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

2. Summary of significant accounting policies (cont'd)

2.22 ***Taxes (cont'd)***

(b) *Deferred tax*

Deferred tax is provided using the liability method on temporary differences at the end of the reporting period between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liabilities are recognised for all taxable temporary differences, except:

- Where the deferred tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither accounting profit nor taxable profit or loss; and

- In respect of taxable temporary differences associated with investments in subsidiaries and associates, where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognised for all deductible temporary differences, carry forward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised except:

- Where the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither accounting profit nor taxable profit or loss; and

- In respect of deductible temporary differences associated with investments in subsidiaries and associates, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are reassessed at the end of each reporting period and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the end of each reporting period.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss. Deferred tax items are recognised in correlation to the underlying transaction either in other comprehensive income or directly in equity and deferred tax arising from a business combination is adjusted against goodwill on acquisition.

2. Summary of significant accounting policies (cont'd)

2.22 ***Taxes (cont'd)***

(b) *Deferred tax (cont'd)*

Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set off current income tax assets against current income tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

Tax benefits acquired as part of a business combination, but not satisfying the criteria for separate recognition at that date, would be recognised subsequently if new information about facts and circumstances changed. The adjustment would either be treated as a reduction to goodwill (as long as it does not exceed goodwill) if it had been incurred during the measurement period or in profit or loss.

(c) *Sales tax*

Revenues, expenses and assets are recognised net of the amount of sales tax except:

- Where the sales tax incurred in a purchase of assets or services is not recoverable from the taxation authority, in which case the sales tax is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable; and

- Receivables and payables that are stated with the amount of sales tax included.

The net amount of sales tax recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the balance sheet.

2.23 ***Segment reporting***

For management purposes, the Group is organised into operating segments based on their products and services which are independently managed by the respective segment managers responsible for the performance of the respective segments under their charge. The segment managers report directly to the management of the Company who regularly review the segment results in order to allocate resources to the segments and to assess the segment performance. Additional disclosures on each of these segments are shown in Note 27, including the factors used to identify the reportable segments and the measurement basis of segment information.

2.24 ***Share capital and share issue expenses***

Proceeds from issuance of ordinary shares are recognised as share capital in equity. Incremental costs directly attributable to the issuance of ordinary shares are deducted against share capital.

2. Summary of significant accounting policies (cont'd)

2.25 ***Contingencies***

A contingent liability is:

(a) a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group; or

(b) a present obligation that arises from past events but is not recognised because:

(i) It is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or

(ii) The amount of the obligation cannot be measured with sufficient reliability.

A contingent asset is a possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group.

Contingent liabilities and assets are not recognised on the balance sheet of the Group, except for contingent liabilities assumed in a business combination that are present obligations and which the fair values can be reliably determined.

2.26 ***Related parties***

A related party is defined as follows:

(a) A person or a close member of that person's family is related to the Group and Company if that person:

(i) Has control or joint control over the Company;

(ii) Has significant influence over the Company; or

(iii) Is a member of the key management personnel of the Group or Company or of a parent of the Company.

2. Summary of significant accounting policies (cont'd)

2.26 ***Related parties (cont'd)***

(b) An entity is related to the Group and the Company if any of the following conditions applies:

(i) The entity and the Company are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others);

(ii) One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member);

(iii) Both entities are joint ventures of the same third party;

(iv) One entity is a joint venture of a third entity and the other entity is an associate of the third entity;

(v) The entity is a post-employment benefit plan for the benefit of employees of either the Company or an entity related to the Company. If the Company is itself such a plan, the sponsoring employers are also related to the Company;

(vi) The entity is controlled or jointly controlled by a person identified in (a); or

(vii) A person identified in (a) (i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).

3. Significant accounting judgments and estimates

The preparation of the Group's combined financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities at the end of each reporting period. However, uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of the asset or liability affected in the future periods.

3.1 ***Judgments made in applying accounting policies***

In the process of applying the Group's accounting policies, management has made the following judgments, apart from those involving estimations, which have the most significant effect on the amounts recognised in the combined financial statements:

Income taxes

The Group has exposure to income taxes in Singapore. Significant judgment is involved in determining the Group's provision for income taxes. There are certain transactions and computations for which the ultimate tax determination is uncertain during the ordinary course of business. The Group recognises liabilities for expected tax issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recognised, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made. The carrying amount of the Group's income tax payables and deferred tax liabilities at the end of the reporting period was $3,416,000 (31.12.2012: $3,552,000) and $49,000 (31.12.2012: $49,000) respectively.

3. Significant accounting judgments and estimates (cont'd)

3.2 ***Key sources of estimation uncertainty***

The key assumptions concerning the future and other key sources of estimation uncertainty at the end of each reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below. The Group based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising beyond the control of the Group. Such changes are reflected in the assumptions when they occur.

(a) *Impairment of loans and receivables*

The Group assesses at the end of each reporting period whether there is any objective evidence that a financial asset is impaired. To determine whether there is objective evidence of impairment, the Group considers factors such as the probability of insolvency or significant financial difficulties of the debtor and default or significant delay in payments.

Where there is objective evidence of impairment, the amount and timing of future cash flows are estimated based on historical loss experience for assets with similar credit risk characteristics. The carrying amount of the Group's loans and receivables at the end of the reporting period is disclosed in Note 18 to the financial statements.

(b) *Allowance for inventory obsolescence*

The Group assesses periodically the allowance for inventory obsolescence for inventories that are stated at the lower of cost or net realisable value. When inventories are deemed obsolete or when the net realisable value falls below cost, the amount of obsolete inventories or fall in value is recognised as an allowance for inventory obsolescence. To determine whether there is objective evidence of obsolescence or decline in net realisable value, the Group estimates future demand for the product and assesses prevailing market conditions and gold prices. A 5% change in the prevailing market gold prices is not expected to have a significant impact on the Group's financial statements. The carrying amount of the Group's inventories at the end of the reporting period is disclosed in Note 17 to the financial statements.

(c) *Valuation of trade receivables of pawnbroking segment*

The Group has trade receivables that are in the form of collateralised loans to customers. These loans are extended to customers based on a fraction of the individual values of the corresponding pledged articles, for which individual values are assigned to each article by the Group's appraisers. Estimating the values of the articles requires the Group to make certain estimates and assumptions, including assessing prevailing market conditions and gold prices. The carrying amount of such receivables at the end of the reporting period was $120,465,000 (31.12.2012: $122,920,000).

VALUEMAX GROUP LIMITED AND ITS SUBSIDIARIES

NOTES TO THE UNAUDITED COMBINED FINANCIAL STATEMENTS FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2013

4. Revenue

	Unaudited for the three-month period ended 31 March	
	2012 $'000	**2013** $'000
Interest income from providing collateral loan services	5,663	4,849
Retail and trading of pre-owned jewellery and gold	141,938	85,578
	147,601	90,427

5. Other operating income

	Unaudited for the three-month period ended 31 March	
	2012 $'000	**2013** $'000
Rental income from leasehold property	39	99
Interest income on loans and receivables	8	104
Workmanship income	175	14
Management fee income from director-related companies	77	96
Grant income from SME cash grant	9	5
Income from assignment of tenancy agreement to unrelated party	–	253
Others	7	7
	315	578

During the financial year ended 31 December 2011, the Singapore Finance Minister announced the introduction of Corporate Income Tax ("CIT") Rebate or SME cash grant (for smaller companies that are not taxable) in Budget 2011. Under this Scheme, certain entities of the Group received a 5% cash grant on their respective total revenue, subject to a cap of $5,000 per entity.

VALUEMAX GROUP LIMITED AND ITS SUBSIDIARIES

NOTES TO THE UNAUDITED COMBINED FINANCIAL STATEMENTS FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2013

6. Finance costs

	Unaudited for the three-month period ended 31 March	
	2012	**2013**
	$'000	$'000
Interest expense		
- bank overdrafts	359	65
- short-term bank borrowings	229	353
- loans from director-related companies	9	–
- loans from directors/shareholders	19	9
	616	427
Included in the combined statement of comprehensive income under:		
- Cost of sales	532	397
- Finance costs	84	30
	616	427

7. Other operating expenses

	Unaudited for the three-month period ended 31 March	
	2012	**2013**
	$'000	$'000
Allowance for doubtful trade receivables	–	746

8. Profit before tax

The following items have been included in arriving at profit before tax:

		Unaudited for the three-month period ended 31 March	
		2012	**2013**
		$'000	$'000
Audit fees paid to auditors of the Group		36	36
Depreciation of property, plant and equipment	13	69	88
Employee benefits expense	9	1,136	1,414
Inventories recognised as an expense in cost of sales	17	139,656	83,663
Operating lease expense	26(a)	404	659
Net fair value loss/(gain) on loan from an unrelated party	22	55	(41)

VALUEMAX GROUP LIMITED AND ITS SUBSIDIARIES

NOTES TO THE UNAUDITED COMBINED FINANCIAL STATEMENTS FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2013

9. Employee benefits

	Unaudited for the three-month period ended 31 March	
	2012 $'000	**2013** $'000
Employee benefits expense (including directors):		
Salaries and bonuses	997	1,226
Central Provident Fund contributions	104	103
Other personnel expenses	35	85
	1,136	1,414

10. Related party transactions

(a) ***Sale and purchase of goods and services***

In addition to the related party information disclosed elsewhere in the financial statements, the following significant transactions between the Group and related parties took place on terms agreed between the parties during the financial year:

	Unaudited for the three-month period ended 31 March	
	2012 $'000	**2013** $'000
Sale of goods to director-related companies	507	400
Purchase of goods from associates	337	644
Purchase of goods from an investee company	83	186
Purchase of goods from director-related companies	639	594
Rental received from a director-related company	18	–
Rental paid to director-related companies	119	107
Rental paid to a director	14	14
Management fee income received from an associate	4	7
Management fee income received from an investee company	12	9
Management fee income received from director-related companies	61	80
Interest received from associates	–	63
Interest paid to directors	10	–
Interest paid to shareholders	17	9

10. Related party transactions (cont'd)

(b) ***Compensation of key management personnel***

	Unaudited for the three-month period ended 31 March	
	2012 $'000	**2013** $'000
Short-term employee benefits	202	268
Central Provident Fund contributions	14	15
Total compensation paid to key management personnel	216	283
Comprise amounts paid to:		
Directors of the Company	193	208
Other key management personnel	23	75
	216	283

(c) ***Commitments with related parties***

On 20 August 2010, ValueMax Retail Pte. Ltd. ("ValueMax Retail"), a subsidiary of the Group, entered into a 37-month agreement ending 30 September 2013 with Yeah Capital Pte. Ltd. ("Yeah Capital"), a director-related company, for the lease of a ValueMax Retail retail outlet. The Group expects the rental paid to Yeah Capital to be $36,000 in 2013.

On 1 September 2010, ValueMax Pawnshop (SG) Pte. Ltd. ("VMSG"), a subsidiary of the Group, entered into a 37-month agreement ending 30 September 2013 with Yeah Capital for the lease of one of VMSG's pawnshop outlet. The Group expects the rental paid to Yeah Capital to be $36,000 in 2013.

11. Income tax

(a) ***Income tax expense***

The major components of income tax expense for the period ended 31 March are:

	Unaudited for the three-month period ended 31 March	
	2012 $'000	**2013** $'000
Current income tax		
Current income taxation	493	227

11. Income tax (cont'd)

(b) ***Relationship between tax expense and accounting profit***

The reconciliation between tax expense and the product of accounting profit multiplied by the applicable corporate tax rate for the period ended 31 March are as follows:

	Unaudited for the three-month period ended 31 March	
	2012 $'000	**2013** $'000
Profit before tax	6,001	3,798
Tax calculated at a tax rate of 17%	1,020	646
Adjustments:		
- Non-deductible expenses	–	9
- Income not subject to taxation	(1)	(17)
- Effect of partial tax exemption	(484)	(350)
- Deferred tax assets not recognised	42	7
- Share of results of associates	(45)	(31)
- Others	(39)	(37)
	493	227

(c) ***Deferred income tax***

Deferred income tax as at 31 December 2012 and 31 March 2013 relates to the following:

	31.12.2012 $'000 **(Audited)**	**31.3.2013** $'000 **(Unaudited)**
Deferred tax liabilities		
Difference in depreciation	49	49

At the end of the reporting period, the Group had tax losses and unabsorbed capital allowances of approximately $106,000 (31.12.2012: $99,000) and $7,000 (31.12.2012: $7,000) respectively. The use of these balances is subject to the agreement of the tax authorities and compliance with the relevant provisions of the tax legislation.

12. Earnings per share

Basic earnings per share amounts are calculated by dividing the profit for the year attributable to ordinary equity holders of the Company by the post-placement share capital of the Company. The Company's post-placement share capital of 533,497,960 ordinary shares is assumed to be in issue throughout the entire financial years presented.

Diluted earnings per share are similar to basic earnings per share as there were no potential dilutive ordinary shares existing during the respective financial years.

VALUEMAX GROUP LIMITED AND ITS SUBSIDIARIES

NOTES TO THE UNAUDITED COMBINED FINANCIAL STATEMENTS FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2013

13. Property, plant and equipment

	Leasehold property $'000	Machinery, tools, office equipment and computers $'000	Furniture and fittings $'000	Renovations $'000	Total $'000
(AUDITED)					
Cost					
At 1 January 2012	2,167	715	89	922	3,893
Additions	–	266	117	175	558
At 31 December 2012	2,167	981	206	1,097	4,451
Accumulated depreciation					
At 1 January 2012	520	445	45	584	1,594
Depreciation charge for the year	43	137	20	122	322
At 31 December 2012	563	582	65	706	1,916
Net carrying amount					
At 31 December 2012	1,604	399	141	391	2,535
(UNAUDITED)					
Cost					
At 1 January 2013	2,167	981	206	1,097	4,451
Additions	–	25	2	2	29
At 31 March 2013	2,167	1,006	208	1,099	4,480
Accumulated depreciation					
At 1 January 2013	563	582	65	706	1,916
Depreciation charge for the period	11	35	9	33	88
At 31 March 2013	574	617	74	739	2,004
Net carrying amount					
At 31 March 2013	1,593	389	134	360	2,476

13. Property, plant and equipment (cont'd)

Assets held under finance leases

During the financial period, the Group acquired property, plant and equipment with an aggregate cost of $Nil (31.12.2012: $7,000) by means of finance leases. The carrying amount of the property, plant and equipment held under finance leases at the end of the reporting period was $6,000 (31.12.2012: $7,000), which has been included in the Group's carrying amount of machinery, tools, office equipment and computers.

Restoration costs

Included in the Group's carrying amount of renovations is $28,000 (31.12.2012: $29,000) of provision for restoration costs.

Assets pledged as security

In addition to assets held under finance leases, a floating charge has been placed on property, plant and equipment of certain subsidiaries of the Group as security for bank loans (Note 22). The carrying amount of the property, plant and equipment pledged at the end of the reporting period was $2,249,000 (31.12.2012: $2,142,000).

14. Investment in subsidiaries

The Company had the following subsidiaries as at the end of the reporting period:

Name of subsidiaries	Country of incorporation and place of business	Principal activities	Proportion (%) of ownership interest	
			31.12.2012	31.3.2013
Held by the Company				
ValueMax Pawnshop Pte. Ltd.	Singapore	Pawnbrokerage	99.75	99.75
ValueMax Pawnshop (BD) Pte. Ltd.	Singapore	Pawnbrokerage	95.25	95.25
ValueMax Pawnshop (PR) Pte. Ltd.	Singapore	Pawnbrokerage	90.64	90.64
ValueMax Pawnshop (SG) Pte. Ltd.	Singapore	Pawnbrokerage	99.99	99.99
ValueMax Pawnshop (JP) Pte. Ltd.	Singapore	Pawnbrokerage	100	100
ValueMax Pawnshop (CCK) Pte. Ltd.	Singapore	Pawnbrokerage	99.75	99.75
ValueMax Pawnshop (BK) Pte. Ltd.	Singapore	Pawnbrokerage	99.99	99.99
ValueMax Pawnshop (WL) Pte. Ltd.	Singapore	Pawnbrokerage	94.75	94.75

14. Investment in subsidiaries (cont'd)

The Company had the following subsidiaries as at the end of the reporting period: (cont'd)

Name of subsidiaries	Country of incorporation and place of business	Principal activities	Proportion (%) of ownership interest 31.12.2012	31.3.2013
Held by the Company (cont'd)				
ValueMax Pawnshop (EL) Pte. Ltd.	Singapore	Pawnbrokerage	90.0	90.0
ValueMax Retail Pte. Ltd.	Singapore	Retail sale of pre-owned jewellery	90.0	90.0
ValueMax International Pte. Ltd.	Singapore	Investment holding and provision of management services	100	100
ValueMax Management Pte. Ltd.	Singapore	Provision of management and IT services	100	100
ValueMax Corporate Services Pte. Ltd.	Singapore	Provision of business management and consultancy services	100	100
ValueMax Precious Metals Pte. Ltd.	Singapore	Retail and trading of gold	100*	100
Spring Jewellery (SG) Pte. Ltd.	Singapore	Retail sale of pre-owned jewellery	100*	100
VMM Holdings Sdn. Bhd.	Malaysia	Investment holding	–	100*

* Incorporated during the year/period.

Save for VMM Holdings Sdn. Bhd., all subsidiaries are audited by Ernst & Young LLP, Singapore.

15. Investment in associates

	31.12.2012 $'000 (Audited)	31.3.2013 $'000 (Unaudited)
Unquoted shares, at cost	2,265	2,265
Share of post-acquisition reserves	1,246	1,428
	3,511	3,693

VALUEMAX GROUP LIMITED AND ITS SUBSIDIARIES

NOTES TO THE UNAUDITED COMBINED FINANCIAL STATEMENTS FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2013

15. Investment in associates (cont'd)

	Name of associates (Country of incorporation and place of business)	Principal activities	Effective equity held by the Group		Cost of investments	
			31.12.12 %	31.3.13 %	31.12.12 $'000	31.3.13 $'000
	Held by the Company					
^	Ban Soon Pawnshop Pte. Ltd. (Singapore)	Pawnbrokerage	32.71	32.71	1,270	1,270
#	Soon Hong Pawnshop Pte. Ltd. (Singapore)	Pawnbrokerage	49.75	49.75	995	995

^ Audited by Ernst & Young LLP, Singapore
# Audited by Teo Liang Chye & Co., Singapore

The summarised financial information of the associates, not adjusted for the proportion of ownership interest held by the Group, is as follows:

	31.12.2012 $'000 (Audited)	31.3.2013 $'000 (Unaudited)
Assets and liabilities:		
Total assets	29,070	28,935
Total liabilities	20,637	19,483
Results:		
Revenue	8,158	1,127
Profit for the year/period	2,019	431

16. Other investments

	31.12.2012 $'000 (Audited)	31.3.2013 $'000 (Unaudited)
Unquoted shares, at cost	399	399

Unquoted shares are stated at cost less impairment as there is no market price and the fair value cannot be reliably measured using valuation techniques.

VALUEMAX GROUP LIMITED AND ITS SUBSIDIARIES

NOTES TO THE UNAUDITED COMBINED FINANCIAL STATEMENTS FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2013

17. Inventories

	31.12.2012 $'000 (Audited)	31.3.2013 $'000 (Unaudited)
Commodity inventories at fair value	8,940	–
Other inventories at the lower of cost and net realisable value	23,424	28,830
	32,364	28,830

	Unaudited for the three-month period ended 31 March	
	2012 $'000	2013 $'000
Recognised in the combined statement of comprehensive income		
- Inventories recognised as cost of sales	139,656	83,663

There were no inventories written-down for the financial year ended 31 December 2012 and period ended 31 March 2013.

18. Trade and other receivables

		31.12.2012 $'000 (Audited)	31.3.2013 $'000 (Unaudited)
Trade receivables		136,170	121,398
Other receivables		73	318
Deposits		1,224	1,089
Amounts due from associates (trade)		–	3
Amounts due from associates (non-trade)		33	62
Loans to associates		5,000	5,000
Amount due from an investee company (non-trade)		14	–
Amounts due from director-related companies (trade)		493	66
Amounts due from director-related companies (non-trade)		2,777	5
Total trade and other receivables		145,784	127,941
Add:			
Cash and bank balances	19	3,087	4,384
Total loans and receivables		148,871	132,325

18. Trade and other receivables (cont'd)

Trade and other receivables denominated in foreign currency at the end of the reporting period is as follows:

	31.12.2012 $'000 **(Audited)**	**31.3.2013** $'000 **(Unaudited)**
United States Dollar	4,266	3,878

Included in trade receivables are receivables from retail and trading of pre-owned jewellery and gold, and loans to customers.

Receivables from retail and trading of pre-owned jewellery and gold are non-interest bearing and are generally repayable on demand. They are recognised at their original invoice amounts which represent their fair values on initial recognition.

Loans to customers are loans which are interest bearing at 1.0% for the first month and 1.5% for the subsequent 5 months (31.12.2012: 1.0% for the first month and 1.5% for the subsequent 5 months). The quantum of loans granted to customers is based on a fraction of the value of the articles pledged to the Group.

Related party balances

Loans to associates are unsecured, bear interest at 5% (31.12.2012: 5%) per annum, repayable on demand and are to be settled in cash.

Amounts due from associates, amount due from an investee company and amounts due from director-related companies are unsecured, interest-free, repayable on demand and are to be settled in cash.

Receivables that are past due but not impaired

The Group does not have receivables that are past due but not impaired as at 31 December 2012 and 31 March 2013.

18. Trade and other receivables (cont'd)

Receivables that are impaired

The Group's trade receivables that are impaired at the end of the reporting period and the movement of the allowance accounts used to record the impairment are as follows:

	31.12.2012 $'000 (Audited)	31.3.2013 $'000 (Unaudited)
Trade receivables – nominal amounts	136,826	122,800
Less: Allowance for impairment	(656)	(1,402)
	136,170	121,398
Movement in allowance accounts:		
At 1 January	–	656
Charge for the year/period	656	746
	656	1,402

Trade receivables that are individually determined to be impaired at the end of the reporting period relate to loans to customers that have defaulted on payments. These receivables are secured by the related articles pledged to the Group.

19. Cash and bank balances

	31.12.2012 $'000 (Audited)	31.3.2013 $'000 (Unaudited)
Cash at banks and on hand	3,087	4,384

Cash at banks do not earn interest.

There are no cash and bank balances denominated in foreign currencies as at 31 December 2012 and 31 March 2013.

Cash and cash equivalents

For the purpose of the combined statements of cash flows, cash and cash equivalents comprise the following at the end of the reporting period:

	Note	31.12.2012 $'000 (Audited)	31.3.2013 $'000 (Unaudited)
Cash at banks and on hand		3,087	4,384
Bank overdrafts	22	(11,518)	(3,712)
Cash and cash equivalents		(8,431)	672

19. Cash and bank balances (cont'd)

Bank overdrafts are denominated in SGD, bear interest at the banks' prime lending rate and are secured by a fixed and floating charge over the assets of certain subsidiaries of the Group, as disclosed in Note 13 to the financial statements.

20. Trade and other payables

	Note	31.12.2012 $'000 (Audited)	31.3.2013 $'000 (Unaudited)
Trade payables		7,834	314
Other payables		2,107	1,055
Amounts due to associates (trade)		–	130
Amounts due to director-related companies (trade)		3,195	1,356
Amounts due to director-related companies (non-trade)		4,557	9,597
Loans from shareholders		853	710
Total trade and other payables		18,546	13,162
Add:			
Accrued operating expenses	21	1,308	403
Interest-bearing loans and borrowings	22	90,753	81,235
Less:			
Loan from an unrelated party	22	(2,029)	(1,989)
Total financial liabilities carried at amortised cost		108,578	92,811

There are no trade and other payables denominated in foreign currencies as at 31 December 2012 and 31 March 2013.

Trade and other payables are unsecured and non-interest bearing. Trade payables are repayable on demand while other payables are generally on 30 days' terms.

Related party balances

Amounts due to director-related companies are unsecured, interest-free, repayable on demand and are to be settled in cash.

Loans from shareholders are unsecured, bear interest at 5% (31.12.2012: 5%) per annum, and are repayable on demand.

21. Other liabilities

	31.12.2012 $'000 (Audited)	31.3.2013 $'000 (Unaudited)
Accrued operating expenses	1,308	403
Advances from customers	232	–
Deferred revenue from customer loyalty award	6	2
	1,546	405

Deferred revenue from customer loyalty award represents consideration received from the sale of goods that is allocated to the points issued under the customer loyalty programme that are expected to be redeemed but are still outstanding as at the end of the reporting period. The movement in the deferred revenue is as follows:

	31.12.2012 $'000 (Audited)	31.3.2013 $'000 (Unaudited)
At 1 January	3	6
Additions during the year/period	4	–
Recognised in profit or loss	(1)	(4)
At 31 December/31 March	6	2

22. Interest-bearing loans and borrowings

	Note	31.12.2012 $'000 (Audited)	31.3.2013 $'000 (Unaudited)
Secured borrowings			
Current			
Obligations under finance leases	26(c)	4	3
Loan from an unrelated party		2,029	1,989
Bank overdrafts		11,518	3,712
Bank loans		77,200	75,530
		90,751	81,234
Non-current			
Obligations under finance leases	26(c)	2	1
Add:			
Loans from shareholders	20	853	710
Total loans and borrowings		91,606	81,945

22. Interest-bearing loans and borrowings (cont'd)

Obligations under finance leases

These obligations are secured by a charge over the leased assets (Note 13). The average discount rate implicit in the leases is 2.96% p.a..

Loan from an unrelated party

This loan is unsecured, repayable on demand and is a financial liability carried at fair value through profit or loss.

Bank overdrafts

Bank overdrafts are repayable on demand and secured by a fixed and floating charge on all assets of certain subsidiaries and personal guarantees by certain directors of the Company and its subsidiaries.

Bank loans

These revolving bank loans are repayable on demand and secured by a fixed and floating charge on all assets of certain subsidiaries and personal guarantees by certain directors of the Company and its subsidiaries.

Effective interest rate

Weighted average effective interest rates per annum of total borrowings at the end of the reporting period are as follows:

	Note	31.12.2012	31.3.2013
Bank overdrafts		2.31% to 5.75%	2.31% to 5.68%
Bank loans		1.445% to 3.175%	1.56% to 3.03%
Loan from an unrelated party		2.50%	2.50%
Loans from shareholders	20	5.00%	5.00%

23. Provisions

	31.12.2012 $'000 (Audited)	31.3.2013 $'000 (Unaudited)
Provision for restoration costs:		
At 1 January	–	29
- Arose during the financial year/period	29	–
At 31 December/31 March	29	29

The provision for restoration costs is the estimated costs to dismantle, remove or restore plant and equipment arising from the return of the leases of rented operating premises to the landlords pursuant to lease agreements.

24. Share capital

	31.12.2012		31.3.2013	
	No. of shares '000	$'000	No. of shares '000	$'000
Issued and fully paid ordinary shares:				
At beginning and end of the year/period	5,742	5,742	5,742	5,742

The holders of ordinary shares are entitled to receive dividends as and when declared by the Company. All ordinary shares carry one vote per share without restrictions. The ordinary shares have no par value.

25. Other reserves

	Note	31.12.2012 $'000 (Audited)	31.3.2013 $'000 (Unaudited)
Capital reserve	(a)	1,843	1,843
Merger reserve	(b)	–	(7,599)
		1,843	(5,756)

(a) ***Capital reserve***

The capital reserve arose mainly from the issuance of bonus shares by subsidiaries.

(b) ***Merger reserve***

This represents the difference between the consideration paid and the paid-in capital of the subsidiaries when entities under common control are accounted for by applying the pooling of interest method, as described in Note 2.4 to the financial statements.

26. Commitments

(a) ***Operating lease commitments - as lessee***

The Group has entered into commercial leases in respect of office and retail outlet premises. There is no contingent rent provision included in the contracts. Certain of the leases contain an escalation clause. Lease terms do not contain restrictions on the Group's activities concerning dividends, additional debt or further leasing.

Minimum lease payments recognised as an expense in profit or loss for the financial period ended 31 March 2013 amounted to $659,378 (31.12.2012: $2,076,000).

Future minimum rental payable under non-cancellable operating leases at the end of the reporting period are as follows:

	31.12.2012 $'000 (Audited)	31.3.2013 $'000 (Unaudited)
Not later than one year	2,171	2,076
Later than one year but not later than five years	2,380	2,502
Later than five years	75	–
	4,626	4,578

26. Commitments (cont'd)

(b) ***Operating lease commitments - as lessor***

The Group has entered into commercial lease agreements on its office and retail outlet premises. The lease agreements do not contain escalation clauses. Certain of the lease agreements provides for contingent rentals based on a percentage of sales derived. The minimum contingent rental receivable under the lease agreements amounted to $3,925 per month.

Future minimum rental receivable under non-cancellable operating leases at the end of the reporting period are as follows:

	31.12.2012 $'000 **(Audited)**	**31.3.2013** $'000 **(Unaudited)**
Not later than one year	437	385
Later than one year but not later than five years	305	186
	742	571

(c) ***Finance lease commitments***

The Group has finance leases for certain items of machinery, tools, office equipment and computers included in property, plant and equipment (Note 13).

Future minimum lease payments under finance leases together with the present value of the net minimum lease payments are as follows:

	Group			
	Minimum lease payments 31.12.2012 $'000 **(Audited)**	**Present value of payments 31.12.2012** $'000 **(Audited)**	**Minimum lease payments 31.3.2013** $'000 **(Unaudited)**	**Present value of payments 31.3.2013** $'000 **(Unaudited)**
Not later than one year	4	4	3	3
Later than one year but not later than five years	2	2	1	1
Total minimum lease payments	6	6	4	4
Less: Amounts representing finance charges	–*	–	–*	–
Present value of minimum lease payments	6	6	4	4

* Less than $1,000

27. Segmental information

Business segments

The segment reporting format is determined to be business segments as the Group's risks and rates of return are affected predominantly by differences in the products and services rendered. The operating businesses are organised and managed separately according to the nature of the products and services provided, with each segment representing a strategic business unit that offers different products and serves different markets.

The Group is organised into two main operating business segments, namely:

(a) Pawnbroking; and
(b) Retail and trading of pre-owned jewellery and gold.

Other operations include investment holding and provision of other support services.

Allocation basis and transfer pricing

Segment results, assets and liabilities include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Unallocated items comprise mainly provision for taxation, deferred tax liabilities and deferred tax assets.

Transfer prices between business segments are set on an arm's length basis in a manner similar to transactions with third parties. Segment revenue, expenses and results include transfers between business segments. These transfers are eliminated on consolidation.

Non-cash items are not material to the financial statements and have not been separately presented.

Geographical information

As the Group's business activities are mainly conducted in Singapore, with its non-current assets mainly located in Singapore, information about geographical segments is not relevant to the Group.

Information about major customers

Revenue from 5 major customers amounted to $68,274,000 for the three-month period ended 31 March 2013 (31.3.2012: $130,998,000), arising from sales by the retail and trading of pre-owned jewellery and gold segment.

27. Segmental information (cont'd)

	Pawnbroking $'000	Retail and trading of pre-owned jewellery and gold $'000	Others $'000	Elimination $'000	Note	Group $'000
(UNAUDITED)						
31.3.2012						
Revenue from external customers	5,663	141,938	–	–		147,601
Inter-segment revenue	1,590	–	–	(1,590)	A	–
Results:						
Interest income	–	–	449	(441)	A	8
Share of results of associates	–	–	264	–		264
Segment profit	4,594	2,232	(647)	(178)	B	6,001
(UNAUDITED)						
31.3.2013						
Revenue from external customers	4,849	85,578	–	–		90,427
Inter-segment revenue	2,118	–	–	(2,118)	A	–
Results:						
Interest income	–	–	256	(152)	A	104
Share of results of associates	–	–	182	–		182
Segment profit	2,962	1,378	22	(564)	B	3,798
(AUDITED)						
31.12.2012						
Assets:						
Investment in associates	–	–	3,511	–		3,511
Segment assets	136,885	51,219	46,887	(46,457)	C	188,534
Segment liabilities	90,336	38,127	6,530	(20,518)	D	114,475
(UNAUDITED)						
31.3.2013						
Assets:						
Investment in associates	–	–	3,693	–		3,693
Segment assets	134,209	38,268	50,740	(54,895)	C	168,322
Segment liabilities	88,325	31,569	4,383	(25,981)	D	98,296

27. Segmental information (cont'd)

Notes

A Inter-segment revenues and income are eliminated on combination.

B The following items are added to/(deducted from) segment profit to arrive at "profit before tax" presented in the combined statements of comprehensive income:

	Unaudited for the three-month period ended 31 March	
	2012	**2013**
	$'000	$'000
Share of results of associates	264	182
Profit from inter-segment sales	(442)	(746)
	(178)	(564)

C The following items are deducted from segment assets to arrive at total assets reported in the combined statements of financial position:

	31.12.2012	**31.3.2013**
	$'000	$'000
	(Audited)	**(Unaudited)**
Inter-segment assets	46,457	54,895

D The following items are deducted from segment liabilities to arrive at total liabilities reported in the combined statements of financial position:

Deferred tax liabilities	49	49
Income tax payable	3,552	3,416
Inter-segment liabilities	(24,119)	(29,446)
	(20,518)	(25,981)

28. Financial risk management objectives and policies

The Group is exposed to financial risks arising from its operations and the use of financial instruments. The key financial risks include credit risk, liquidity risk and interest rate risk. The board of directors reviews and agrees policies and procedures for the management of these risks, which are executed by the Chief Financial Officer. The Audit Committee provides independent oversight to the effectiveness of the risk management process. It is, and has been throughout the current and previous financial year, the Group's policy that no trading in derivatives for speculative purposes shall be undertaken.

The following sections provide details regarding the Group's exposure to the above-mentioned financial risks and the objectives, policies and processes for the management of these risks.

There has been no change to the Group's exposure to these financial risks or the manner in which it manages and measures the risks.

(a) ***Credit risk***

Credit risk is the risk of loss that may arise on outstanding financial instruments should a counterparty default on its obligations. The Group's exposure to credit risk arises primarily from trade and other receivables. For other financial assets (including cash and bank balances), the Group minimises credit risk by dealing exclusively with high credit rating counterparties.

The Group's objective is to seek continual revenue growth while minimising losses incurred due to increased credit risk exposure. The Group trades only with recognised and creditworthy third parties. It is the Group's policy that all customers who wish to trade on credit terms are subject to credit verification procedures. In addition, receivable balances are monitored on an ongoing basis with the result that the Group's exposure to bad debts is not significant.

Excessive risk concentration

Concentration arises when a number of counterparties are engaged in similar business activities, or activities in the same geographical region, or have economic features that would cause their ability to meet contractual obligations to be similarly affected by changes in economic, political and other conditions. Concentration indicates the relative sensitivity of the Group's performance to developments affecting a particular industry.

In order to avoid excessive concentration of risk, the Group's policies and procedures include specific guidelines to focus on maintaining a diversified portfolio. Identified concentrations of credit risk are controlled and managed accordingly. Selective hedging is used within the Group to manage risk concentrations at both the relationship and industry levels.

Exposure to credit risk

At the end of the reporting period, the Group's maximum exposure to credit risk is represented by the carrying amount of each class of financial assets recognised in the combined statements of financial position.

28. Financial risk management objectives and policies (cont'd)

(a) ***Credit risk (cont'd)***

Credit risk concentration profile

At the end of the reporting period, the Company has no significant concentration of credit risk.

Financial assets that are neither past due nor impaired

Trade and other receivables that are neither past due nor impaired are with creditworthy debtors with good payment record with the Group. Cash and bank balances that are neither past due nor impaired are placed with reputable financial institutions or companies with high credit ratings and no history of default.

Financial assets that are either past due or impaired

Information regarding financial assets that are either past due or impaired is disclosed in Note 18 (Trade and other receivables).

(b) ***Liquidity risk***

Liquidity risk is the risk that the Group will encounter difficulty in meeting financial obligations due to shortage of funds. The Group's exposure to liquidity risk arises primarily from mismatches of the maturities of financial assets and liabilities for its business. The Group's objective is to maintain a balance between continuity of funding and flexibility through the use of stand-by credit facilities.

The Group monitors and maintains a level of cash and cash equivalents deemed adequate by the management to finance the Group's operations and mitigate the effect of fluctuations in cash flows.

28. Financial risk management objectives and policies (cont'd)

(b) ***Liquidity risk (cont'd)***

Analysis of financial instruments by remaining contractual maturities

The table below summarises the maturity profile of the Group's financial assets and liabilities at the end of the reporting period based on contractual undiscounted repayment obligations.

	1 year or less $'000	1 to 5 years $'000	Total $'000
GROUP (AUDITED) 31.12.2012			
Financial assets:			
Trade and other receivables	145,784	–	145,784
Cash and bank balances	3,087	–	3,087
Total undiscounted financial assets	148,871	–	148,871
Financial liabilities:			
Trade and other payables	18,546	–	18,546
Accrued operating expenses	1,308	–	1,308
Interest-bearing loans and borrowings	90,751	2	90,753
Total undiscounted financial liabilities	110,605	2	110,607
Total net undiscounted financial assets/(liabilities)	38,266	(2)	38,264

28. Financial risk management objectives and policies (cont'd)

(b) ***Liquidity risk (cont'd)***

	1 year or less $'000	1 to 5 years $'000	Total $'000
GROUP (UNAUDITED) 31.3.2013			
Financial assets:			
Trade and other receivables	127,941	–	127,941
Cash and bank balances	4,384	–	4,384
Total undiscounted financial assets	132,325	–	132,325
Financial liabilities:			
Trade and other payables	13,162	–	13,162
Accrued operating expenses	403	–	403
Interest-bearing loans and borrowings	81,234	1	81,235
Total undiscounted financial liabilities	94,799	1	94,800
Total net undiscounted financial assets/(liabilities)	37,526	(1)	37,525

(c) ***Interest rate risk***

Interest rate risk is the risk that the fair value or future cash flows of the Group's financial instruments will fluctuate because of changes in market interest rates. The Group's exposure to interest rate risk arises primarily from their loans and borrowings. The Group's loans and borrowings are at floating rates which are contractually repriced at intervals of 6 months or less from the end of the reporting period.

Sensitivity analysis for interest rate risk

At the end of the reporting period, if SGD interest rates had been 50 (31.3.2012: 50) basis points lower/higher with all other variables held constant, the Group's profit before tax would have been $103,000 (31.12.2012: $428,000) higher/lower, arising mainly as a result of lower/higher interest expense on floating rate loans and borrowings.

29. Fair value of financial instruments

The fair value of a financial instrument is the amount at which the instrument could be exchanged or settled between knowledgeable and willing parties in an arm's length transaction, other than in a forced or liquidation sale.

Fair value of financial instruments that are carried at fair value

The Group carries Loan from an unrelated party (Note 22) as a Level 1 financial instrument carried at fair value at the end of the reporting period.

Fair value hierarchy

The Group classifies fair value measurement using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

- Level 1 – Quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2 – Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices); and
- Level 3 – Inputs for the asset or liability that are not based on observable market data (unobservable inputs).

Determination of fair value

Loan from an unrelated party (Note 22): Fair value is determined directly by reference to the bid price quotation of gold at the end of the reporting period.

Fair value of financial instruments by classes that are not carried at fair value and whose carrying amounts are a reasonable approximation of fair value

Trade and other receivables, trade and other payables and accrued operating expenses wherein, the carrying amounts of these financial instruments are based on their notional amounts, reasonably approximate their fair values because these are mostly short-term in nature or that they are floating rate instruments that are repriced to market interest rates on or near the end of the reporting period.

The carrying amounts of current interest-bearing loans and borrowings approximate fair values as these instruments bear interest at variable market rates.

29. Fair value of financial instruments (cont'd)

Financial instruments carried at other than fair value

The fair value of financial assets and liabilities by classes that are not carried at fair value and whose carrying amounts are not a reasonable approximation of fair values are as follows:

	Audited		Unaudited	
	Carrying amount 31.12.2012 $'000	Fair value 31.12.2012 $'000	Carrying amount 31.3.2013 $'000	Fair value 31.3.2013 $'000
Financial liabilities:				
Non-current				
Obligation under finance leases	6	6	4	4

30. Capital management

Capital includes debt and equity items as disclosed in the table below.

The primary objective of the Group's capital management is to ensure that it maintains a strong credit rating and healthy capital ratios in order to support its business and maximise shareholder value.

The Group manages its capital structure and makes adjustments to it, in light of changes in economic conditions. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. No changes were made in the objectives, policies or processes during the year ended 31 December 2012 and period ended 31 March 2013.

The Group monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt. The Group's policy is to keep the gearing ratio between 50% to 75%. The Group includes within net debt, interest-bearing loans and borrowings, trade and other payables, other liabilities, less cash and bank balances. Capital refers to equity attributable to the owners of the Company.

30. Capital management (cont'd)

	Note	31.12.2012 $'000 (Audited)	31.3.2013 $'000 (Unaudited)
Interest-bearing loans and borrowings	22	90,753	81,235
Trade and other payables	20	18,546	13,162
Other liabilities	21	1,546	405
Less: Cash and bank balances	19	(3,087)	(4,384)
Net debt		107,758	90,418
Equity attributable to owners of the Company		72,252	68,120
Capital and net debt		180,010	158,538
Gearing ratio		60%	57%

31. Events occurring after the reporting period

Pursuant to resolutions passed on 11 October 2013, the shareholders of the Company approved, *inter alia*, the following:

(a) the sub-division of every one (1) Share in the capital of the Company into 65 Shares;

(b) the conversion of the Company into a public company limited by shares and the consequential change of name to "ValueMax Group Limited";

(c) the adoption of a new set of Memorandum and Articles of Association;

(d) the issue of the New Shares pursuant to the Invitation, which when allotted, issued and fully paid, will rank *pari passu* in all respects with our existing issued Shares;

(e) that authority be given to the Directors, pursuant to section 161 of the Companies Act, to:

(i) (aa) issue Shares whether by way of rights, bonus or otherwise; and/or

(bb) make or grant offers, agreements or options (collectively, "Instruments") that might or would require Shares to be issued during the continuance of this authority or thereafter, including but not limited to the creation and issue of (as well as adjustments to) warrants, debentures or other instruments convertible into Shares,

31. Events occurring after the reporting period (cont'd)

at any time and upon such terms and conditions and for such purposes and to such persons as the Directors may, in their absolute discretion, deem fit; and

(ii) issue Shares in pursuance of any Instruments made or granted by the Directors while such authority was in force (notwithstanding that such issue of Shares pursuant to the Instruments may occur after the expiration of the authority contained in this resolution),

provided that:

(iii) the aggregate number of Shares issued pursuant to such authority (including the Shares to be issued in pursuance of Instruments made or granted pursuant to such authority), does not exceed 50.0% of the Post-Invitation Issued Share Capital, and provided further that where Shareholders with registered addresses in Singapore are not given the opportunity to participate in the same on a pro-rata basis ("non pro-rata basis"), then the Shares to be issued under such circumstances (including the Shares to be issued in pursuance of Instruments made or granted pursuant to such authority) shall not exceed 20.0% of the Post-Invitation Issued Share Capital; and

(iv) (unless revoked or varied by the Company in general meeting) the authority so conferred shall continue in force until the conclusion of the next annual general meeting of the Company 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 the purposes of this resolution, the "Post-Invitation Issued Share Capital" shall mean the total number of issued Shares of the Company (excluding treasury shares) immediately after this Invitation, after adjusting for: (i) new Shares arising from the conversion or exercise of any convertible securities; (ii) new Shares arising from exercising share options or vesting of share awards outstanding or subsisting at the time such authority is given, provided the options or awards were granted in compliance with the Listing Manual; and (iii) any subsequent bonus issue, consolidation or sub-division of Shares. Upon full utilisation of the authority granted to Directors, the Company will seek specific approval from Shareholders for any further issues of Shares or Instruments; and

(f) the adoption of the ValueMax Performance Share Plan, the rules of which are set out in Appendix H of the Prospectus and that the Directors be authorised to grant Awards in accordance with the provisions of the ValueMax Performance Share Plan and to allot an issue such number of Award Shares as may be required to be issued pursuant to the ValueMax Performance Share Plan.

VALUEMAX GROUP LIMITED AND ITS SUBSIDIARIES

NOTES TO THE UNAUDITED COMBINED FINANCIAL STATEMENTS FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2013

32. Comparative information

The financial information for the three-month period ended 31 March 2013, presented for comparative purposes, have not been audited nor reviewed by the Reporting Auditors.

33. Authorisation of financial statements for issue

The unaudited interim combined financial statements for the three-month period ended 31 March 2013 were authorised for issue in accordance with a resolution of the Directors on 21 October 2013.

APPENDIX C – UNAUDITED PRO FORMA COMBINED FINANCIAL INFORMATION OF VALUEMAX GROUP LIMITED AND ITS SUBSIDIARIES FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2012 AND THE THREE-MONTH PERIOD ENDED 31 MARCH 2013

INDEPENDENT PRACTITIONER'S ASSURANCE REPORT ON THE COMPILATION OF PRO FORMA FINANCIAL INFORMATION INCLUDED IN THE PROSPECTUS

The Board of Directors
ValueMax Group Limited
213 Bedok North Street 1,
#01-121
Singapore 460213

Dear Sirs,

We have completed our assurance engagement to report on the compilation of pro forma financial information of ValueMax Group Limited (the "Company") and its subsidiaries (collectively, the "Group") by management. The pro forma financial information consists of the pro forma combined statements of financial position as at 31 December 2012 and 31 March 2013, the pro forma statements of comprehensive income for the year ended 31 December 2012 and the three-month period ended 31 March 2013, the pro forma statements of cash flows for the financial year ended 31 December 2012 and the three-month period ended 31 March 2013, and related notes as set out in pages C-3 to C-20 of the Prospectus issued by the Company. The applicable criteria on the basis of which management has compiled the pro forma financial information are described in Note 3.

The pro forma financial information has been compiled by management to illustrate the impact of the events set out in Note 2 on the Group's financial position as at 31 December 2012 and 31 March 2013 and its financial performance and cash flows for the year ended 31 December 2012 and the three-month period ended 31 March 2013 as if the events had taken place at 1 January 2012. As part of this process, information about the Group's financial position, financial performance and cash flows has been extracted by management from the Group's financial statements for the year ended 31 December 2012 and the three-month period ended 31 March 2013, on which an audit and a review report has been published, respectively.

Management's Responsibility for the Pro Forma Financial Information

Management is responsible for compiling the pro forma financial information on the basis as described in Note 3.

Practitioner's Responsibilities

Our responsibility is to express an opinion about whether the pro forma financial information has been compiled, in all material respects, by management on the basis as described in Note 3.

We conducted our engagement in accordance with Singapore Standard on Assurance Engagements (SSAE) 3420, *Assurance Engagements to Report on the Compilation of Pro Forma Financial Information Included in a Prospectus*, issued by the Institute of Singapore Chartered Accountants. This standard requires that the practitioner comply with ethical requirements and plan and perform procedures to obtain reasonable assurance about whether management has compiled, in all material respects, the pro forma financial information on the basis as described in Note 3.

For purposes of this engagement, we are not responsible for updating or reissuing any reports or opinions on any historical financial information used in compiling the pro forma financial information, nor have we, in the course of this engagement, performed an audit or review of the financial information used in compiling the pro forma financial information.

The purpose of pro forma financial information included in a prospectus is solely to illustrate the impact of a significant event or transaction on unadjusted financial information of the entity as if the event had occurred or the transaction had been undertaken at an earlier date selected for purposes of the illustration. Accordingly, we do not provide any assurance that the actual outcome of the event or transaction at 1 January 2012 would have been as presented.

A reasonable assurance engagement to report on whether the pro forma financial information has been compiled, in all material respects, on the basis of the applicable criteria involves performing procedures to assess whether the applicable criteria used by management in the compilation of the pro forma financial information provide a reasonable basis for presenting the significant effects directly attributable to the event or transaction, and to obtain sufficient appropriate evidence about whether:

(i) The related pro forma adjustments give appropriate effect to those criteria; and

(ii) The pro forma financial information reflects the proper application of those adjustments to the unadjusted financial information.

The procedures selected depend on the practitioner's judgment, having regard to the practitioner's understanding of the nature of the Group, the event or transaction in respect of which the pro forma financial information has been compiled, and other relevant engagement circumstances.

The engagement also involves evaluating the overall presentation of the pro forma financial information.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Opinion

In our opinion,

(a) The unaudited pro forma combined financial information has been compiled:

  (i) in a manner consistent with the accounting policies adopted by Valuemax Group Limited and its subsidiaries in its latest audited financial statements, which are in accordance with Singapore Financial Reporting Standards;

  (ii) on the basis of the applicable criteria stated in Note 3 to the pro forma combined financial information; and

(b) each material adjustment made to the information used in the preparation of the pro forma financial information is appropriate for the purpose of preparing such unaudited financial information.

ERNST & YOUNG LLP
Public Accountants and
Chartered Accountants
Singapore
21 October 2013

VALUEMAX GROUP LIMITED AND ITS SUBSIDIARIES

UNAUDITED PRO FORMA COMBINED STATEMENTS OF COMPREHENSIVE INCOME FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2012 AND THE THREE-MONTH PERIOD ENDED 31 MARCH 2013

(Amounts expressed in Singapore Dollars)

	31.3.2013 $'000	**31.12.2012** $'000
Revenue	91,515	513,165
Cost of sales	(84,580)	(485,352)
Gross profit	6,935	27,813
Other item of income		
Other operating income	526	1,146
Other items of expense		
Marketing and distribution expenses	(53)	(202)
Administrative expenses	(2,615)	(10,459)
Finance costs	(30)	(320)
Other operating expenses	(920)	(747)
Share of results of associates	486	1,941
Profit before tax	4,329	19,172
Income tax expense	(260)	(2,223)
Profit for the period/year, representing total comprehensive income for the period/year	4,069	16,949
Attributable to:		
Owners of the Company	3,951	16,282
Non-controlling interests	118	667
	4,069	16,949

The accompanying accounting policies and explanatory notes form an integral part of the unaudited pro forma combined financial information.

VALUEMAX GROUP LIMITED AND ITS SUBSIDIARIES

UNAUDITED PRO FORMA COMBINED STATEMENTS OF FINANCIAL POSITION AS AT 31 DECEMBER 2012 AND 31 MARCH 2013

(Amounts expressed in Singapore Dollars)

	31.3.2013 $'000	31.12.2012 $'000
Non-current assets		
Property, plant and equipment	2,807	2,867
Investment in associates	7,188	6,702
Other investments	701	701
	10,696	10,270
Current assets		
Inventories	29,615	33,133
Trade and other receivables	141,172	159,665
Prepaid operating expenses	623	858
Cash and bank balances	4,780	3,365
	176,190	197,021
Total assets	186,886	207,291
Current liabilities		
Trade and other payables	20,117	25,699
Other liabilities	569	1,739
Interest-bearing loans and borrowings	84,395	94,355
Income tax payable	3,779	3,883
	108,860	125,676
Net current assets	67,330	71,345
Non-current liabilities		
Provisions	29	29
Deferred tax liabilities	49	50
Interest-bearing loans and borrowings	1	2
	79	81
Total liabilities	108,939	125,757
Net assets	77,947	81,534
Equity attributable to owners of the Company		
Share capital	10,159	10,159
Retained earnings	70,096	66,145
Other reserves	(5,786)	1,813
	74,469	78,117
Non-controlling interests	3,478	3,417
Total equity	77,947	81,534

The accompanying accounting policies and explanatory notes form an integral part of the unaudited pro forma combined financial information.

VALUEMAX GROUP LIMITED AND ITS SUBSIDIARIES

UNAUDITED PRO FORMA COMBINED STATEMENTS OF CASH FLOWS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2012 AND THE THREE-MONTH PERIOD ENDED 31 MARCH 2013

(Amounts expressed in Singapore Dollars)

	31.3.2013 $'000	**31.12.2012** $'000
Operating activities		
Profit before tax	4,329	19,172
Adjustments for:		
Depreciation of property, plant and equipment	91	337
Write-down of inventories	69	–
Allowance for doubtful trade receivables	851	747
Interest income	(104)	(176)
Finance costs	427	2,208
Decrease/(increase) in fair value of inventories less point-of-sale costs	94	(30)
Net fair value (gain)/loss on financial liability at fair value through profit or loss	(41)	2
Share of results of associates	(486)	(1,941)
Unrealised exchange gain	(49)	(316)
Operating cash flows before changes in working capital	5,181	20,003
Changes in working capital		
Decrease/(increase) in inventories	3,355	(6,077)
Decrease in trade and other receivables	17,691	9,087
Decrease/(increase) in prepaid operating expenses	235	(749)
Decrease in trade and other payables	(13,609)	(2,815)
(Decrease)/increase in other liabilities	(1,169)	347
Cash flows from operations	11,684	19,796
Interest received	104	175
Finance costs paid	(427)	(2,208)
Income taxes paid	(364)	(2,260)
Net cash flows from operating activities	10,997	15,503
Investing activities		
Purchase of property, plant and equipment	(32)	(520)
Dividend income from associates	–	424
Net cash flows used in investing activities	(32)	(96)

VALUEMAX GROUP LIMITED AND ITS SUBSIDIARIES

UNAUDITED PRO FORMA COMBINED STATEMENTS OF CASH FLOWS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2012 AND THE THREE-MONTH PERIOD ENDED 31 MARCH 2013 (CONT'D)

(Amounts expressed in Singapore Dollars)

	31.3.2013 $'000	**31.12.2012** $'000
Financing activities		
Proceeds from short-term bank borrowings	–	31,365
Proceeds from loans from related parties	377	–
Repayment of short-term bank borrowings	(1,670)	(275)
Repayment of loans from related parties	–	(21,797)
Repayment of obligations under finance leases	(1)	(1)
Dividends paid to non-controlling interests	(5)	(347)
Net cash flows (used in)/generated from financing activities	(1,299)	8,945
Net increase in cash and cash equivalents	9,666	24,352
Cash and cash equivalents at beginning of period/year	(9,058)	(33,410)
Cash and cash equivalents at end of period/year	608	(9,058)

The accompanying accounting policies and explanatory notes form an integral part of the unaudited pro forma combined financial information.

VALUEMAX GROUP LIMITED AND ITS SUBSIDIARIES

STATEMENT OF ADJUSTMENTS FOR THE UNAUDITED PRO FORMA COMBINED STATEMENT OF COMPREHENSIVE INCOME
FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2013

(Amounts expressed in Singapore Dollars)

	Unaudited Combined Statement of Comprehensive Income 31.3.2013 $'000	Pro Forma Adjustments[1] $'000	Unaudited Pro Forma Combined Statement of Comprehensive Income 31.3.2013 $'000
Revenue	90,427	1,088	91,515
Cost of sales	(84,060)	(520)	(84,580)
Gross profit	6,367	568	6,935
Other item of income			
Other operating income	578	(52)	526
Other items of expense			
Marketing and distribution expenses	(52)	(1)	(53)
Administrative expenses	(2,501)	(114)	(2,615)
Finance costs	(30)	–	(30)
Other operating expense	(746)	(174)	(920)
Share of results of associates	182	304	486
Profit before tax	3,798	531	4,329
Income tax expense	(227)	(33)	(260)
Profit for the period, representing total comprehensive income for the period	3,571	498	4,069
Attributable to:			
Owners of the Company	3,467	484	3,951
Non-controlling interests	104	14	118
	3,571	498	4,069

Note to the Pro Forma Adjustments:

(1) The pro forma adjustments relate to the Singapore Entities' profit for the year attributable to owners of the Company and non-controlling interests, the results of Ban Soon Pawnshop Pte. Ltd. ("Ban Soon Pawnshop") for the three-month period ended 31 March 2013, and the share of results of Ban Lian Pawnshop and the Malaysian Companies as described in Note 2.

VALUEMAX GROUP LIMITED AND ITS SUBSIDIARIES

STATEMENT OF ADJUSTMENTS FOR THE UNAUDITED PRO FORMA COMBINED STATEMENT OF COMPREHENSIVE INCOME
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2012

(Amounts expressed in Singapore Dollars)

	Audited Combined Statement of Comprehensive Income 31.12.2012 $'000	Pro Forma Adjustments[1] $'000	Unaudited Pro Forma Combined Statement of Comprehensive Income 31.12.2012 $'000
Revenue	508,984	4,181	513,165
Cost of sales	(483,203)	(2,149)	(485,352)
Gross profit	25,781	2,032	27,813
Other item of income			
Other operating income	1,242	(96)	1,146
Other items of expense			
Marketing and distribution expenses	(198)	(4)	(202)
Administrative expenses	(9,759)	(700)	(10,459)
Finance costs	(314)	(6)	(320)
Other operating expenses	(656)	(91)	(747)
Share of results of associates	797	1,144	1,941
Profit before tax	16,893	2,279	19,172
Income tax expense	(2,034)	(189)	(2,223)
Profit for the year, representing total comprehensive income for the year	14,859	2,090	16,949
Attributable to:			
Owners of the Company	14,346	1,936	16,282
Non-controlling interests	513	154	667
	14,859	2,090	16,949

Note to the Pro Forma Adjustments:

(1) The pro forma adjustments relate to the Singapore Entities' profit for the year attributable to owners of the Company and non-controlling interests, the results of Ban Soon Pawnshop Pte. Ltd. ("Ban Soon Pawnshop") for the financial year ended 31 December 2012, and the share of results of Ban Lian Pawnshop and the Malaysian Companies as described in Note 2.

VALUEMAX GROUP LIMITED AND ITS SUBSIDIARIES

STATEMENT OF ADJUSTMENTS FOR THE UNAUDITED PRO FORMA COMBINED STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2013

(Amounts expressed in Singapore Dollars)

	Unaudited Combined Statement of Financial Position 31.3.2013 $'000	Pro Forma Adjustments[2]	Unaudited Pro Forma Combined Statement of Financial Position 31.3.2013 $'000
Non-current assets			
Property, plant and equipment	2,476	331	2,807
Investment in associates	3,693	3,495	7,188
Other investments	399	302	701
	6,568	4,128	10,696
Current assets			
Inventories	28,830	785	29,615
Trade and other receivables	127,941	13,231	141,172
Prepaid operating expenses	599	24	623
Cash and bank balances	4,384	396	4,780
	161,754	14,436	176,190
Total assets	168,322	18,564	186,886
Current liabilities			
Trade and other payables	13,162	6,955	20,117
Other liabilities	405	164	569
Interest-bearing loans and borrowings	81,234	3,161	84,395
Income tax payable	3,416	363	3,779
	98,217	10,643	108,860
Net current assets	63,537	3,793	67,330
Non-current liabilities			
Provisions	29	–	29
Deferred tax liabilities	49	–	49
Interest-bearing loans and borrowings	1	–	1
	79	–	79
Total liabilities	98,296	10,643	108,939
Net assets	70,026	7,921	77,947

VALUEMAX GROUP LIMITED AND ITS SUBSIDIARIES

STATEMENT OF ADJUSTMENTS FOR THE UNAUDITED PRO FORMA COMBINED STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2013 (CONT'D)

(Amounts expressed in Singapore Dollars)

	Unaudited Combined Statement of Financial Position 31.3.2013 $'000	Pro Forma Adjustments[2]	Unaudited Pro Forma Combined Statement of Financial Position 31.3.2013 $'000
Equity attributable to owners of the Company			
Share capital	5,742	4,417	10,159
Retained earnings	68,134	1,962	70,096
Other reserves	(5,756)	(30)	(5,786)
	68,120	6,349	74,469
Non-controlling interests	1,906	1,572	3,478
Total equity	70,026	7,921	77,947

Note to the Pro Forma Adjustments:

(2) The pro forma adjustments relate to the unaudited statement of financial position of Ban Soon Pawnshop as at 31 March 2013, the acquisition of equity interests in the Singapore Entities and the Malaysian Companies as described in Note 2.

VALUEMAX GROUP LIMITED AND ITS SUBSIDIARIES

STATEMENT OF ADJUSTMENTS FOR THE UNAUDITED PRO FORMA COMBINED STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2012

(Amounts expressed in Singapore Dollars)

	Audited Combined Statement of Financial Position 31.12.2012 $'000	Pro Forma Adjustments[2]	Unaudited Pro Forma Combined Statement of Financial Position 31.12.2012 $'000
Non-current assets			
Property, plant and equipment	2,535	332	2,867
Investment in associates	3,511	3,191	6,702
Other investments	399	302	701
	6,445	3,825	10,270
Current assets			
Inventories	32,364	769	33,133
Trade and other receivables	145,784	13,881	159,665
Prepaid operating expenses	854	4	858
Cash and bank balances	3,087	278	3,365
	182,089	14,932	197,021
Total assets	188,534	18,757	207,291
Current liabilities			
Trade and other payables	18,546	7,153	25,699
Other liabilities	1,546	193	1,739
Interest-bearing loans and borrowings	90,751	3,604	94,355
Income tax payable	3,552	331	3,883
	114,395	11,281	125,676
Net current assets	67,694	3,651	71,345
Non-current liabilities			
Provisions	29	–	29
Deferred tax liabilities	49	1	50
Interest-bearing loans and borrowings	2	–	2
	80	1	81
Total liabilities	114,475	11,282	125,757
Net assets	74,059	7,475	81,534

VALUEMAX GROUP LIMITED AND ITS SUBSIDIARIES

STATEMENT OF ADJUSTMENTS FOR THE UNAUDITED PRO FORMA COMBINED STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2012 (CONT'D)

(Amounts expressed in Singapore Dollars)

	Audited Combined Statement of Financial Position 31.12.2012 $'000	Pro Forma Adjustments[2]	Unaudited Pro Forma Combined Statement of Financial Position 31.12.2012 $'000
Equity attributable to owners of the Company			
Share capital	5,742	4,417	10,159
Retained earnings	64,667	1,478	66,145
Other reserves	1,843	(30)	1,813
	72,252	5,865	78,117
Non-controlling interests	1,807	1,610	3,417
Total equity	74,059	7,475	81,534

Note to the Pro Forma Adjustments:

(2) The pro forma adjustments relate to the unaudited statement of financial position of Ban Soon Pawnshop as at 31 December 2012, the acquisition of equity interests in the Singapore Entities and the Malaysian Companies as described in Note 2.

VALUEMAX GROUP LIMITED AND ITS SUBSIDIARIES

STATEMENT OF ADJUSTMENTS FOR THE UNAUDITED PRO FORMA COMBINED STATEMENT OF CASH FLOWS FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2013

(Amounts expressed in Singapore Dollars)

	Unaudited Combined Statement of Cash Flows 31.3.2013 $'000	Pro Forma Adjustments[3]	Unaudited Pro Forma Statement of Cash Flows 31.3.2013 $'000
Operating activities			
Profit before tax	3,798	531	4,329
Adjustments for:			
Depreciation of property, plant and equipment	88	3	91
Allowance for inventory obsolescence	–	69	69
Allowance for doubtful trade receivables	746	105	851
Interest income	(104)	–	(104)
Finance costs	30	397	427
Decrease in fair value of inventories less point-of-sale costs	94	–	94
Net fair value gain on financial liability at fair value through profit or loss	(41)	–	(41)
Share of results of associates	(182)	(304)	(486)
Unrealised exchange gain	(49)	–	(49)
Operating cash flows before changes in working capital	4,380	801	5,181
Changes in working capital			
Increase in inventories	3,439	(84)	3,355
Decrease in trade and other receivables	17,146	545	17,691
Increase in prepaid operating expenses	256	(21)	235
Decrease in trade and other payables	(12,982)	(627)	(13,609)
Increase in other liabilities	(1,141)	(28)	(1,169)
Cash flows from operations	11,098	586	11,684
Interest received	104	–	104
Finance costs paid	(30)	(397)	(427)
Income taxes paid	(364)	–	(364)
Net cash flows from operating activities	10,808	189	10,997
Investing activities			
Purchase of property, plant and equipment	(29)	(3)	(32)
Net cash flows used in investing activities	(29)	(3)	(32)

VALUEMAX GROUP LIMITED AND ITS SUBSIDIARIES

STATEMENT OF ADJUSTMENTS FOR THE UNAUDITED PRO FORMA COMBINED STATEMENT OF CASH FLOWS FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2013 (CONT'D)

(Amounts expressed in Singapore Dollars)

	Unaudited Combined Statement of Cash Flows 31.3.2013 $'000	Pro Forma Adjustments[3]	Unaudited Pro Forma Statement of Cash Flows 31.3.2013 $'000
Financing activities			
Proceeds from loans from related parties	–	377	377
Repayment of short-term bank borrowings	(1,670)	–	(1,670)
Repayment of obligations under finance leases	(1)	–	(1)
Dividends paid to non-controlling interests	(5)	–	(5)
Net cash flows from financing activities	(1,676)	377	(1,299)
Net increase in cash and cash equivalents	9,103	563	9,666
Cash and cash equivalents at beginning of period	(8,431)	(627)	(9,058)
Cash and cash equivalents at end of period	672	(64)	608

Note to the Pro Forma Adjustments:

(3) The pro forma adjustments illustrate the effect on the combined statement of cash flows of the Group for the three-month period ended 31 March 2013 assuming that the Acquisitions as described in Note 2 took place on 1 January 2012.

VALUEMAX GROUP LIMITED AND ITS SUBSIDIARIES

STATEMENT OF ADJUSTMENTS FOR THE UNAUDITED PRO FORMA COMBINED STATEMENT OF CASH FLOWS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2012

(Amounts expressed in Singapore Dollars)

	Audited Combined Statement of Cash Flows 31.12.2012 $'000	Pro Forma Adjustments[3]	Unaudited Pro Forma Statement of Cash Flows 31.12.2012 $'000
Operating activities			
Profit before tax	16,893	2,279	19,172
Adjustments for:			
Depreciation of property, plant and equipment	322	15	337
Allowance for doubtful trade receivables	656	91	747
Interest income	(175)	(1)	(176)
Finance costs	2,208	–	2,208
Dividend income from other investments	(76)	76	–
Increase in fair value of inventories less point-of-sale costs	(30)	–	(30)
Net fair value loss on financial liability at fair value through profit or loss	2	–	2
Share of results of associates	(797)	(1,144)	(1,941)
Unrealised exchange gain	(316)	–	(316)
Operating cash flows before changes in working capital	18,687	1,316	20,003
Changes in working capital			
Increase in inventories	(5,435)	(642)	(6,077)
Decrease in trade and other receivables	4,061	5,026	9,087
Increase in prepaid operating expenses	(750)	1	(749)
Decrease in trade and other payables	(3,392)	577	(2,815)
Increase in other liabilities	269	78	347
Cash flows from operations	13,440	6,356	19,796
Interest received	175	–	175
Finance costs paid	(2,208)	–	(2,208)
Income taxes paid	(2,034)	(226)	(2,260)
Net cash flows from operating activities	9,373	6,130	15,503
Investing activities			
Purchase of property, plant and equipment	(522)	2	(520)
Acquisition of additional interest in an associate	(248)	248	–
Dividend income from associates	468	(44)	424
Dividend income from other investments	76	(76)	–
Net cash flows used in investing activities	(226)	130	(96)

VALUEMAX GROUP LIMITED AND ITS SUBSIDIARIES

STATEMENT OF ADJUSTMENTS FOR THE UNAUDITED PRO FORMA COMBINED STATEMENT OF CASH FLOWS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2012 (CONT'D)

(Amounts expressed in Singapore Dollars)

	Audited Combined Statement of Cash Flows 31.12.2012 $'000	Pro Forma Adjustments[3]	Unaudited Pro Forma Statement of Cash Flows 31.12.2012 $'000
Financing activities			
Proceeds from short-term bank borrowings	29,666	1,699	31,365
Repayment of short-term bank borrowings	–	(275)	(275)
Repayment of loans from related parties	(21,798)	1	(21,797)
Repayment of obligations under finance leases	(1)	–	(1)
Dividends paid to non-controlling interests	(149)	(198)	(347)
Net cash flows from financing activities	7,718	1,227	8,945
Net increase in cash and cash equivalents	16,865	7,487	24,352
Cash and cash equivalents at beginning of year	(25,296)	(8,114)	(33,410)
Cash and cash equivalents at end of year	(8,431)	(627)	(9,058)

Note to the Pro Forma Adjustments:

(3) The pro forma adjustments illustrate the effect on the combined statement of cash flows of the Group for the financial year ended 31 December 2012 assuming that the Acquisitions as described in Note 2 took place on 1 January 2012.

VALUEMAX GROUP LIMITED AND ITS SUBSIDIARIES

NOTES TO THE UNAUDITED PRO FORMA COMBINED FINANCIAL INFORMATION FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2012 AND THE THREE-MONTH PERIOD ENDED 31 MARCH 2013

1. Corporate information

The Company was incorporated on 7 August 2003 under the Companies Act as a private company limited by shares under the name of Fang Yuan Holdings Pte. Ltd.. It changed its name to ValueMax Group Pte. Ltd. on 7 April 2004. On 16 October 2013, the Company was converted to a public limited company and changed its name to ValueMax Group Limited. The immediate and ultimate holding company is Yeah Holdings Pte. Ltd. ("Yeah Holdings").

The registered office and principal place of business of the Company is located at 213 Bedok North Street 1, #01-121, Singapore 460213.

The principal activities of the Company are those of investment holding and provision of management services. The principal activities of the subsidiaries are disclosed in Note 14 to the Audited Combined Financial Statements of ValueMax Group Limited and its subsidiaries for the financial years ended 31 December 2010, 2011 and 2012.

2. Significant events

(a) *Acquisition of equity interests in ValueMax Pawnshop, ValueMax Pawnshop (BD), ValueMax Pawnshop (PR), ValueMax Pawnshop (CCK), ValueMax Pawnshop (WL), ValueMax Pawnshop (EL), ValueMax Pawnshop (BK), ValueMax Pawnshop (SG), ValueMax Retail, Soon Hong Pawnshop, Ban Soon Pawnshop, Ban Lian Pawnshop, Ban Seng Pawnshop and Fook Loy Trading (collectively, the "Singapore Entities")*

Pursuant to a share purchase agreement dated 1 August 2013 (the "Share Purchase Agreement") entered into between the Company (as the purchaser) and certain shareholders of the Singapore Entities (the "Existing Shareholders"), the Company acquired the shares held by the Existing Shareholders in the Singapore Entities for an aggregate consideration of approximately $2,928,000. Save for Ban Seng Pawnshop, the purchase consideration was arrived at based on the latest audited net asset value of the companies as at 31 December 2012. The purchase consideration of Ban Seng Pawnshop of $688,000, was at a premium of approximately $272,000 above the latest audited net asset value of Ban Seng Pawnshop as at 31 December 2012. The purchase consideration was satisfied by (a) the issue and allotment of 53,344 ordinary shares at $12.90 per ordinary share (being the net asset value of the Group as at 31 December 2012) in the issued share capital of the Company, credited as fully paid, by the Company to the Existing Shareholders; and (b) in cash of an amount of approximately $2,240,000 to the Existing Shareholders. The Existing Shareholders then renounced and transferred all the 53,344 shares received as purchase consideration to Yeah Holdings.

VALUEMAX GROUP LIMITED AND ITS SUBSIDIARIES

NOTES TO THE UNAUDITED PRO FORMA COMBINED FINANCIAL INFORMATION FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2012 AND THE THREE-MONTH PERIOD ENDED 31 MARCH 2013

2. Significant events (cont'd)

(b) *Acquisition of equity interests in Kedai Emas Well Chip, Kedai Pajak Well Chip, SYT Pavilion and Thye Shing (collectively, the "Malaysian Companies")*

Pursuant to the share restructuring agreements dated 12 August 2013 (the "Malaysian Share Restructuring Agreements") entered into between the Company, Goldjew, Great Prompt as well as the Managing Director and CEO, Yeah Hiang Nam, and his nominees, the Company acquired 46.6% of the issued share capital of each of the Malaysian Companies for a purchase consideration of approximately $3,279,000. VMM Holdings, a subsidiary of the Group, was nominated to receive the shares. The purchase consideration was arrived at based on the latest audited net asset value of the Malaysian Companies as at 31 December 2012 of approximately RM 20,017,000 (equivalent to approximately $8,007,000), and was satisfied fully by the allotment and issue of 147,245, 55,278 and 86,632 ordinary shares at $12.90 per ordinary share (being the approximate net asset value of the Group as at 31 December 2012), credited as fully paid, to Yeah Hiang Nam, Goldjew and Great Prompt respectively.

Goldjew and Great Prompt are investment holding companies. They own various assets including real estate in Malaysia and are not in the business of pawnbroking. The shares of Goldjew and Great Prompt are beneficially owned by Yeah Hiang Nam.

Each of Goldjew and Great Prompt subsequently declared a dividend in specie in favour of Yeah Hiang Nam, whereupon the aggregate 141,190 shares which Goldjew and Great Prompt received pursuant to the Malaysian Share Restructuring Agreements were distributed to Yeah Hiang Nam. Goldjew and Great Prompt consequently ceased to hold any shares in the Company.

Yeah Hiang Nam thereafter renounced and transferred all the 289,155 shares received pursuant to the Malaysian Share Restructuring Agreements to Yeah Holdings.

Upon completion of the Malaysian Share Restructuring Agreements, the issued and paid-up share capital of the Company increased to approximately $10,159,000, comprising 6,084,584 shares.

3. Basis of preparation of the unaudited pro forma combined financial information

(a) The unaudited pro forma combined financial information of the Group pursuant to the Acquisitions set out in this report is expressed in Singapore Dollars (SGD or $) and all values in the tables are rounded to the nearest thousand ($'000) except as otherwise indicated. The financial information has been prepared for illustrative purposes only. It has been prepared based on certain assumptions and after making certain adjustments to show what:

(i) the unaudited pro forma combined statements of comprehensive income of the Group for the financial year ended 31 December 2012 and the three-month period ended 31 March 2013 would have been if the Group structure pursuant to the Acquisitions as described in Note 2 had been in place since 1 January 2012;

3. Basis of preparation of the unaudited pro forma combined financial information (cont'd)

(ii) the unaudited pro forma combined statements of financial position of the Group as at 31 December 2012 and 31 March 2013 would have been if the Group structure pursuant to the Acquisitions as described in Note 2 had been in place on that date; and

(iii) the unaudited pro forma combined statements of cash flows of the Group for the financial year ended 31 December 2012 and the three-month period ended 31 March 2013 would have been if the Group structure pursuant to the Acquisitions as described in Note 2 had been in place since 1 January 2012.

The objective of the unaudited pro forma combined financial information of the Group is to show what the historical financial information would have been had the Group structure pursuant to the Acquisitions existed since 1 January 2012. However, the unaudited pro forma combined financial information of the Group is not necessarily indicative of the results of operations or related effects on financial position that would have been obtained had the Group structure pursuant to the Acquisitions actually existed earlier.

(b) In presenting the unaudited pro forma combined financial information of the Group, the following key assumptions and adjustments were taken into account:

(i) *Acquisition of equity interests in the Singapore Entities*

The acquisition of equity interests in the Singapore Entities would result in an increase in the profit for the year/period attributable to owners of the Company, and a corresponding decrease in the profit for the year/period attributable to non-controlling interests. It would also result in Ban Soon Pawnshop becoming a subsidiary of the Group; Ban Lian Pawnshop becoming an associated company of the Group; and Ban Seng Pawnshop and Fook Loy Trading becoming investee companies of the Group.

(ii) *Acquisition of equity interests in the Malaysian Companies*

The acquisition of equity interests in the Malaysian Companies would result in the Malaysian Companies becoming associated companies of the Group.

VALUEMAX GROUP LIMITED AND ITS SUBSIDIARIES

NOTES TO THE UNAUDITED PRO FORMA COMBINED FINANCIAL INFORMATION FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2012 AND THE THREE-MONTH PERIOD ENDED 31 MARCH 2013

3. Basis of preparation of the unaudited pro forma combined financial information (cont'd)

(c) The unaudited pro forma combined financial information of the Group is based on the following:

(i) the audited combined financial statements of ValueMax Group Limited and its subsidiaries for the financial year ended 31 December 2012, which have been prepared in accordance with Singapore Financial Reporting Standards ("FRS");

(ii) the unaudited interim combined financial statements of ValueMax Group Limited and its subsidiaries for the three-month period ended 31 March 2013, which have been prepared in accordance with FRS; and

(iii) the unaudited financial statements of the Singapore Entities and the Malaysian Companies for the financial year ended 31 December 2012 and the three-month period ended 31 March 2013, which have been prepared in accordance with FRS.

The audited combined financial statements of ValueMax Group Limited and its subsidiaries for the financial year ended 31 December 2012 was audited by Ernst & Young LLP, Public Accountants and Chartered Accountants, Singapore. The independent auditor's report relating to the abovementioned audited financial statements was not subject to any qualification.

4. Significant accounting policies

The unaudited pro forma combined financial information is prepared using the same accounting policies as the audited combined financial statements of the Group for the financial year ended 31 December 2012 as disclosed in Note 2 to the Audited Combined Financial Statements of ValueMax Group Limited and its subsidiaries for the financial years ended 31 December 2010, 2011 and 2012.

SINGAPORE

We have identified the main laws and regulations (apart from those pertaining to general business requirements) that materially affect our operations in Singapore. Details of these laws and regulations are set out below.

The Pawnbrokers Act

The Pawnbrokers Act governs the operations of pawnbrokers who are defined as persons who carry on the business of taking goods and chattels in pawn. Every pawnbroker is required to apply to the Registrar of Pawnbrokers ("**Registrar**") for a licence, which is subject to annual renewal, to carry out the business of pawnbroking. No pawnbroker shall transfer or assign the benefit of his licence to any other person. A separate licence is required for each pawnshop kept by the pawnbroker and each licence shall be dated on the day on which it is granted and shall determine on 31 December of each year. In addition to any conditions as may be imposed by the Registrar, licences to pawnbrokers in respect of any premises shall also be subject to the following conditions:

(a) the applicant is of good character and is a fit and proper person to carry on the business of pawnbroking;

(b) the premises to be licensed are suitable for use as a pawnbroker's shop;

(c) the premises will not be used for the conduct or transaction of any business other than that of pawnbroking;

(d) the applicant would obtain adequate insurance against damage, theft or loss of articles that may be pawned; and

(e) the applicant has deposited with the Accountant-General a sum of $20,000 as security for the proper conduct of the business under the licence.

The Registrar may, in his discretion, refuse to grant or renew a licence in respect of any applicant or any premises without assigning any reason. Further, the Registrar may cancel a licence and forfeit the whole or such part of the money deposited with the Accountant-General under subsection (e) above as the Registrar may think fit if he is satisfied that:

(a) the licensed pawnbroker's shop is being conducted in an improper or unsatisfactory manner;

(b) the licensee has been convicted of an offence under the Pawnbrokers Act;

(c) the licensee has failed to comply with any of the conditions upon which the licence was granted; or

(d) since the grant of the licence, the licensee or the premises has ceased to comply with any of the aforesaid requirements.

It is nonetheless provided that any cancellation of a licence shall not affect the duties and liabilities of the licensee as a pawnbroker under the Pawnbrokers Act.

As required by the Registry of Pawnbrokers, pursuant to application procedure issued by the Registrar of Pawnbrokers, pawnbrokers are to submit their plans for the renovation and fitting out of their pawnshops which shall include and show:

(a) the means for the safekeeping of pledges, e.g. strong rooms, safes, etc;

(b) a comprehensive security alarm system with monitoring service;

(c) a closed-circuit television camera and monitor system; and

(d) a computer system for the operations of the pawnshop business.

After the renovations have been completed satisfactorily, pawnbrokers are required to pay the Registry of Pawnbrokers a security deposit of $20,000 and a licence fee of $3,000 for each issuance of a Pawnbroker's Licence.

Pursuant to the Pawnbrokers Act, a pawnbroker is under the general obligations to i) keep and use in his business such books and documents as are prescribed where the particulars of articles pawned as required by rules are entered into; ii) always exhibit a signboard with the words "Pawnbroker's Shop" in the English, Malay, Chinese and Tamil languages printed thereon at or over the outer door of his shop; and iii) exhibit a legible copy of the lawful rates of profit in the shop so as to be near to and visible to all comers, and also the same information in the English, Malay, Chinese and Tamil languages as is by rules required to be printed on pawn tickets. Any pawnbroker who fails to comply with the above obligations shall be guilty of an offence.

The Pawnbrokers Act requires that a pawn ticket be issued for each pledge. The interest chargeable on the amount loaned shall not exceed 1.5% per month. Pawnbrokers shall not take any other profit save for the said interest. Every pledge is redeemable within six (6) months from the day of pawning or in the case where the sum exceeds $50, within a longer term as may be specially agreed upon by the parties at the time of pawning (the "**Redemption Period**").

A pledge pawned for any sum not exceeding $50 shall at the end of the six (6) month Redemption Period become the absolute property of the pawnbroker. A pledge for a sum exceeding $50 shall further continue to be redeemable upon the expiration of the Redemption Period until it is sold at a licensed auction in accordance with the Pawnbrokers Act if not redeemed. The pawnbroker is allowed under the Pawnbrokers Act to make a bid for purchase of such pledges and on such purchase he shall be deemed the absolute owner of the pledge purchased.

Where pledge pawned for a sum exceeding $50 is sold at more than its reserve price, a pawnbroker shall inform the pawner of the surplus amount realised at the sale within 10 days after the auction and such surplus shall be payable to the holder of the relevant pawn ticket on demand within 4 months after the sale. Where no demand for the surplus is made within 4 months after the sale, the pawnbroker shall pay the surplus to the Accountant-General within 14 days after the expiration of the period of 4 months accompanied by a statement containing such particulars as the Registrar may require. Any pawnbroker who fails to comply with the above shall be guilty of an offence and shall be liable on conviction to a fine not exceeding $10,000 or to imprisonment for a term not exceeding 12 months or to both.

All pawnbrokers are prohibited from taking or purchasing of pledges in certain circumstances which constitutes an offence under the Pawnbrokers Act and a fine not exceeding $5,000 shall be imposed. Such restrictions on pawnbrokers include:

(a) taking an article in pawn from any person who appears to be intoxicated, or from a person apparently below the age of 16 years;

(b) purchasing or taking in pawn or exchanges a pawn ticket issued by another pawnbroker;

(c) employing any servant or other person below the age of 16 years to take pledges in pawn;

(d) under any pretence purchasing, except at public auction, any pledge while in pawn with him;

(e) suffering any pledge while in pawn with him to be redeemed with a view to his purchasing it;

(f) making any contract or agreement with any person pawning or offering to pawn any article or with the owner thereof for the purchase, sale or disposition thereof within the time of redemption;

(g) selling, pawning or otherwise disposing of any pledge pawned with him, except at such time and in such manner as are authorised by the Pawnbrokers Act;

(h) making an advance upon any article pledged with him otherwise than in money which is legal tender in Singapore; or

(i) taking any goods or chattels in pawn from any person before 8 a.m. or after 8 p.m.

Every pawnbroker shall submit monthly returns to the Registrar which shall be in such form as the Registrar may require. Further, every pawnbroker shall furnish to the Registrar or any person authorised in writing by him, at such time and in such manner as the Registrar may reasonably require, information and data relating to his business as a pawnbroker.

In addition, every pawnbroker must keep a pledge book containing, *inter alia*, the date of pawning, name and race of the pawner, address and identity card number of the pawner, amount of loan, description of article pawned (including the manufacturer's serial number or the identifiable marks embossed on it), date of redemption, profit charged and the date the article was sold. In addition, where a loan exceeds $200, the pledge book should also contain the name, identity card number and address of the guarantor who shall vouch for the owner that the goods presented for pledging are not stolen properties, unless the purchase receipt for the pledge is surrendered to the pawnbroker by the owner at the time of pawn. The pledge book must be retained for five years from the date the pledge to which the book relates is redeemed/the date the period of redemption of the pledge expires.

For the purposes of the Pawnbrokers Act, act done or omitted to be done by the employee or agent of a pawnbroker, in the course of or in relation to the business of the pawnbroker, shall be deemed to be done or omitted (as the case may be) by the pawnbroker.

Any pawnbroker or other person who is guilty of an offence under the Pawnbrokers Act, in respect whereof a specific forfeiture or penalty is not prescribed or of any breach of the Pawnbrokers Act, shall be liable on conviction to a fine not exceeding $20,000 or to imprisonment for a term not exceeding 12 months or to both.

Public consultations were conducted by the Ministry of Law from 8 April 2013 to 6 May 2013 on the proposed amendments to the Pawnbrokers Act. The proposed amendments to the Pawnbrokers Act are currently being tabled at the Singapore Parliament and have not been enacted. As such the Group is unable to ascertain the definitive financial impact that the final enacted amendments to the Pawnbrokers Act would have on the Group's operations.

However, the Group expects some of the proposed amendments to the Pawnbrokers Act to have the following effect:

(a) The proposed removal of the existing auction system, if enacted, would likely reduce substantial administrative work in relation to the auction system and generate cost savings for the Group.

(b) The proposed increase in security deposit from the current sum of $20,000 to the proposed sum of $100,000 by way of a cash deposit or a banker's guarantee for each pawnbroking licence would increase the Group's operating expenses.

(c) The Group also expects barriers of entry to the pawnbroking business to be raised as a result of the increase in security deposit from $20,000 to $100,000 for each pawnbroking licence.

The Secondhand Goods Dealers Act

Persons who deal in the secondhand goods listed under the Secondhand Goods Dealers Act, which include without limitation the following articles, are required to obtain a renewable licence or an exemption from the Singapore Police before commencing operations:

(a) jewellery set with precious stones including but not limited to diamonds, jade, rubies, sapphires and emeralds;

(b) jewellery made from platinum, gold and white gold without precious stones;

(c) pawn tickets; and

(d) watches.

Each application for a licence or exemption will be based on the location where the dealing in secondhand goods takes place. If the business operations comprise several branches or different points of dealing in secondhand goods (for itinerant businesses), each branch or point of dealing will require a separate licence or exemption (as the case may be). No person shall transfer his licence to another person except with the consent of the Singapore Police and upon payment of the prescribed fee.

In addition, dealers of secondhand goods are also required to comply with other rules of the Secondhand Goods Dealers Act and the regulations thereunder, including but not limited to the keeping of proper records of the particulars of all goods bought and sold by them and to submit such records to the Singapore Police as and when requested.

However, pursuant to the Secondhand Goods Dealers (Exemption of Licensed Pawnbrokers) Order, the provisions of the Secondhand Goods Dealers Act shall not apply to a secondhand goods dealer who holds a valid licence granted under the Pawnbrokers Act. As at the Latest Practicable Date, each of our branches dealing in the aforesaid secondhand articles holds a licence to pawnbroker from the Registrar of Pawnbrokers. The Registrar of Pawnbrokers has also imposed certain conditions in relation to the conduct of a secondhand goods dealing business within the pawnshop premises. Every pawnbroker must obtain the Registrar of Pawnbroker's approval before he is allowed to conduct or permits any person to conduct a secondhand goods dealing business within the pawnshop premises, and must ensure, *inter alia*, that the following conditions are complied with:

(a) that the inventory and operations of the pawnbroking business and the secondhand goods dealing business are kept separate and do not interfere with each other;

(b) that the pawnbroker submits and complies with a written undertaking that the secondhand goods dealing business will not trade in pawn tickets; and

(c) that the pawnbroking and secondhand goods dealing business are conducted by separate legal entities with separate accounts and staff.

In addition, under the Secondhand Goods Dealers (Exemption) Order 2007, a secondhand goods dealer who is a body corporate shall be exempt from having to obtain a licence under the Secondhand Goods Dealers Act if the secondhand goods dealer is and remains registered with the relevant licensing officer in respect of those particular premises or, as the case may be, that particular Uniform Resource Locator (URL) or email address, and none of the members of its board of directors, management committee, board of trustees or other governing body has been convicted of, or is the subject of police investigations for having committed or for committing:

(a) any offence under the Secondhand Goods Dealers Act (or under the repealed Secondhand Goods Dealers Act in force immediately before 1 December 2007); or

(b) any offence, whether in Singapore or elsewhere, that involves fraud or dishonesty.

ValueMax Retail, Spring Jewellery (SG) and ValueMax Precious Metals have also obtained exemptions under the Secondhand Goods Dealers (Exemption) Order 2007 to deal in the following secondhand goods: (a) jewellery set with precious stones including but not limited to diamonds, jades, rubies, sapphires and emeralds; (b) jewellery made from platinum, gold and white gold without precious stones; (c) pawn tickets; and (d) watches. The approval for ValueMax Retail to conduct a secondhand goods dealing business within our pawnshop is subject to, *inter alia*, the conditions that the conduct of ValueMax Retail within the pawnshop premises is confined to the disposal of pledges purchased by the pawnbroker at auction sales of unredeemed pledges; and further, in accordance with the Registrar of Pawnbroker's conditions for the grant of a pawnbroker's licence, that ValueMax Retail must not trade in pawn tickets.

Consumer Protection (Fair Trading) Act

Part III of the Consumer Protection (Fair Trading) Act provides enhanced consumer protection with respect to goods which do not conform to the applicable contract. The CPFTA applies to secondhand goods as well.

If at any time within the period of six (6) months starting from the date of delivery, goods sold do not conform to the applicable contract, the consumer has the right to require the vendor to:

(i) repair or replace the goods, or

(ii) reduce the amount to be paid for the sale by an appropriate amount or rescind the contract with regard to the goods in question.

If the consumer requires the vendor to repair or replace the goods, the vendor must repair or as the case may be, replace the goods within a reasonable time and without causing significant inconvenience to the consumer, and bear any necessary costs in doing so (including in particular, the cost of any labour, materials or postage). However, the consumer must not require the vendor to repair or, as the case may be, replace the goods if that remedy is impossible, disproportionate in comparison to the other of those remedies or disproportionate in comparison to an appropriate reduction in the amount to be paid for the transfer or rescission.

The consumer may require the vendor to reduce the amount to be paid for the goods by an appropriate amount or rescind the contract with regard to those goods if:

(i) the remedy of repair or replacement is impossible, disproportionate in comparison to the other of those remedies or disproportionate, or

(ii) the consumer has required the vendor to repair or replace the goods but the transferor is in breach of the requirement to do so within a reasonable time and without causing significant inconvenience to the vendor.

However, as clarified by the Minister of State for Trade and Industry in the course of the debate in Parliament for the passing of the Bill, the standard in determining whether the goods will be deemed to have conformed to the "applicable contract" would take into account the goods' age at the time of delivery, and the price paid for said goods.

MALAYSIA

Immunity from Legal Proceedings

The Federal Constitution of Malaysia accords the King of Malaysia and Ruler of Malaysian States immunity from legal proceedings whatsoever, except in the Special Court and with the sanction of the Attorney General. Save as otherwise prescribed by the Federal Constitution, no person shall have immunity from civil or criminal legal proceedings.

Pawnbroking Business

A person is deemed to be a person carrying on the business of taking articles in pawn, and every such transaction, article, payment, advance and loan shall be deemed to be pawning, pledge or loan respectively if that person *"receives or takes of or from any person whomsoever any article by way of security for the repayment of any sum of money, not exceeding ten thousand ringgit, advanced thereon; or purchases or receives or takes in articles and pays or advances or lends thereon any sum of money, not exceeding ten thousand ringgit, with or under an agreement or understanding expressed or implied or to be from the nature and character of the dealing reasonably inferred that those articles may afterwards be redeemed or repurchased on any terms*".

The Pawnbrokers Act 1972 prohibits any person to carry out the business as a pawnbroker unless he holds a valid licence granted under the Pawnbrokers Act 1972. Any person who carries on the business of pawnbroker without a valid licence, or who continues to carry out such business after such licence has expired or been suspended or revoked, commits an offence and shall on conviction be liable to a fine of not less than RM20,000 but not more than RM100,000 or to imprisonment for a term not exceeding 5 years or to both.

Every application made shall be made in accordance with the provision of the Pawnbrokers Act 1972 and any licence granted shall be valid for a period of not exceeding 2 years, subject to renewals by the relevant authorities. In granting the licence it is normal for the relevant authorities to impose conditions to the licence. A typical condition would be centred upon the operation of the business, whereby, amongst others, the layout of the business premises will be specified at the time the licence is granted. Generally, all licences granted are not transferable or assignable to another person.

Where a licence holder –

(a) has been carrying on his pawnbroking business, in the opinion of the relevant authorities, in a manner detrimental to the interest of the pawner or to any member of the public; or

(b) being, amongst other, a company, it has been wound up or dissolved by a court; or

(c) has contravened any provision of the Pawnbrokers Act 1972 or any regulation made under the Pawnbrokers Act 1972; or

(d) has been licensed as a result of fraud or a mistake or a misrepresentation in any material particular; or

(e) has failed to comply with any conditions stipulated by the relevant authority,

the licence issued may be revoked or suspended by the relevant authority.

No advertisement regarding the business of pawnbroking shall be issued or published or caused to be issued or published, unless an advertisement permit in respect of that advertisement has been issued.

The business of pawnbroking is substantially regulated by the Pawnbrokers Act 1972, where, amongst others:

(a) the pawnbroker is required to, on taking any article in pawn, enter into a book, particulars of the transaction, the pledge and the pawner and to deliver to the pawner a pawn ticket in the form prescribed by law;

(b) the business hours of the pawnbroker;

(c) restriction on the age of the pawner;

(d) the state of mind of the pawner, that is, the pawner must not be intoxicated or be of unsound mind;

(e) the rate of profit on a loan on any pledge shall be that prescribed by law and no demand or action shall be taken by the pawnbroker to recover any profit in excess of the prescribed rate;

(f) the period of redemption by a pawner is the prescribed period of 6 months, subject to the right to extend the period of redemption by a period of not more than 3 months with payment of the prescribed rate of profit;

(g) procedures applicable where pawn ticket is lost, destroyed and fraudulently obtained from the pawner; and

(h) the pawnbroker is required to exercise all care and diligence of all items pledged as if the pawnbroker is the owner of these items.

Anti-Money Laundering

The Anti-Money Laundering And Anti-Terrorism Financing Act 2001 ("**AMLA**") makes it an offence for any person to engage in, or attempts to engage in or abet in the commission of money laundering. On conviction, this offence is punishable by a fine of not more than RM5.0 million or imprisonment of a term of not more than 5 years or both. The expression "money laundering" is statutorily defined to mean the act of a person who –

"*(a) engages, directly or indirectly, in a transaction that involves the proceeds of an unlawful activity;*

(b) acquires, receives, possesses, disguises, transfers, converts, exchanges, carries, disposes, uses, removes from or bring into Malaysia proceeds of any unlawful activity; or

(c) conceals, disguises or impedes the establishment of the true nature, origin, location, movement, disposition, title of, rights with respect to, or ownership of, proceeds of an unlawful activity,

where

(aa) as may be inferred from objective factual circumstance, the person knows or has reason to believe, that the property is proceeds from any unlawful activity; or

(bb) in respect of the conduct of a natural person, the person without reasonable excuse fails to take reasonable steps to ascertain whether or not the property is proceeds from any unlawful activity."

The AMLA imposes duties and obligations on reporting institutions. The list of reporting institutions includes persons carrying out pawnbroking business.

Under the AMLA, a reporting institution is required to keep records of any transaction which exceeds the amount specified by the competent authority. The record must include information on identities of the parties to the transaction, their address, the accounts affected by such transaction, and details of the transaction, such as date, time and amount involved. These records must be maintained and kept for a minimum period of 6 years.

There is a duty on reporting institutions to report on any suspicion of unlawful activity. This includes the duty to add up multiple transactions during a period of time frame to see whether the transactions are ordinary or not. A report must be made when suspicions arise irrespective of the amount of the transaction. The suspicions reported should be well documented, containing full details of the client and as full a statement as possible of the information giving rise to the suspicions.

There is also a duty on the reporting institution to make sure the account holder and the account is not false or fictitious. They have a duty to take steps to verify the particulars of the party/parties to the transaction. The duty includes taking reasonable steps to obtain true identity of the person to the transaction by carrying out a customer due diligence on its account holder as soon as they suspect any money laundering activities or when there are doubts as to the identity of the account holder.

Reporting institutions are also required to establish and maintain policies, procedures and controls in line with the AMLA to prevent money laundering and to ensure the reporting of any known money laundering activities or transactions which give rise to suspicions. Reporting institutions have a duty to adopt and implement programs, policies and procedures to control and safeguard against any offence related to money laundering. This includes a system which evaluates the integrity of employees and also providing training to employees. Reporting institutions are also subject to the duty to set develop function audit to determine and evaluate whether the measures taken by reporting institutions are sufficient and effective in complying with provisions of the AMLA. This duty includes making arrangements to verify, on a regular basis, compliance with the internal controls, policies and procedures relating to the obligations pursuant to the AMLA.

Statutory duty to report suspicion of money laundering activity overrides confidentiality obligations.

As at the Latest Practicable Date and to the best of our Directors' knowledge and belief, we are in compliance with all applicable laws and regulations in Singapore which are material to our business operations and we have all the necessary material business licences and permits for our business operations in Singapore and Malaysia.

Save as disclosed above, as at the Latest Practicable Date, our business operations are not subject to any special legislations or regulatory controls which have a material effect on our business and operations, other than those generally applicable to companies and businesses incorporated and/or operating in Singapore and Malaysia as set out above.

The statements made herein regarding taxation are general in nature and based on certain aspects of the tax laws of Singapore and administrative guidelines issued by the relevant authorities in force as at the date of this Prospectus and are subject to any changes in such laws or administrative guidelines, or in the interpretation of these laws or guidelines, occurring after such date, which changes could be made on a retrospective basis. These laws and guidelines are also subject to various interpretations and the relevant tax authorities or the courts could later disagree with the explanations or conclusions set out below. The statements below are not to be regarded as advice on the tax position of any holder of our Shares or of any person acquiring, selling or otherwise dealing with our Shares or on any tax implications arising from the acquisition, sale or other dealings in respect of our Shares. The statements made herein do not purport to be a comprehensive or exhaustive description of all of the tax considerations that may be relevant to a decision to purchase, own or dispose of our Shares and do not purport to deal with the tax consequences applicable to all categories of investors some of which may be subject to special rules. Prospective shareholders are advised to consult their own tax advisers as to the Singapore or other tax consequences of the acquisition, ownership or disposal of our Shares. The statements below are based on the assumption that our Company is tax resident in Singapore for Singapore income tax purposes. It is emphasised that neither our Company nor any other persons involved in this Prospectus accepts responsibility for any tax effects or liabilities resulting from the subscription for, purchase, holding or disposal of our Shares.

SINGAPORE TAXATION

Corporate Income Tax

A Singapore tax resident corporate taxpayer is subject to Singapore income tax on:-

(i) income accruing in or derived from Singapore; and

(ii) foreign-sourced income received or deemed received in Singapore, unless otherwise exempted.

Foreign-sourced income in the form of branch profits, dividends and service income received or deemed received in Singapore by a Singapore tax resident corporate taxpayer are exempted from Singapore income tax if certain prescribed conditions are met.

A company is regarded as a tax resident in Singapore if the control and management of its business is exercised in Singapore.

Rates of tax

The prevailing corporate income tax rate is 17.0% with partial tax exemption for normal chargeable income of up to $300,000 as follows:

- 75.0% exemption of up to the first $10,000 and
- 50.0% exemption of up to the next $290,000.

Individual Income Tax

In general, for individuals, only income which is sourced in Singapore will be subject to tax in Singapore.

Most investment income sourced in Singapore is exempt from tax in the hands of individuals. Further, for individuals, any income arising from sources outside Singapore and received in Singapore is generally exempt from tax unless they are received through a partnership in Singapore.

The individual rate at which tax is then applied to the Singapore sourced income will depend on the individual's residency status.

For Singapore tax purposes, a resident means a person who, in the year preceding the year of assessment, resides in Singapore except for such temporary absences therefrom as may be reasonable and not inconsistent with a claim by such person to be resident in Singapore, and includes a person who is physically present in Singapore or who exercises employment (other than as director of a company) in Singapore for at least 183 days in the calendar year preceding the year of assessment.

In addition, there is an administrative concession, whereby an individual would be regarded as a tax resident if he is physically present or exercises employment in Singapore for at least 183 days, even if it straddles two (2) calendar years. This concession is, however, not available to a director of a Singapore company.

As a tax resident, individuals will be taxed at the progressive tax rates ranging from 0.0% to 20.0% and also enjoy the entitlement to claim deductions for personal reliefs.

Where an individual does not meet the conditions for tax residency outlined above, he will be regarded as a non-resident and subject to tax on Singapore sourced taxable investment income at a flat rate of 20.0% except for certain specified income that may be taxed at lower rates.

Dividend Distributions

Dividends paid by a Singapore tax resident company would be considered as sourced from Singapore. Dividends received from a Singapore tax resident company by either Singapore tax resident or non-Singapore tax resident shareholders are not subject to Singapore withholding tax.

Under the one-tier corporate tax system in Singapore, the tax paid by a Singapore tax resident company is a final tax and the after-tax profits of the company can be distributed to its shareholders as tax exempt (one-tier) dividends.

As our Company is a Singapore tax resident company, the dividends distributed by our Company will be tax exempt (one-tier) dividends. The dividends will be exempt from Singapore income tax in the hands of our shareholders, regardless of whether the shareholder is a company or an individual and whether or not the shareholder is a Singapore tax resident. However, foreign shareholders are advised to consult their own tax advisors to take into account the tax laws of their respective countries of residence and the existence of any double taxation agreement which their country of residence may have with Singapore.

Gains on Disposals of Ordinary Shares

Singapore does not impose tax on capital gains.

Any gains from the disposal of our Shares are not taxable in Singapore unless the seller is regarded as having derived gains of an income nature in Singapore, in which case, the gains would be subject to tax at the prevailing tax rate.

Gains may be construed to be of an income nature and subject to Singapore income tax if they arise from or are otherwise connected with the activities of a trade or business carried on in Singapore. The gains may also be liable to tax in the hands of the shareholders if the shares were acquired with the intention or purpose of making a profit by sale and not with the intention to be held for long-term investment purposes.

Under section 13Z of the Income Tax Act, Chapter 134 of Singapore, the gains derived from the disposal of ordinary shares in an investee company during the period 1 June 2012 to 31 May 2017 (both dates inclusive) is not taxable if immediately prior to the date of the share disposal, the divesting company had held at least 20.0% of the ordinary shares in the investee company for a continuous period of at least 24 months. This rule does not apply to a divesting company whose gains or profits from the disposal of shares are included as part of its income based on the provisions of section 26 of the Income Tax Act, or disposal of shares in an unlisted investee company that is in the business of trading or holding Singapore immovable properties (other than the business of property development).

In addition, corporate shareholders who adopt the tax treatment to be aligned with the Singapore FRS 39 Financial Instruments – Recognition and Measurement for the purposes of Singapore income tax may be taxed on gains or losses (not being gains or losses in the nature of capital) even though no sale or disposal of our Shares is made.

Because the precise tax status will vary from shareholder to shareholder, shareholders should consult their own accounting and tax advisers regarding the Singapore income tax consequences of their acquisition, holding and disposal of our Shares.

Stamp Duty

No stamp duty is payable on the subscription and issuance of new Shares.

Where existing Shares evidenced in certificated form are acquired in Singapore, stamp duty is payable on the instrument of transfer of the Shares at the rate of $0.20 for every $100 or any part thereof of the consideration for or market value of, the Shares, whichever is higher. The purchaser is liable for the stamp duty charge, unless otherwise agreed by the parties to the transaction.

No stamp duty is payable if no instrument of transfer is executed (such as in the case of scripless shares, the transfer of which does not require an instrument of transfer to be executed) or if the instrument of transfer is executed outside of Singapore. However, stamp duty may be payable if the instrument of transfer which is executed outside Singapore is subsequently brought into Singapore.

Estate Duty

Singapore estate duty was abolished with effect from 15 February 2008.

Goods and Services Tax

The sale of our Shares by a GST-registered investor belonging in Singapore through a SGX-ST member or to another person belonging in Singapore is an exempt supply not subject to GST.

Any GST (for example, GST on brokerage) incurred by the GST-registered investor in connection with the making of this exempt supply will generally become an additional cost to the investor unless the investor satisfies certain conditions prescribed under the GST legislation or certain GST concessions.

Where our Shares are sold by a GST-registered investor to a person belonging outside Singapore (and who is outside Singapore at the time of supply), the sale is a taxable supply subject to GST at zero rate. Consequently, any GST (for example, GST on brokerage) incurred by him in the making of this zero-rated supply for the purpose of his business will, subject to the provisions of the GST legislation, be recoverable as an input tax credit in his GST returns.

Investors should seek their own tax advice on the recoverability of GST incurred on expenses in connection with the purchase and sale of our Shares.

Services such as brokerage and handling services rendered by a GST-registered person to an investor belonging in Singapore in connection with the investor's purchase or sale of our Shares will be subject to GST at the prevailing rate (currently 7.0%). Similar services rendered contractually to an investor belonging outside Singapore are subject to GST at zero-rate provided that the investor is not physically present in Singapore at the time the services are performed and the services do not directly benefit a person who belongs in Singapore.

MALAYSIA TAXATION

Tax Residence

Under Malaysian tax law, a company is regarded as a resident if the management and control of its affairs are exercised in Malaysia. There is a considerable body of case law which shows that management and control will vest in the place where the directors meet and make major decisions. In practice, the Malaysian Inland Revenue Board will generally consider the location of the board of directors' meetings and the nature of decisions made at the directors' meeting when ascertaining a company's tax residence status.

Corporate Tax

Resident companies are generally subject to Malaysian income tax at the prevailing corporate tax rate of 25.0%, which is effective for the year of assessment 2009 and thereafter (except for resident companies with a paid-up capital of RM2.5 million or less and is not related to a company (directly or indirectly) with a paid-up capital of more than RM2.5 million at the beginning of the basis period for a year of assessment, which are entitled to a preferential tax rate of 20.0% on the first RM500,000 of their taxable income). Non-resident companies are subject to a flat corporate tax rate of 25.0% on their chargeable income.

Dividends

Malaysia has adopted a single tier system of taxation since 2008. Under the single tier system, dividends paid, credited or distributed by a Malaysian resident company are tax exempt in the hand of the shareholders.

Companies which have dividend franking credit balance as at 31 December 2007 may continue to pay franked dividends to their shareholders up to 31 December 2013, or may make an election to disregard their franking credits balance and proceed to the single tier system. Our associate companies in Malaysia have no dividend franking credit balances.

Withholding Tax

No Malaysian withholding taxes are imposed on dividends paid from Malaysian resident companies to non-resident shareholders.

Any interest paid by the Malaysian resident company to a non-Malaysian resident lender is subject to Malaysian withholding tax of 15.0%. However, under the Malaysia-Singapore Double Taxation Agreement, the withholding tax rate is reduced to 10.0% when the interest is paid by a Malaysian resident to a Singapore resident.

ORDINARY SHARES

The Company was converted from a private limited company into a public limited company on 16 October 2013. Our corporate affairs are governed by our Articles of Association. The following statements are brief summaries of our capital structure and the more important rights and privileges of our Shareholders as conferred by the laws of Singapore and our Articles of Association. These statements summarise the material provisions of our Articles of Association but are qualified in entirety by reference to our Articles of Association, a copy of which will be available for inspection at our registered offices during normal business hours for a period of six (6) months from the date of the registration of this Prospectus with the Monetary Authority of Singapore. The summary below does not purport to be complete and is qualified in its entirety by reference to our Articles of Association.

Share

We have only one (1) class of shares, namely, our Shares, which have identical rights in all respects and rank equally with one another. Our Articles of Association provide that we may issue shares of a different class with preferential, deferred, qualified or special rights, privileges or conditions as our Directors may think fit and may issue preference shares which are, or at our option are, redeemable, the terms and manner of redemption being determined by our Directors. Our Shares do not have a par value.

As at the date of this Prospectus, 395,497,960 Shares have been issued and fully paid. All of our Shares are in registered form. No Shares are held by, or on behalf of, us or our subsidiaries. We may, subject to the provisions of the Companies Act and the listing rules of the SGX-ST, purchase our own Shares. However, we may not, except in circumstances permitted by the Companies Act, grant any financial assistance for the acquisition or proposed acquisition of our Shares.

New Shares

New Shares may only be issued with the prior approval of our Shareholders in a general meeting. The aggregate number of Shares to be issued pursuant to approval of Shareholders by ordinary resolution may not exceed 100.0% (or such other limit as may be prescribed by the SGX-ST) of our issued share capital for the time being, of which the aggregate number of Shares to be issued other than on a pro- rata basis to the then existing Shareholders of our Company shall not exceed 50.0% (or such other limit as may be prescribed by the SGX-ST) of our issued share capital for the time being. The approval, if granted, will lapse at the conclusion of the first annual general meeting following the date on which the approval was granted unless otherwise revoked or varied by Shareholders in a general meeting. Subject to the foregoing, the provisions of the Companies Act and any special rights attached to any class of shares presently issued, our Directors may allot and issue new Shares with such rights and restrictions as they may think fit.

Shareholders

We maintain a register of Shareholders containing the particulars of our Shareholders. Only persons who are registered on our register of Shareholders and, in cases in which the person so registered is CDP, the persons named as the Depositors in the Depository Register maintained by CDP for our Shares, are recognised as our Shareholders. Except as required by law, no person shall be recognised by the Company as holding any share upon any trust and we will not be bound by or compelled in any way to recognise (even when having notice thereof) any equitable, contingent, future or partial interest in any Share or any interest in any fractional part of a Share or (except only as provided by our Articles or by law) any other rights in respect of any Share except an absolute right to the entirety thereof in the person (other than the Depository) entered in the register of Shareholders as the registered holder thereof or (where the person entered in the register of Shareholders is the Depository) the person whose name is entered in the Depository Register in respect of that Share. If any Share stands jointly in the names of two (2) or more persons, the person whose name stands first in the register shall as regards service of notices and, subject to the provisions of the Articles of Association, all or any other matters connected with our Company except with respect to the transfer of Shares, be deemed the sole holder thereof.

We may close our register of Shareholders at such times and for such period as our Directors may, from time to time determine. However, the register may not be closed for more than 30 days in aggregate in any year. We typically close our Register of Shareholders to determine our Shareholders' entitlement to receive dividends and other distributions.

Transfer of Shares

There is no restriction on the transfer of fully paid up Shares except where required by law or the Listing Manual or the rules or bye-laws of the SGX-ST. Our Directors may, in their discretion, decline to register any transfer of Shares upon which the Company has a lien, and in the case of Shares not fully paid up, may refuse to register a transfer to a transferee of whom they do not approve. Subject to our Articles of Association, Shares may be transferred by any Shareholder by a duly signed instrument of transfer in a form approved by the SGX-ST. Our Directors may also decline to register any instrument of transfer unless, *inter alia*, it has been duly stamped and is presented for registration together with the certificates of the Shares to which the transfer relates, and such other evidence of title as they may reasonably require to show the right of the transferor to make the transfer.

We will replace lost or destroyed certificates for Shares if the applicant pays a fee which will not exceed $2 and furnishes any evidence and indemnity that our Directors may require.

General Meetings of Shareholders

We are required to hold an annual general meeting every year. Under our Articles of Association, the annual general meeting shall be held in each year (within a period of not more than 15 months after the holding of the last preceding annual general meeting unless a longer period would not infringe the rules and regulations of the SGX-ST, if any). In addition, for so long as the Shares of our Company are listed on the SGX-ST, the interval between the close of our Company's financial year and the date of our Company's annual general meeting shall not exceed four (4) months or such period as may be prescribed or permitted by the SGX- ST.

Our Directors may convene an extraordinary general meeting whenever it thinks fit and must do so if our Shareholders representing not less than 10.0% of the total voting rights of all our Shareholders, request in writing that such a meeting be held. In addition, two (2) or more of our Shareholders holding not less than 10.0% of our issued share capital may call a meeting. Unless otherwise required by law or by our Articles, voting at general meetings is by ordinary resolution, requiring an affirmative vote of a simple majority of the votes cast at that meeting. An ordinary resolution suffices, for example, for the appointment of Directors to fill vacancies arising at the meeting on retirement whether by rotation or otherwise. A special resolution, requiring the affirmative vote of at least 75.0% of the votes cast at the meeting, is necessary for certain matters under Singapore law, including voluntary winding up, amendments to our Memorandum of Association and our Articles of Association, a change of our corporate name and a reduction in our share capital or capital redemption reserve fund. We must give at least 21 days' notice in writing for every general meeting convened for the purpose of passing a special resolution. Ordinary resolutions generally require at least 14 days' notice in writing. The notice must be given to each of our Shareholders who have supplied us with an address in Singapore for the giving of notices and must specify the place, day and hour of the meeting and, in the case of special business, the general nature of that business.

Voting Rights

A holder of our ordinary Shares is entitled to attend, speak and vote at any general meeting, in person or by proxy or attorney. A proxy or attorney does not need to be a Shareholder. A person who holds ordinary Shares through the SGX-ST book-entry settlement system will only be entitled to vote at a general meeting as a Shareholder if his name appears on the depository register maintained by CDP 48 hours before the general meeting. Except as otherwise provided in our Articles of Association, two (2) or more Shareholders must be present in person or by proxy to constitute a quorum at any general meeting. Every Shareholder who is present in person or proxy, attorney or representative shall have one (1) vote for each share which he holds or represents. All resolutions put to the vote of any general meeting shall be decided by way of poll. In the case of equality of votes, the Chairman of the meeting shall be entitled to a second or casting vote in addition to the votes to which he may be entitled as a Shareholder or proxy of a Shareholder.

Dividends

We may, by ordinary resolution of our Shareholders, declare dividends at a general meeting. Our Board may also declare an interim dividend without the approval of our Shareholders.

We must pay all dividends out of our profits. We may satisfy dividends by the issue of Shares to our Shareholders. See the section entitled "Bonus and Rights Issues" below.

All dividends in respect of Shares must be paid to our Shareholders in proportion to the amount paid-up on each Shareholder's Shares, subject to any rights or restrictions attached to any Share or class of shares.

Unless otherwise directed, dividends are paid by cheque or warrant sent through the post to each Shareholder at his registered address appearing in our register of Shareholders or (as the case may be) the Depository Register. Notwithstanding the foregoing, the payment by us to CDP of any dividend payable to a Shareholder whose name is entered in the Depository Register shall, to the extent of payment made to CDP, discharge us from any liability to that Shareholder in respect of that payment.

Bonus and Rights Issues

Our Board may, with the approval of our Shareholders at a general meeting, capitalise any sums standing to the credit of any of our Company's reserve accounts or other undistributable reserve or any sum standing to the credit of profit and loss account and distribute the same as bonus shares credited as paid-up to our Shareholders in proportion to their shareholdings.

Our Board may also issue rights to take up additional Shares to Shareholders in proportion to their shareholdings. Such rights are subject to any conditions attached to such issue and the regulations of any stock exchange on which we are listed.

Our Board may also issue bonus Shares to participants of any share incentive or option scheme or plan implemented by our Company and approved by our Shareholders in such manner and on such terms the Board shall think fit.

Take-overs and Substantial Shareholdings

Obligations under The Singapore Code on Take-overs and Mergers

There are requirements under Singapore laws on take-over offers for our Shares that apply to us. We will be subject to sections 138, 139 and 140 of the SFA and the Singapore Code on Take-overs and Mergers (the "**Take-over Code**") issued by the Authority pursuant to section 321 of the Securities and Futures Act for so long as our Shares are listed for quotation on the SGX-ST. The Take-over Code regulates the acquisition of ordinary shares of public companies or corporations, all or any of the Shares of which are listed for quotation on a securities exchange, and contains certain provisions that may delay, deter or prevent a take-over or change in control of such a public company. Any person acquiring an interest, either on his own or together with parties acting in concert with him, in 30.0% or more of our voting shares in such a public company, or if such person holds, either on his own or together with parties acting in concert with him, between 30.0% and 50.0% (both inclusive) of the voting shares in that company and acquires additional voting shares representing more than 1.0% of the voting shares in that company in any six (6)-month period, must, except with the consent of the Securities Industry Council, extend a take-over offer for the remaining voting shares in accordance with the provisions of the Take-over Code. Under the Take-over Code, "parties acting in concert" comprise individuals or companies who, pursuant to an arrangement or understanding (whether formal or informal), co-operate, through the acquisition by any of

them of shares in a company, to obtain or consolidate effective control of that company. Certain persons are presumed (unless the presumption is rebutted) to be acting in concert with each other unless the contrary is established, as follows:

(a) the following companies:

  (i) a company;

  (ii) the parent company of (i);

  (iii) the subsidiaries of (i);

  (iv) the fellow subsidiaries of (i);

  (v) the associated companies of (i), (ii), (iii) or (iv); and

  (vi) companies whose associated companies include any of (i), (ii), (iii), (iv) or (v);

(b) a company with any of its directors (together with their close relatives, related trusts as well as companies controlled by any of the directors, their close relatives and related trusts);

(c) a company with any of its pension funds and employee share schemes;

(d) a person with any investment company, unit trust or other fund whose investment such person manages on a discretionary basis, but only in respect of the investment account which such person manages;

(e) a financial or other professional adviser, including a stockbroker, with its customer in respect of the shareholdings of:

  (i) the adviser and persons controlling, controlled by or under the same control as the adviser; and

  (ii) all the funds which the adviser manages on a discretionary basis, where the shareholdings of the adviser and any of those funds in the customer total 10.0% or more of the customer's equity share capital;

(f) directors of a company (together with their close relatives, related trusts and companies controlled by any of such directors, their close relatives and related trusts) which is subject to an offer or where the directors have reason to believe a bona fide offer for their company may be imminent;

(g) partners; and

(h) the following persons and entities:

  (i) an individual;

  (ii) the close relatives of (i);

  (iii) the related trusts of (i);

  (iv) any person who is accustomed to act in accordance with the instructions of (i); and

  (v) companies controlled by any of (i), (ii), (iii) or (iv).

Under the Take-over Code, a take-over offer for consideration other than cash must, subject to certain exceptions, be accompanied by a cash alternative at not less than the highest price by the offeror or parties acting in concert with the offeror during the offer period and within the six (6) months preceding the acquisition of shares that triggered the take-over offer obligation.

Under the Take-over Code, where effective control of a public company incorporated in Singapore is acquired or consolidated by a person, or persons acting in concert, a general offer to all other shareholders of the company is normally required. An offeror must treat all shareholders of the same class in an offeree company equally. A fundamental requirement is that our Shareholders subject to the take-over offer must be given sufficient information, advice and time to consider and decide on the offer.

Obligation to notify substantial shareholdings and changes thereto

The SFA requires our Substantial Shareholders to give notice to us of certain information as prescribed by the Authority, including particulars of their interest, within two (2) business days of becoming aware of being our Substantial Shareholders, being aware of ceasing to be our Substantial Shareholder and being aware of any change in the percentage level of their interest. "Percentage level", in relation to a Substantial Shareholder, is the percentage figure ascertained by expressing the total votes attached to all the voting shares in which the Substantial Shareholder has an interest (or interests) immediately before or (as the case may be) immediately after the relevant time, as a percentage of the total votes attached to all of the voting shares (excluding treasury shares), and if it is not a whole number, rounding that figure down to the next whole number.

Under the SFA, a person has a substantial shareholding in us if he has an interest (or interests) in one or more of our voting shares (excluding treasury shares) and the total votes attached to those shares are not less than 5.0% of the total votes attached to all of our voting shares (excluding treasury shares).

Pursuant to the SFA and the Listing Manual, our Company will immediately announce on SGXNET, any notices of Substantial Shareholders' interests or Directors' interests in our Shares received by us.

Liquidation or Other Return of Capital

If we are liquidated or in the event of any other return of capital, holders of our Shares will be entitled to participate in any surplus assets in proportion to their shareholdings, subject to any special rights attaching to any other class of shares.

Indemnity

As permitted by Singapore law, our Articles provide that, subject to the Companies Act, each of our Board and officers shall be entitled to be indemnified by us against all costs, charges, losses, expenses and liabilities incurred in (a) the execution and discharge of his duty in his respective offices unless such costs, charges, losses, expenses or liabilities arises through his own negligence, wilful default, breach of duty or breach of trust, and (b) defending any proceedings, whether civil or criminal (relating to the affairs of our Company) in which judgment is given in his favour or in which he is acquitted or in connection with any application under the Companies Act in which relief is granted by the court unless such proceedings arise through his own negligence, wilful default, breach of duty or breach of trust.

Limitations on Rights to Hold Shares or Vote in respect of the Shares

Except as described in "Voting Rights" and "Take-overs and Substantial Shareholdings" above, there are no limitations imposed by Singapore law or by our Articles of Association on the rights of non-resident Shareholders to hold or vote in respect of our Shares.

Minority Rights

The rights of minority shareholders of Singapore-incorporated companies are protected under section 216 of the Companies Act, which gives the Singapore courts a general power to make any order, upon application by any of our Shareholders, as they think fit to remedy any of the following situations where:

(a) our affairs are being conducted or the powers of our Directors are being exercised in a manner oppressive to, or in disregard of the interests of, one or more of the Shareholders; or

(b) we take an action, or threaten to take an action, or our Shareholders pass a resolution, or propose to pass a resolution, which unfairly discriminates against, or is otherwise prejudicial to, one or more of our Shareholders, including the applicant.

Singapore courts have a wide discretion as to the reliefs they may grant and those reliefs are in no way limited to those listed in the Companies Act itself. Without prejudice to the foregoing, the Singapore courts may:

(a) direct or prohibit any act or cancel or vary any transaction or resolution;

(b) regulate the conduct of our affairs in the future;

(c) authorise civil proceedings to be brought in our name, or on our behalf, by a person or persons and on such terms as the court may direct;

(d) provide for the purchase of a minority Shareholder's Shares by our other Shareholders or by us;

(e) in the case of a purchase of Shares by the company, provide for a reduction accordingly of the company's capital; or

(f) provide that we be wound up.

Treasury Shares

Our Articles of Association expressly permits our Company to acquire our issued shares and to hold such shares as treasury shares in accordance with requirements of section 76 of the Companies Act. Our Company may make a purchase or acquisition of our own shares (i) on a securities exchange if the purchase or an acquisition has been authorised in advance by our Company in general meeting; (ii) or otherwise than on a securities exchange if the purchase or acquisition is made in accordance with an equal access scheme authorised in advance by our Company in general meeting. The aggregate number of ordinary Shares held as treasury shares shall not at any time exceed 10.0% of the total number of Shares of our Company at that time. Any excess shares shall be disposed or cancelled before the end of a period of six (6) months beginning with the day on which that contravention of limit occurs, or such further period as the Company Registrar may allow. Where ordinary Shares or stocks are held as treasury shares by our Company through purchase or acquisition by our Company, our Company shall be entered in the register as the member holding those shares or stocks.

Our Company shall not exercise any rights (including the right to attend and vote at general meetings) in respect of the treasury shares and any purported exercise of such a right is void.

In addition, no dividend may be paid, and no other distribution (whether in cash or otherwise) of our Company's assets (including any distribution of assets to members on a winding up) may be made, to our Company in respect of the treasury shares. However, this would not prevent an allotment of shares as fully paid bonus shares in respect of the treasury shares or the sub-division or consolidation of any treasury share into treasury share of a smaller amount, if the total value of the treasury shares after the sub-division or consolidation is the same as the total value of the treasury shares before the sub-division or consolidation, as the case may be.

Where shares are held as treasury shares, our Company may at any time (i) sell the shares (or any of them) for cash; (ii) transfer the shares (or any of them) for the purposes of or pursuant to an employees' share scheme; (iii) transfer the shares (or any of them) as consideration for the acquisition of shares in or assets of another company or assets of a person; or (iv) cancel the shares (or any of them).

The discussion below provides information about certain provisions of our Articles of Association. This description is only a summary and is qualified by reference to our Articles of Association, a copy of which will be displayed at our registered office at 213 Bedok North Street 1 #01-121 Singapore 460213. The following are extracts of the provisions in our Articles relating to:

(a) **A director's power to vote on a proposal, arrangement or contract in which he is interested**

Article 90(1) – Powers of Directors to contract with Company

No Director or intending Director shall be disqualified by his office from contracting or entering into any arrangement with the Company either as vendor, purchaser or otherwise nor shall such contract or arrangement or any contract or arrangement entered into by or on behalf of the Company in which any Director shall be in any way interested be avoided nor shall any Director so contracting or being so interested be liable to account to the Company for any profit realised by any such contract or arrangement by reason only of such Director holding that office or of the fiduciary relation thereby established but every Director shall observe the provisions of section 156 of the Companies Act relating to the disclosure of the interests of the Directors in transactions or proposed transactions with the Company or of any office or property held by a Director which might create duties or interests in conflict with his duties or interests as a Director and any transactions to be entered into by or on behalf of the Company in which any Director shall be in any way interested shall be subject to any requirements that may be imposed by the SGX-ST. No Director shall vote in regard to any contract, arrangement or transaction, or proposed contract, arrangement or transaction in which he has directly or indirectly a personal material interest as aforesaid or in respect of any allotment of shares in or debentures of the Company to him and if he does so vote his vote shall not be counted.

Article 90(2) – Relaxation of restriction on voting

A Director, notwithstanding his interest, may be counted in the quorum present at any meeting where he or any other Director is appointed to hold any office or place of profit under the Company, or where the Directors resolve to exercise any of the rights of the Company (whether by the exercise of voting rights or otherwise) to appoint or concur in the appointment of a Director to hold any office or place of profit under any other company, or where the Directors resolve to enter into or make any arrangements with him or on his behalf pursuant to our Articles of Association or where the terms of any such appointment or arrangements as hereinbefore mentioned are considered, and he may vote on any such matter other than in respect of the appointment of or arrangements with himself or the fixing of the terms thereof.

Article 91(2) – Exercise of voting power

The Directors may exercise the voting power conferred by the shares in any company held or owned by the Company in such manner and in all respects as the Directors think fit in the interests of the Company (including the exercise thereof in favour of any resolution appointing the Directors or any of them to be directors of such company or voting or providing for the payment of remuneration to the directors of such company) and any such Director of the Company may vote in favour of the exercise of such voting powers in the manner aforesaid notwithstanding that he may be or be about to be appointed a director of such other company.

(b) **A director's power to vote on remuneration (including pension or other benefits) for himself or for any other director and whether the quorum at a meeting of the board of directors to vote on directors' remuneration may include the director whose remuneration is the subject of the vote**

Article 86(1) – Fees

The fees of the Directors shall be determined from time to time by the Company in general meetings and such fees shall not be increased except pursuant to an ordinary resolution passed at a general meeting where notice of the proposed increase shall have been given in the notice convening the meeting. Such fees shall be divided among the Directors in such proportions and

manner as they may agree and in default of agreement equally, except that in the latter event any Director who shall hold office for part only of the period in respect of which such fee is payable shall be entitled only to rank in such division for the proportion of fee related to the period during which he has held office.

Article 86(2) – Extra remuneration

Any Director who is appointed to any executive office or serves on any committee or who otherwise performs or renders services, which, in the opinion of the Directors, are outside his ordinary duties as a Director, may be paid such extra remuneration as the Directors may determine, subject however as is hereinafter provided in this Article.

Article 86(3) – Remuneration of Director

The fees (including any remuneration under Article 86(2) above) in the case of a Director other than an Executive Director shall be payable by a fixed sum and shall not at any time be by commission on or percentage of the profits or turnover, and no Director whether an Executive Director or otherwise shall be remunerated by a commission on or percentage of turnover.

Article 87 – Expenses

The Directors shall be entitled to be repaid all travelling or such reasonable expenses as may be incurred in attending and returning from meetings of the Directors or of any committee of the Directors or general meetings or otherwise howsoever in or about the business of the Company in the course of the performance of their duties as Directors.

Article 88 – Pensions to Directors and dependents

Subject to the Companies Act, the Directors on behalf of the Company may pay a gratuity or other retirement, superannuation, death or disability benefits to any Director or former Director who had held any other salaried office or place of profit with the Company or to his widow or dependants or relations or connections or to any persons in respect of and may make contributions to any fund and pay premiums for the purchase or provision of any such gratuity, pension or allowance.

Article 89 – Benefits for employees

The Directors may procure the establishment and maintenance of or participate in or contribute to any non-contributory or contributory pension or superannuation fund or life assurance scheme or any other scheme whatsoever for the benefit of and pay, provide for or procure the grant of donations, gratuities, pensions, allowances, benefits or emoluments to any persons (including Directors and other officers) who are or shall have been at any time in the employment or service of the Company or of the predecessors in business of the Company or of any subsidiary company, and the wives, widows, families or dependants of any such persons. The Directors may also procure the establishment and subsidy of or subscription and support to any institutions, associations, clubs, funds or trusts calculated to be for the benefit of any such persons as aforesaid or otherwise to advance the interests and well-being of the Company or of any such other company as aforesaid or of its members and payment for or towards the insurance of any such persons as aforesaid, and subscriptions or guarantees of money for charitable or benevolent objects or for any exhibition or for any public, general or useful object.

Article 94 – Remuneration of Chief Executive Officer/Managing Director

The remuneration of a Chief Executive Officer/Managing Director (or any Director holding an equivalent appointment) shall from time to time be fixed by the Directors and may subject to our Articles of Association be by way of salary or commission or participating in profits or by any or all of these modes but he shall not under any circumstances be remunerated by a commission on or a percentage of turnover.

Article 103(1) – Alternate Directors

Any Director of the Company may at any time appoint any person who is not a Director or alternate Director and who is approved by a majority of his co-Directors to be his alternate Director for such period as he thinks fit and may at any time remove any such alternate Director from office. An alternate Director so appointed shall be entitled to receive from the Company such proportion (if any) of the remuneration otherwise payable to his appointor as such appointor may by notice in writing to the Company from time to time direct, but save as aforesaid he shall not in respect of such appointment be entitled to receive any remuneration from the Company. Any fee paid to an alternate Director shall be deducted from the remuneration otherwise payable to his appointor.

(c) **The borrowing powers exercisable by the directors and how such borrowing powers may be varied**

Article 118 – Directors' borrowing powers

The Directors may at their discretion exercise all the powers of the Company to borrow or otherwise raise money, to mortgage, charge or hypothecate all or any property or business of the Company including any uncalled or called but unpaid capital and to issue debentures or give any other security, whether outright or as collateral security, for any debt, liability or obligation of the Company or of any third party.

(d) **The retirement or non-retirement of a director under an age limit requirement**

Article 93 – Chief Executive Officer/Managing Director to be subject to retirement by rotation

Any Director who is appointed as a Chief Executive Officer/Managing Director (or an equivalent appointment) shall be subject to the same provisions as to retirement by rotation, resignation and removal as the other Directors of the Company notwithstanding the provisions of his contract of service in relation to his executive office and if he ceases to hold the office of Director from any cause he shall *ipso facto* and immediately cease to be a Chief Executive Officer/Managing Director.

Article 96(1)(viii) – Vacation of office of Director

Subject as herein otherwise provided or to the terms of any subsisting agreement, the office of a Director shall be vacated, subject to the provisions of the Companies Act, at the conclusion of the Annual General Meeting commencing next after he attains the age of seventy (70) years.

Article 98 – Retirement of Directors by rotation

Subject to our Articles of Association and to the Companies Act, at each Annual General Meeting at least one-third of the Directors for the time being (or, if their number is not a multiple of three (3), the number nearest to but not less than one-third) shall retire from office by rotation. For the avoidance of doubt, each Director shall retire from office at least once every three (3) years.

Article 99 – Selection of Directors to retire

The Directors to retire by rotation shall include (so far as necessary to obtain the number required) any Director who wishes to retire and not to offer himself for re-election but shall not include any Director who is due to retire at the meeting by reason of age. Any further Directors so to retire shall be those of the other Directors subject to retirement by rotation who have been longest in office since their last re-election or appointment or have been in office for the three (3) years since their last election. However as between persons who became or were last re-elected Directors on the same day, those to retire shall (unless they otherwise agree among themselves) be determined by lot. A retiring Director shall be eligible for re-election.

Article 100 – Deemed re-elected

The Company at the meeting at which a Director retires under any provision of our Articles of Association may by ordinary resolution fill up the vacated office by electing a person thereto. In default the retiring Director shall be deemed to have been re-elected, unless:

(i) at such meeting it is expressly resolved not to fill up such vacated office or a resolution for the re-election of such Director is put to the meeting and lost;

(ii) such Director is disqualified under the Companies Act from holding office as a Director or has given notice in writing to the Company that he is unwilling to be re-elected;

(iii) such Director has attained any retiring age applicable to him as a Director; or

(iv) the nominating committee appointed has given notice in writing to the directors that such director is not suitable for re-appointment, having regard to the Director's contribution and performance.

The retirement of any Director who is deemed to have been re-elected shall not have effect until the conclusion of the meeting and such Director will continue in office without a break.

(e) **The number of shares, if any, required for the qualification of a director**

Article 85 – Qualifications

A Director need not be a member and shall not be required to hold any share qualification in the Company and shall be entitled to attend and speak at general meetings but subject to the provisions of the Companies Act he shall not be of or over the age of seventy (70) years at the date of his appointment.

(f) **The rights, preferences and restrictions attaching to each class of shares**

Article 4 – Issue of new shares

Subject to the Companies Act and our Articles of Association, no shares may be issued by the Directors without the prior sanction of an ordinary resolution of the Company in general meeting pursuant to section 161 of the Companies Act but subject thereto and to Article 47, and to any special rights attached to any shares for the time being issued, the Directors may issue, allot or grant options over or otherwise deal with or dispose of the same to such persons on such terms and conditions and for such consideration and at such time and subject or not to the payment of any part of the amount thereof in cash as the Directors may think fit, and any shares may be issued in such denominations or with such preferential, deferred, qualified or special rights, privileges or conditions as the Directors may think fit, and preference shares may be issued which are or at the option of the Company are liable to be redeemed, the terms and manner of redemption being determined by the Directors.

Article 5(1) – Rights attached to certain shares

Preference shares may be issued subject to such limitations thereof as may be prescribed by the SGX-ST upon which shares in the Company may be listed and the rights attaching to shares other than ordinary shares shall be expressed in the Memorandum of Association or our Articles of Association. Preference shareholders shall have the same rights as ordinary shareholders as regards receiving of notices, reports and balance sheets and attending general meetings of the Company. The total number of issued preference shares shall not exceed the total number of issued ordinary shares issued at any time. Preference shareholders shall also have the right to vote at any meeting convened for the purpose of reducing the capital or winding up or sanctioning a sale of the undertaking of the Company or where the proposal to be submitted to the meeting directly affects their rights and privileges or when the dividend on the preference shares is more than six (6) months in arrears.

Article 5(2)

The Company has power to issue further preference capital ranking equally with, or in priority to, preference shares from time to time already issued or about to be issued.

Article 7(2) – Rights of preference shareholders

The repayment of preference capital other than redeemable preference or any other alteration of preference shareholder rights may only be made pursuant to a special resolution of the preference shareholders concerned. Provided always that where the necessary majority for such a special resolution is not obtained at the general meeting, consent in writing if obtained from the holders of three-fourths of the preference shares concerned within two (2) months of the general meeting, shall be as valid and effectual as a special resolution carried at the general meeting.

Article 16(1) – Entitlement to certificate

Shares must be allotted and certificates despatched within ten (10) market days of the final closing date for an issue of shares unless the SGX-ST shall agree to an extension of time in respect of that particular issue. The Depository must despatch statements to successful investor applicants confirming the number of shares held under their Securities Accounts. Persons entered in the Register of Members as registered holders of shares shall be entitled to certificates within ten (10) market days after lodgement of any transfer. Every registered shareholder shall be entitled to receive share certificates in reasonable denominations for his holding and where a charge is made for certificates, such charge shall not exceed $2 (or such other fee as the Directors may determine having regard to any limitation thereof as may be prescribed by any stock exchange upon which the shares of the Company may be listed). Where a registered shareholder transfers part only of the shares comprised in a certificate or where a registered shareholder requires the Company to cancel any certificate or certificates and issue new certificates for the purpose of subdividing his holding in a different manner the old certificate or certificates shall be cancelled and a new certificate or certificates for the balance of such shares issued in lieu thereof and the registered shareholder shall pay a fee not exceeding $2 (or such other fee as the Directors may determine having regard to any limitation thereof as may be prescribed by any stock exchange upon which the shares of the Company may be listed) for each such new certificate as the Directors may determine. Where the member is a Depositor, the delivery by the Company to the Depository of provisional allotments or share certificates in respect of the aggregate entitlements of Depositors to new shares offered by way of rights issue or other preferential offering or bonus issue shall to the extent of the delivery discharge the Company from any further liability to each such Depositor in respect of his individual entitlement.

Article 21(1) – Directors' power to decline to register

Subject to our Articles of Association, there shall be no restriction on the transfer of fully paid-up shares except where required by law or by the rules, bye-laws or listing rules of the SGX-ST but the Directors may in their discretion decline to register any transfer of shares upon which the Company has a lien and in the case of shares not fully paid up may refuse to register a transfer to a transferee of whom they do not approve. If the Directors shall decline to register any such transfer of shares, they shall give to both the transferor and the transferee written notice of their refusal to register as required by the Companies Act and the listing rules of the SGX-ST.

Article 47 – Rights and privileges of new shares

Subject to any special rights for the time being attached to any existing class of shares, the new shares shall be issued upon such terms and conditions and with such rights and privileges annexed thereto as the general meeting resolving upon the creation thereof shall direct and if no direction be given as the Directors shall determine; subject to the provisions of our Articles of Association and in particular (but without prejudice to the generality of the foregoing) such shares may be issued with a preferential or qualified right to dividends and in the distribution of assets of the Company or otherwise.

Article 71(1) – Voting rights of Members

Subject and without prejudice to any special privileges or restrictions as to voting for the time being attached to any special class of shares for the time being forming part of the capital of the Company and to Article 6, each Member entitled to vote may vote in person or by proxy or attorney, and (in the case of a corporation) by a representative. A person entitled to more than one (1) vote need not use all his votes or cast all the votes he uses in the same way.

Article 71(3)

Notwithstanding anything contained in our Articles of Association, a Depositor shall not be entitled to attend any general meeting and to speak and vote thereat unless his name is certified by the Depository to the Company as appearing on the Depository Register not later than forty-eight (48) hours before the time of the relevant general meeting (the "**cut-off time**") as a Depositor on whose behalf the Depository holds shares in the Company. For the purpose of determining the number of votes which a Depositor or his proxy may cast on a poll, the Depositor or his proxy shall be deemed to hold or represent that number of shares entered in the Depositor's Securities Account at the cut-off time as certified by the Depository to the Company, or where a Depositor has apportioned the balance standing to his Securities Account as at the cut-off time between two (2) proxies, to apportion the said number of shares between the two (2) proxies in the same proportion as specified by the Depositor in appointing the proxies; and accordingly no instrument appointing a proxy of a Depositor shall be rendered invalid merely by reason of any discrepancy between the number of shares standing to the credit of that Depositor's Securities Account as at the cut-off time, and the true balance standing to the Securities Account of a Depositor as at the time of the relevant general meeting, if the instrument is dealt with in such manner as aforesaid.

Article 72 – Voting rights of joint holders

Where there are joint holders of any share any one (1) of such persons may vote by a representative as if he were solely entitled thereto but if more than one (1) of such joint holders is so present at any meeting then the person present whose name stands first in the Register of Members or the Depository Register (as the case may be) in respect of such share shall alone be entitled to vote in respect thereof. Several executors or administrators of a deceased Member in whose name any share stands shall for the purpose of this Article be deemed joint holders thereof.

Article 73 – Voting rights of Members of unsound mind

If a Member be a lunatic, idiot or non-compos mentis, he may vote by his committee, curator bonis or such other person as properly has the management of his estate and any such committee, curator bonis or other person may vote by proxy or attorney, provided that such evidence as the Directors may require of the authority of the person claiming to vote shall have been deposited at the Office not less than forty-eight (48) hours before the time appointed for holding the meeting.

Article 74 – Right to vote

Subject to the provisions of the Articles, every Member either personally or by proxy or by attorney or in the case of a corporation by a representative shall be entitled to be present and to vote at any general meeting and to be reckoned in the quorum thereat in respect of shares fully paid and in respect of partly paid shares where calls are not due and unpaid. In the event a member has appointed more than one (1) proxy, only one (1) proxy is counted in determining the quorum.

(g) **Any change in capital**

Article 50(1) – Power to consolidate, cancel and subdivide shares

The Company may by ordinary resolution alter its share capital in the manner permitted under the Companies Act including without limitation:

(i) consolidate and divide all or any of its shares;

(ii) cancel the number of shares which, at the date of the passing of the resolution, have not been taken or agreed to be taken by any person or which have been forfeited and diminish its share capital in accordance with the Companies Act;

(iii) sub-divide its shares or any of them (subject to the provisions of the Companies Act), provided always that in such sub-division the proportion between the amount paid and the amount (if any) unpaid on each reduced share shall be the same as it was in the case of the share from which the reduced share is derived, and so that the resolution whereby any share is sub-divided may determine that, as between the holders of the shares resulting from such sub-division, one or more of the shares may, as compared with the others, have any such preferred, deferred or other special rights, or be subject to any such restrictions, as the Company has power to attach to new shares; and

(iv) subject to the provisions of our Articles of Association and the Companies Act, convert any class of shares into any other class of shares.

Article 50(2) – Repurchase of Company's shares

The Company may purchase or otherwise acquire its issued shares subject to and in accordance with the provisions of the Companies Act and any other relevant rule, law or regulation enacted or promulgated by any relevant competent authority from time to time (collectively, the "**Relevant Laws**"), on such terms and subject to such conditions as the Company may in general meeting prescribe in accordance with the Relevant Laws. Any shares purchased or acquired by the Company as aforesaid may be cancelled or held as treasury shares and dealt with in accordance with the Relevant Laws. On the cancellation of any share as aforesaid, the rights and privileges attached to that share shall expire. In any other instance, the Company may hold or deal with any such share which is so purchased or acquired by it in such manner as may be permitted by, and in accordance with, the Companies Act.

Article 51 – Power to reduce capital

The Company may by special resolution reduce its share capital or any other undistributable reserve in any manner subject to any requirements and consents required by law. Without prejudice to the generality of the foregoing, upon cancellation of any share purchased or otherwise acquired by the Company pursuant to these presents and the Companies Act, the number of issued shares of the Company shall be diminished by the number of shares so cancelled, and where any such cancelled shares were purchased or acquired out of the capital of the Company, the amount of the share capital of the Company shall be reduced accordingly.

(h) **Any change in the respective rights of the various classes of shares including the action necessary to change the rights, indicating where the conditions are different from those required by the applicable law**

Article 7(1) – Variation of rights

If at any time the share capital is divided into different classes, the repayment of preference capital other than redeemable preference capital and the rights attached to any class (unless otherwise provided by the terms of issue of the shares of that class) may, subject to the provisions of the Companies Act, whether or not the Company is being wound up, only be made, varied or abrogated with the sanction of a special resolution passed at a separate general meeting of the

holders of shares of the class and to every such special resolution, the provisions of section 184 of the Companies Act shall, with such adaptations as are necessary, apply. To every such separate general meeting, the provisions of the Articles relating to general meetings shall *mutatis mutandis* apply; but so that the necessary quorum shall be two (2) persons at least holding or representing by proxy or by attorney one-third of the issued shares of the class. Provided always that where the necessary majority for such a special resolution is not obtained at the general meeting, consent in writing if obtained from the holders of three-fourths of the issued shares of the class concerned within two (2) months of the general meeting shall be as valid and effectual as a special resolution carried at the general meeting. The foregoing provisions of this Article shall apply to the variation or abrogation of the special rights attached to some only of the shares of any class as if each group of shares of the class differently treated formed a separate class the special rights whereof are to be varied.

Article 8 – Creation or issue of further shares with special rights

The rights conferred upon the holders of the shares of any class issued with preferred or other rights shall, unless otherwise expressly provided by the terms of issue of the shares of that class or by our Articles of Association, be deemed to be varied by the creation or issue of further shares ranking equally therewith.

(i) **Any time limit after which a dividend entitlement will lapse and an indication of the party in whose favour this entitlement operates**

Article 130(1) – Unclaimed dividends

The payment by the Directors of any unclaimed dividends or other moneys payable on or in respect of a share into a separate account shall not constitute the Company a trustee in respect thereof. All dividends unclaimed after being declared may be invested or otherwise made use of by the Directors for the benefit of the Company and any dividend unclaimed after a period of six (6) years from the date of declaration of such dividend may be forfeited and if so shall revert to the Company but the Directors may at any time thereafter at their absolute discretion annul any such forfeiture and pay the dividend so forfeited to the person entitled thereto prior to the forfeiture. For the avoidance of doubt no Member shall be entitled to any interest, share of revenue or other benefit arising from any unclaimed dividends, howsoever and whatsoever. If the Depositor returns any such dividend or money to the Company, the relevant Depositor shall not have any right or claim in respect of such dividend or money against the Company if a period of six (6) years has elapsed from the date of the declaration of such dividend or the date on which such other money was first payable.

(j) **Any limitation on the right to own shares including limitations on the right of non-resident or foreign shareholders to hold or exercise voting rights on the shares**

Article 11 – No trust recognised

Except as required by law, no person shall be recognised by the Company as holding any share upon any trust and the Company shall not be bound by or compelled in any way to recognise (even when having notice thereof) any equitable, contingent, future or partial interest in any share or any interest in any fractional part of a share or (except only as by our Articles of Association or by law otherwise provided) any other rights in respect of any share, except an absolute right to the entirety thereof in the person (other than the Depository) entered in the Register of Members as the registered holder thereof or (where the person entered in the Register of Members as the registered holder of a share is the Depository) the person whose name is entered in the Depository Register in respect of that share.

Article 20 – Person under disability

No share shall in any circumstances be transferred to any infant, bankrupt or person of unsound mind but nothing herein contained shall be construed as imposing on the company any liability in respect of the registration of such transfer if the company has no actual knowledge of the same.

Article 48(1) – Issue of new shares to Members

Subject to any direction to the contrary that may be given by the Company in general meeting, or except as permitted under the SGX-ST's listing rules, all new shares shall before issue be offered to the Members in proportion, as far as the circumstances admit, to the number of the existing shares to which they are entitled or hold. The offer shall be made by notice specifying the number of shares offered, and limiting a time within which the offer, if not accepted, will be deemed to be declined. After the expiration of the aforesaid time, or on the receipt of an intimation from the person to whom the offer is made that he declines to accept the shares offered, the Directors may dispose of those shares in such manner as they think most beneficial to the Company. The Directors may likewise so dispose of any new shares which (by reason of the ratio which the new shares bear to shares held by persons entitled to an offer of new shares) cannot, in the opinion of the Directors, be conveniently offered under this Article.

Article 48(2)

Notwithstanding Article 48(1) above but subject to the Companies Act and the bye-laws and listing rules of the SGX-ST, the Company may by ordinary resolution in general meeting give to the Directors a general authority, either unconditionally or subject to such conditions as may be specified in the ordinary resolution to:

(i) issue shares in the capital of the Company (whether by way of rights, bonus or otherwise); and/or

(ii) make or grant Instruments; and/or

(iii) (notwithstanding the authority conferred by the ordinary resolution may have ceased to be in force) issue shares in pursuance of any Instrument made or granted by the Directors while the ordinary resolution was in force;

provided that:

(a) the aggregate number of shares or Instruments to be issued pursuant to the ordinary resolution (including shares to be issued in pursuance of Instruments made or granted pursuant to the ordinary resolution but excluding shares which may be issued pursuant to any adjustments effected under any relevant Instrument) does not exceed any applicable limits and complies with the manner of calculation prescribed by the SGX-ST;

(b) in exercising the authority conferred by the ordinary resolution, the Company shall comply with the listing rules for the time being in force (unless such compliance is waived by the SGX-ST) and the Articles of Association; and

(c) (unless revoked or varied by the Company in general meeting) the authority conferred by the ordinary resolution shall not continue in force beyond the conclusion of the Annual General Meeting next following the passing of the ordinary resolution, or the date by which such Annual General Meeting is required by law to be held, or the expiration of such other period as may be prescribed by the Companies Act (whichever is the earliest).

Article 48(3)

Notwithstanding Article 48(1) above but subject to the Companies Act, the Directors shall not be required to offer any new shares to members to whom by reason of foreign securities laws such offers may not be made without registration of the shares or a prospectus or other document, but may sell the entitlements to the new shares on behalf of such Members in such manner as they think most beneficial to the Company.

APPENDIX H – RULES OF THE VALUEMAX PERFORMANCE SHARE PLAN

1. NAME OF THE PLAN

The Plan shall be called the "ValueMax Performance Share Plan".

2. DEFINITIONS

2.1 In the Plan, unless the context otherwise requires, the following words and expressions shall have the following meanings:

"Act"	The Companies Act, Chapter 50 of Singapore, as amended or modified from time to time.
"Adoption Date"	The date on which the Plan is adopted by resolution of the Shareholders of the Company.
"Articles"	The Articles of the Company, as amended or modified from time to time.
"Auditors"	The auditors of the Company for the time being.
"Award"	A contingent award of Shares granted under Rule 5.
"Award Date"	In relation to an Award, the date on which the Award is granted pursuant to Rule 5.
"Award Letter"	A letter in such form as the Committee shall approve confirming an Award granted to a Participant by the Committee.
"Board"	The Board of Directors of the Company for the time being.
"CDP"	The Central Depository (Pte) Limited.
"Committee"	The Remuneration Committee of the Company, duly authorised and appointed by the Board of Directors pursuant to Rule 10, to administer the Plan.
"Company"	ValueMax Group Limited, a company incorporated in Singapore.
"Control"	The capacity to dominate decision-making, directly or indirectly, in relation to the financial and operating policies of the Company.
"Controlling Shareholder"	A person who holds directly or indirectly 15.0% or more of the nominal amount of all voting shares in the Company; or in fact exercises Control over the Company.
"Depositor"	A person being a Depository Agent or holder of a securities account maintained with CDP but not including a holder of a sub-account maintained with a Depository Agent.
"Group"	The Company and its Subsidiaries.
"Group Executive"	Any employee of our Group (including any Group Executive Director who meets the relevant age and rank criteria and who shall be regarded as a Group Executive for the purposes of the Plan) selected by the Committee to participate in the Plan in accordance with Rule 4.1(a).

"Group Executive Director"	A director of the Company and any of its Subsidiaries, as the case may be, who performs an executive function.
"Listing Manual"	Listing Manual of the SGX-ST, as amended, modified or supplemented from time to time.
"Market Value"	In relation to a Share, on any day: (a) the average price of a Share on the Singapore Exchange over the five (5) immediately preceding Trading Days; or (b) if the Committee is of the opinion that the Market Value as determined in accordance with (a) above is not representative of the value of a Share, such price as the Committee may determine, such determination to be confirmed in writing by the Auditors (acting only as experts and not as arbitrators) to be in their opinion, fair and reasonable.
"Participant"	Any eligible person selected by the Committee to participate in the Plan in accordance with the rules hereof.
"Performance Condition"	In relation to an Award, the condition specified on the Award Date in relation to that Award.
"Performance Period"	In relation to an Award, a period, the duration of which is to be determined by the Committee on the Award Date, during which the Performance Condition is to be satisfied.
"Plan"	The ValueMax Performance Share Plan, as the same may be modified or altered from time to time.
"Release"	In relation to an Award, the release at the end of the Performance Period relating to that Award of all or some of the Shares to which that Award relates in accordance with Rule 7 and, to the extent that any Shares which are the subject of the Award are not released pursuant to Rule 7, the Award in relation to those Shares shall lapse accordingly, and "Released" shall be construed accordingly.
"Release Schedule"	In relation to an Award, a schedule in such form as the Committee shall approve, setting out the extent to which Shares which are the subject of that Award shall be Released on the Performance Condition being satisfied (whether fully or partially) or exceeded or not being satisfied, as the case may be, at the end of the Performance Period.
"Released Award"	An Award which has been released in accordance with Rule 7.
"Retention Period"	In relation to an Award, such period commencing on the Vesting Date in relation to that Award as may be determined by the Committee on the Award Date.
"SGX-ST"	The Singapore Exchange Securities Trading Limited.
"Shares"	Ordinary shares in the capital of the Company.

"Shareholders"	The registered holders for the time being of the shares (other than the CDP) or in the case of Depositors, Depositors who have Shares entered against their names in the Depository Register.
"Subsidiary"	A company (whether incorporated within or outside Singapore and wheresoever resident) being a subsidiary for the time being of the Company within the meaning of section 5 of the Act.
"Trading Day"	A day on which the Shares are traded on the SGX-ST.
"Vesting"	In relation to Shares which are the subject of a Released Award, the absolute entitlement to all or some of the Shares which are the subject of a Released Award and "Vest" and "Vested" shall be construed accordingly.
"Vesting Date"	In relation to Shares which are the subject of a Released Award, the date (as determined by the Committee and notified to the relevant Participant) on which those Shares have Vested pursuant to Rule 7.

2.2 For purposes of the Plan, the Company shall be deemed to have control over another company if it has the capacity to dominate decision-making, directly or indirectly, in relation to the financial and operating policies of that company.

2.3 Words importing the singular number shall, where applicable, include the plural number and *vice versa*. Words importing the masculine gender shall, where applicable, include the feminine and neuter genders.

2.4 Any reference to a time of a day in the Plan is a reference to Singapore time.

2.5 Any reference in the Plan to any enactment is a reference to that enactment as for the time being amended or re-enacted. Any word defined under the Act or any statutory modification thereof and not otherwise defined in the Plan and used in the Plan shall have the meaning assigned to it under the Act or any statutory modification thereof, as the case may be.

2.6 The term "Associate" shall have the meaning ascribed to it by the SGX-ST Listing Manual as set out below:

(a) in relation to any Director, CEO, Substantial Shareholder or Controlling Shareholder (being an individual) means:

(i) his immediate family;

(ii) the trustees of any trust of which he or his immediate family is a beneficiary or, in the case of a discretionary trust, is a discretionary object; and

(iii) any corporation in which he and his immediate family together (directly or indirectly) have an interest of 30.0% or more.

(b) in relation to a Substantial Shareholder or a Controlling Shareholder (being a corporation) means any other corporation which is its Subsidiary or holding company or is a Subsidiary of such holding company or one in the equity of which it and/or such other company or companies taken together (directly or indirectly) have an interest of 30.0% or more.

2.7 The terms "Depository Register" and "Depository Agent" shall have the same meanings ascribed to them by section 130A of the Act.

3. OBJECTIVES OF THE PLAN

The Plan has been proposed in order to:

(a) foster an ownership culture within the Group which aligns the interests of Group Executives with the interests of shareholders;

(b) motivate Participants to achieve key financial and operational goals of the Company and/or their respective business divisions and encourage greater dedication and loyalty to the Group; and

(c) make total employee remuneration sufficiently competitive to recruit new Participants and/or retain existing Participants whose contributions are important to the long term growth and profitability of the Group, whose skills are commensurate with the Company's ambition to become a world class company.

4. ELIGIBILITY OF PARTICIPANTS

4.1 The following persons shall be eligible to participate in the Plan at the absolute discretion of the Committee:

(a) Group Executives

Full time employees of the Group and Group Executive Directors who have attained the age of 21 years and hold such rank as may be designated by the Committee from time to time. The Participant must also not be an undischarged bankrupt and must not have entered into a composition with his creditors.

(b) Controlling Shareholders and Associates of Controlling Shareholders

Subject to Rule 4.2, persons who are qualified under 4.1(a) above and who are also Controlling Shareholders or Associates of Controlling Shareholders.

4.2 Employees who are Controlling Shareholders or Associates of Controlling Shareholders shall (notwithstanding that they may meet the eligibility criteria in Rule 4.1(a) above) not participate in the Plan unless:

(a) their participation; and

(b) the terms of each grant and the actual number of Awards to be granted to them,

have been approved by the independent Shareholders in general meeting in separate resolutions for each such person, and in respect of each such person, in separate resolutions for each of (i) his participation and (ii) the terms of each grant and the actual number of Awards to be granted to him, provided always that it shall not be necessary to obtain the approval of the independent Shareholders of our Company for the participation in the Plan of a Controlling Shareholder or an Associate of a Controlling Shareholder who is, at the relevant time already a Participant. For the purposes of obtaining such approval from the independent Shareholders, our Company shall procure that the circular, letter or notice to the shareholder in connection therewith shall set out the following:

(a) clear justifications for the participation of such Controlling Shareholders or Associates of Controlling Shareholders; and

(b) clear rationale for the terms of the Awards to be granted to such Controlling Shareholders or Associates of Controlling Shareholders.

4.3 Save as prescribed by Rule 853 of the Listing Manual, there shall be no restriction on the eligibility of any Participant to participate in any other share option or share incentive scheme, whether or not implemented by any other companies within our Group.

4.4 Subject to the Act and any requirement of the SGX-ST or any other stock exchange on which the Shares may be listed or quoted, the terms of eligibility for participation in the Plan may be amended from time to time at the absolute discretion of the Committee.

5. GRANT OF AWARDS

5.1 Except as provided in Rule 8, the Committee may grant Awards to Group Executives as the Committee may select, in its absolute discretion, at any time during the period when the Plan is in force, provided that no Participant who is a member of the Committee shall participate in any deliberation or decision in respect of Awards granted or to be granted to him.

5.2 The number of Shares which are the subject of each Award to be granted to a Participant in accordance with the Plan shall be determined at the absolute discretion of the Committee, which shall take into account criteria such as his rank, job performance, years of service and potential for future development, his contribution to the success and development of the Group and the extent of effort and resourcefulness with which the Performance Condition may be achieved within the Performance Period, provided that in relation to Controlling Shareholders and Associates of Controlling Shareholders:

(a) the aggregate number of Shares which may be offered by way of grant of Awards to Participants who are Controlling Shareholders or Associates of Controlling Shareholders under this Plan shall not exceed 25.0% of the total number of Shares available under this Plan, and such aggregate number of Shares which may be offered to such Participants under this Plan has been approved by the independent shareholder of our Company in a separate resolution. For the purposes of obtaining such approval of the independent Shareholders of our Company, the Committee shall procure that the circular, letter or notice to the shareholder in connection therewith shall set out clear rationale for the participation of and grant of Awards to which Participants who are Associates of Controlling Shareholders, provided always that it shall not be necessary to obtain the approval of the independent Shareholders of our Company for the participation in this Plan of Associates of Controlling Shareholders who at the relevant time were already Participants; and

(b) the number of Shares available to each Associate of a Controlling Shareholder shall not exceed 10.0% of the Shares available under this Plan.

5.3 The Committee shall decide in relation to an Award:

(a) the Participant;

(b) the Award Date;

(c) the Performance Period;

(d) the number of Shares which are the subject of the Award;

(e) the Performance Condition;

(f) the Release Schedule; and

(g) any other condition(s) which the Committee may determine in relation to that Award.

5.4 The Committee may amend or waive the Performance Period, the Performance Condition and/or the Release Schedule in respect of any Award:

(a) in the event of a take-over offer being made for the Shares or if (i) Shareholders of the Company or (ii) under the Act, the court sanctions a compromise or arrangement proposed for the purposes of, or in connection with, a scheme for the reconstruction of the Company or its amalgamation with another company or companies or in the event of a proposal to liquidate or sell all or substantially all of the assets of the Company; or

(b) if anything happens which causes the Committee to conclude that:

(i) a changed Performance Condition and/or Release Schedule would be a fairer measure of performance, and would be no less difficult to satisfy; or

(ii) the Performance Condition and/or Release Schedule should be waived,

and shall notify the Participants of such change or waiver.

5.5 As soon as reasonably practicable after making an Award the Committee shall send to each Participant an Award Letter confirming the Award and specifying in relation to the Award:

(a) the Award Date;

(b) the Performance Period;

(c) the number of Shares which are the subject of the Award;

(d) the Performance Condition;

(e) the Release Schedule; and

(f) any other condition which the Committee may determine in relation to that Award.

5.6 Participants are not required to pay for the grant of Awards.

5.7 An Award or Released Award shall be personal to the Participant to whom it is granted and, prior to the allotment and/or transfer to the Participant of the Shares to which the Released Award relates, shall not be transferred, charged, assigned, pledged or otherwise disposed of, in whole or in part, except with the prior approval of the Committee and if a Participant shall do, suffer or permit any such act or thing as a result of which he would or might be deprived of any rights under an Award or Released Award without the prior approval of the Committee, that Award or Released Award shall immediately lapse.

6. EVENTS PRIOR TO THE VESTING DATE

6.1 An Award shall, to the extent not yet Released, immediately lapse without any claim whatsoever against the Company:

(a) in the event of misconduct on the part of the Participant as determined by the Committee in its discretion;

(b) subject to Rule 6.2(b), where the Participant is a Group Executive, upon the Participant ceasing to be in the employment of the Group for any reason whatsoever; or

(c) in the event of an order being made or a resolution passed for the winding-up of the Company on the basis, or by reason, of its insolvency.

For the purpose of Rule 6.1(b), the Participant shall be deemed to have ceased to be so employed as at the date the notice of termination of employment is tendered by or is given to him, unless such notice shall be withdrawn prior to its effective date.

6.2 In any of the following events, namely:

(a) the bankruptcy of the Participant or the happening of any other event which results in his being deprived of the legal or beneficial ownership of an Award;

(b) where the Participant being a Group Executive ceases to be in the employment of the Group by reason of:

(i) ill health, injury or disability (in each case, evidenced to the satisfaction of the Committee);

(ii) redundancy;

(iii) retirement at or after the legal retirement age;

(iv) retirement before the legal retirement age with the consent of the Committee;

(v) the company by which he is employed or to which he is seconded, as the case may be, ceasing to be a company within the Group or the undertaking or part of the undertaking of such company being transferred otherwise than to another company within the Group;

(vi) (where applicable) his transfer of employment between companies within the Group;

(vii) his transfer to any government ministry, governmental or statutory body or corporation at the direction of any company within the Group; or

(viii) any other event approved by the Committee;

(c) the death of a Participant; or

(d) any other event approved by the Committee,

the Committee may, in its absolute discretion, preserve all or any part of any Award and decide as soon as reasonably practicable following such event either to Vest some or all of the Shares which are the subject of any Award or to preserve all or part of any Award until the end of the Performance Period and subject to the provisions of the Plan. In exercising its discretion, the Committee will have regard to all circumstances on a case-by-case basis, including (but not limited to) the contributions made by that Participant and the extent to which the Performance Condition has been satisfied.

6.3 Without prejudice to the provisions of Rule 5.4, if before the Vesting Date, any of the following occurs:

(a) a take-over offer for the Shares becomes or is declared unconditional;

(b) a compromise or arrangement proposed for the purposes of, or in connection with, a scheme for the reconstruction of the Company or its amalgamation with another company or companies being approved by shareholders of the Company and/or sanctioned by the court under the Act; or

(c) an order being made or a resolution being passed for the winding up of the Company (other than as provided in Rule 6.1(c) or for amalgamation or reconstruction),

the Committee will consider, at its discretion, whether or not to Release any Award, and will take into account all circumstances on a case-by-case basis, including (but not limited to) the contributions made by that Participant. If the Committee decides to Release any Award, then in determining the number of Shares to be Vested in respect of such Award, the Committee will have regard to the proportion of the Performance Period which has lapsed and the extent to which the Performance Condition has been satisfied. Where Awards are Released, the Committee will, as soon as practicable after the Awards have been Released, procure the allotment or transfer to each Participant of the number of Shares so determined, such allotment or transfer to be made in accordance with Rule 7. If the Committee so determines, the Release of Awards may be satisfied in cash as provided in Rule 7.

7. RELEASE OF AWARDS

7.1 Review of Performance Condition

(a) As soon as reasonably practicable after the end of each Performance Period, the Committee shall review the Performance Condition specified in respect of each Award and determine at its discretion whether it has been satisfied and, if so, the extent to which it has been satisfied, and provided that the relevant Participant has continued to be a Group Executive from the Award Date up to the end of the Performance Period, shall Release to that Participant all or part (as determined by the Committee at its discretion in the case where the Committee has determined that there has been partial satisfaction of the Performance Condition) of the Shares to which his Award relates in accordance with the Release Schedule specified in respect of his Award on the Vesting Date. If not, the Awards shall lapse and be of no value.

If the Committee determines in its sole discretion that the Performance Condition has not been satisfied or (subject to Rule 6) if the relevant Participant has not continued to be a Group Executive from the Award Date up to the end of the relevant Performance Period, that Award shall lapse and be of no value and the provisions of Rules 7.2 to 7.4 shall be of no effect.

The Committee shall have the discretion to determine whether the Performance Condition has been satisfied (whether fully or partially) or exceeded and in making any such determination, the Committee shall have the right to make computational adjustments to the audited results of the Company or the Group to take into account such factors as the Committee may determine to be relevant, including changes in accounting methods, taxes and extraordinary events, and further the right to amend the Performance Condition if the Committee decides that a changed performance target would be a fairer measure of performance.

(b) Shares which are the subject of a Released Award shall be Vested to a Participant on the Vesting Date, which shall be a Trading Day falling as soon as practicable after the review by the Committee referred to in Rule 7.1(a) and, on the Vesting Date, the Committee will procure the allotment or transfer to each Participant of the number of Shares so determined.

(c) Where new Shares are allotted upon the Vesting of any Award, the Company shall, as soon as practicable after such allotment, apply to the SGX-ST and any other stock exchange on which the Shares are quoted or listed for permission to deal in and for quotation of such Shares.

7.2 Release of Award

On vesting of the Award, after the end of each Performance Period, the Committee has the discretion to determine whether to issue new Shares or to procure the market purchase of existing Shares, or the payment of its equivalent in cash to the Participant. Shares which are allotted or transferred on the Release of an Award to a Participant shall be issued in the name of, or transferred to, CDP to the credit of the securities account of that Participant maintained with CDP or the securities sub-account of that Participant maintained with a Depository Agent, in each case, as designated by that Participant.

7.3 Ranking of Shares

New Shares allotted and issued, and existing Shares procured by the Company for transfer, on the Release of an Award shall:

(a) be subject to all the provisions of the Memorandum and Articles of Association of the Company (including provisions relating to the liquidation of the Company); and

(b) rank in full for all entitlements, including dividends or other distributions declared or recommended in respect of the then existing Shares, the Record Date for which is on or after the relevant Vesting Date, and shall in all other respects rank *pari passu* with other existing Shares then in issue.

"Record Date" means the date fixed by the Company for the purposes of determining entitlements to dividends or other distributions to or rights of holders of Shares.

7.4 Cash Awards

The Committee, in its absolute discretion, may determine to make a Release of an Award, wholly or partly, in the form of cash rather than Shares, in which event the Participant shall receive on the Vesting Date, in lieu of all or part of the Shares which would otherwise have been allotted or transferred to him on Release of his Award, the aggregate Market Value of such Shares on the Vesting Date.

7.5 Moratorium

Shares which are allotted and issued or transferred to a Participant pursuant to the Release of an Award shall not be transferred, charged, assigned, pledged or otherwise disposed of, in whole or in part, during the Retention Period, except to the extent set out in the Award Letter or with the prior approval of the Committee. The Company may take steps that it considers necessary or appropriate to enforce or give effect to this disposal restriction including specifying in the Award Letter the conditions which are to be attached to an Award for the purpose of enforcing this disposal restriction.

8. LIMITATION ON THE SIZE OF THE PLAN

8.1 The aggregate number of new Shares which may be issued pursuant to Awards granted under the Plan on any date, when added to (i) the number of new Shares issued and issuable in respect of all Awards granted under the Plan; and (ii) all Shares issued and issuable and/or transferred or transferable in respect of all options granted or awards granted under any other share incentive schemes or share plans adopted by the Company for the time being in force, shall not exceed 15.0% of the issued and paid-up share capital (excluding treasury shares) of the Company on the day preceding that date.

8.2 In addition, the number of Shares available to Controlling Shareholders or Associates of a Controlling Shareholder under this Plan are subject to the limits stated in Rule 5.2 above.

8.3 Shares which are the subject of Awards which have lapsed for any reason whatsoever may be the subject of further Awards granted by the Committee under the Plan.

9. ADJUSTMENT EVENTS

9.1 In the event of a capitalisation issue or other circumstances (e.g. rights issue, capital reduction, subdivision or consolidation of shares or distribution), then:

(a) the class and/or number of Shares which is/are the subject of an Award to the extent not yet Vested; and/or

(b) the class and/or number of Shares in respect of which future Awards may be granted under the Plan,

shall be adjusted in such manner as the Committee may determine to be appropriate, provided that any adjustment must be made in such a way that the Participant will not receive a benefit that a Shareholder does not receive.

9.2 Unless the Committee considers an adjustment to be appropriate, the issue of securities as consideration for an acquisition shall not normally be regarded as a circumstance requiring adjustment.

9.3 Notwithstanding the provisions of Rule 9.1, any adjustment (except in relation to a capitalisation issue) must be confirmed in writing by the Auditors to be fair and reasonable.

9.4 Upon any adjustment required to be made pursuant to this Rule 9, the Company shall notify the Participant (or his duly appointed personal representatives where applicable) in writing and deliver to him (or his duly appointed personal representatives where applicable) a statement setting forth the class and/or number of Shares thereafter to be issued or transferred on the Vesting of an Award. Any adjustment shall take effect upon such written notification being given.

10. ADMINISTRATION OF THE PLAN

10.1 The Plan shall be administered by the Committee in its absolute discretion with such powers and duties as are conferred on it by the Board of Directors of the Company, provided that no member of the Committee shall participate in any deliberation or decision in respect of Awards granted or to be granted to him.

10.2 The Committee shall have the power, from time to time, to make and vary such arrangements, guidelines and/or regulations (not being inconsistent with the Plan) for the implementation and administration of the Plan, to give effect to the provisions of the Plan and/or to enhance the benefit of the Awards and the Released Awards to the Participants, as they may, in their absolute discretion, think fit. Any matter pertaining or pursuant to the Plan and any dispute and uncertainty as to the interpretation of the Plan, any rule, regulation or procedure thereunder or any rights under the Plan shall be determined by the Committee.

10.3 Neither the Plan nor the grant of Awards under the Plan shall impose on the Company or the Committee or any of its members any liability whatsoever in connection with:

(a) the lapsing of any Awards pursuant to any provision of the Plan;

(b) the failure or refusal by the Committee to exercise, or the exercise by the Committee of, any discretion under the Plan; and/or

(c) any decision or determination of the Committee made pursuant to any provision of the Plan.

10.4 Any decision or determination of the Committee made pursuant to any provision of the Plan (other than a matter to be certified by the Auditors) shall be final, binding and conclusive (including for the avoidance of doubt, any decisions pertaining to disputes as to the interpretation of the Plan or any rule, regulation or procedure hereunder or as to any rights under the Plan). The Committee shall not be required to furnish any reasons for any decision or determination made by it.

11. NOTICES AND COMMUNICATIONS

11.1 Any notice required to be given by a Participant to the Company shall be sent or made to the registered office of the Company or such other addresses (including electronic mail addresses) or facsimile number, and marked for the attention of the Committee, as may be notified by the Company to him in writing.

11.2 Any notices or documents required to be given to a Participant or any correspondence to be made between the Company and the Participant shall be given or made by the Committee (or such person(s) as it may from time to time direct) on behalf of the Company and shall be delivered to him by hand or sent to him at his home address, electronic mail address or facsimile number according to the records of the Company or the last known address, electronic mail address or facsimile number of the Participant.

11.3 Any notice or other communication from a Participant to the Company shall be irrevocable, and shall not be effective until received by the Company. Any other notice or communication from the Company to a Participant shall be deemed to be received by that Participant, when left at the address specified in Rule 11.2 or, if sent by post, on the day following the date of posting or, if sent by electronic mail or facsimile transmission, on the day of despatch.

12. MODIFICATIONS TO THE PLAN

12.1 Any or all the provisions of the Plan may be modified and/or altered at any time and from time to time by a resolution of the Committee, except that:

(a) no modification or alteration shall alter adversely the rights attached to any Award granted prior to such modification or alteration except with the consent in writing of such number of Participants who, if their Awards were Released to them upon the Performance Conditions for their Awards being satisfied in full, would become entitled to not less than three quarters of all the Shares which would fall to be Vested upon Release of all outstanding Awards upon the Performance Conditions for all outstanding Awards being satisfied in full;

(b) the definitions of "Group Executive", "Group Executive Director", "Participant", "Performance Period" and "Release Schedule" and the provisions of Rules 4, 5, 6, 7, 8, 9, 10, 16 and this Rule 12 shall not be altered to the advantage of Participants except with the prior approval of the Company's shareholders in general meeting; and

(c) no modification or alteration shall be made without the prior approval of the SGX-ST and such other regulatory authorities as may be necessary.

For the purposes of Rule 12.1(a), the opinion of the Committee as to whether any modification or alteration would adversely affect the rights attached to any Award shall be final, binding and conclusive. For the avoidance of doubt, nothing in this Rule 12.1 shall affect the right of the Committee under any other provision of the Plan to amend or adjust any Award.

12.2 Notwithstanding anything to the contrary contained in Rule 12.1, the Committee may at any time by resolution (and without other formality, save for the prior approval of the SGX-ST) amend or alter the Plan in any way to the extent necessary or desirable, in the opinion of the Committee, to cause the Plan to comply with, or take into account, any statutory provision (or any amendment or modification thereto, including amendment of or modification to the Act) or the provision or the regulations of any regulatory or other relevant authority or body (including the SGX-ST).

12.3 Written notice of any modification or alteration made in accordance with this Rule 12 shall be given to all Participants.

13. TERMS OF EMPLOYMENT UNAFFECTED

The terms of employment of a Participant shall not be affected by his participation in the Plan, which shall neither form part of such terms nor entitle him to take into account such participation in calculating any compensation or damages on the termination of his employment for any reason.

14. DURATION OF THE PLAN

14.1 The Plan shall continue to be in force at the discretion of the Committee, subject to a maximum period of 10 years commencing on the Adoption Date, provided always that the Plan may continue beyond the above stipulated period with the approval of the Company's shareholders by ordinary resolution in general meeting and of any relevant authorities which may then be required.

14.2 The Plan may be terminated at any time by the Committee or, at the discretion of the Committee, by resolution of the Company in general meeting, subject to all relevant approvals which may be required and if the Plan is so terminated, no further Awards shall be granted by the Committee hereunder.

14.3 The expiry or termination of the Plan shall not affect Awards which have been granted prior to such expiry or termination, whether such Awards have been Released (whether fully or partially) or not.

15. TAXES

All taxes (including income tax) arising from the grant or Release of any Award granted to any Participant under the Plan shall be borne by that Participant.

16. COSTS AND EXPENSES OF THE PLAN

16.1 Each Participant shall be responsible for all fees of CDP relating to or in connection with the issue and allotment or transfer of any Shares pursuant to the Release of any Award in CDP's name, the deposit of share certificate(s) with CDP, the Participant's securities account with CDP, or the Participant's securities sub-account with a CDP Depository Agent.

16.2 Save for the taxes referred to in Rule 15 and such other costs and expenses expressly provided in the Plan to be payable by the Participants, all fees, costs and expenses incurred by the Company in relation to the Plan including but not limited to the fees, costs and expenses relating to the allotment and issue, or transfer, of Shares pursuant to the Release of any Award, shall be borne by the Company.

17. DISCLAIMER OF LIABILITY

Notwithstanding any provisions herein contained, the Committee and the Company shall not under any circumstances be held liable for any costs, losses, expenses and damages whatsoever and howsoever arising in any event, including but not limited to the Company's delay in issuing, or procuring the transfer of, the Shares or applying for or procuring the listing of new Shares on the SGX-ST in accordance with Rule 7.1(c).

18. DISCLOSURES IN ANNUAL REPORTS

The following disclosures (as applicable) will be made by the Company in its annual report for so long as the Plan continues in operation:

(a) the names of the members of the Committee administering the Plan;

(b) in respect of the following Participants:

(i) Directors of our Company;

(ii) Controlling Shareholders and their Associates; and

(iii) Participants who have received Shares pursuant to the Release of Awards granted under the Plan which, in aggregate, represent 5.0% or more of the aggregate of the total number of new Shares available under the Plan;

the following information:

(1) the name of the Participant;

(2) the number of new Shares issued to such Participant during the financial year under review;

(3) the aggregate number of Shares comprised in Awards granted under the Plan during the financial year under review;

(4) the number of existing Shares purchased for delivery pursuant to Release of Awards to such Participant during the financial year under review;

(5) the aggregate number of Shares comprised in Awards which have not been released as at the end of the financial year under review;

(6) the aggregate number of Shares comprised in Awards granted under the Plan since the commencement of the Plan to the end of the financial year under review;

(7) the number of new Shares allotted to such Participant since the commencement of the Performance Share Plan to the end of financial year under review;

(8) the number of existing Shares transferred to such Participant since the commencement of the Plan to the end of the financial year under review;

(c) In relation to the Plan:

(i) the aggregate number of Shares comprised in Awards which have Vested under the Plan since the commencement of the Plan to the end of the financial year under review;

(ii) the aggregate number of new Shares issued which are comprised in the Awards Vested during the financial year under review; and

(iii) the aggregate number of Shares comprised in Awards granted under the Plan which have not yet Released, as at the end of the financial year under review; and

(d) such other information as may be required by the Listing Manual or the Act.

If any of the above is not applicable, an appropriate negative statement shall be included therein.

19. DISPUTES

Any disputes or differences of any nature arising hereunder shall be referred to the Committee and its decision shall be final and binding in all respects.

20. GOVERNING LAW

The Plan shall be governed by, and construed in accordance with, the laws of the Republic of Singapore. The Participants, by accepting grants of Awards in accordance with the Plan, and the Company submit to the exclusive jurisdiction of the courts of the Republic of Singapore.

21. CONTRACTS (RIGHTS OF THIRD PARTIES) ACT, CHAPTER 53 OF SINGAPORE

No person other than the Company or a Participant shall have any right to enforce any provision of the Plan or any Award by the virtue of the Contracts (Rights of Third Parties) Act, Chapter 53B of Singapore.

22. ELIGIBLE SHAREHOLDERS

Shareholders who are eligible to participate in the scheme must abstain from voting on any resolution relating to the Plan (other than a resolution relating to the participation of, or grant of options to, directors and employees of the issuer's parent company and its Subsidiaries). In particular, all Shareholders who are eligible to participate in the Plan shall abstain from voting on resolutions of the Shareholders relating to (a) the implementation of the Plan; and (b) the participation of, or grant of Awards to Controlling Shareholders and their Associates.

APPENDIX I – TERMS, CONDITIONS AND PROCEDURES FOR APPLICATION AND ACCEPTANCE

You are invited to apply and subscribe for the New Shares at the Issue Price, subject to the following terms and conditions:

1. **YOUR APPLICATION MUST BE MADE IN LOTS OF 1,000 NEW SHARES OR INTEGRAL MULTIPLES THEREOF. YOUR APPLICATION FOR ANY OTHER NUMBER OF SHARES WILL BE REJECTED.**

2. Your application for the Offer Shares may be made by way of printed WHITE Offer Shares Application Form or by way of Electronic Application through an ATM belonging to the Participating Banks ("**ATM Electronic Application**") or through Internet Banking ("**IB**") websites of the relevant Participating Banks ("**Internet Electronic Applications**", or through mobile banking interface of DBS Bank ("**mBanking Application**") which together with ATM Electronic Applications and Internet Electronic Applications, shall be referred to as "**Electronic Applications**").

   Your application for the Placement Shares may only be made by way of printed BLUE Placement Shares Application Forms.

   YOU MAY NOT USE CENTRAL PROVIDENT FUND ("CPF") FUNDS TO APPLY FOR THE NEW SHARES.

3. **You are allowed to submit only one application in your own name for the Offer Shares or the Placement Shares. If you submit an application for the Offer Shares by way of an Application Form, you MAY NOT submit another application for the Offer Shares by way of an Electronic Application or mBanking Application and *vice versa*. Such separate applications shall be deemed to be multiple applications and shall be rejected, except in the case of applications by approved nominee companies, where each application is made on behalf of a different beneficiary.**

   If you submit an application for the Offer Shares by way of an ATM Electronic Application, you MAY NOT submit another application for the Offer Shares by way of an Internet Electronic Application and *vice versa*. Such separate applications shall be deemed to be multiple applications and shall be rejected.

   If you, being other than an approved nominee company, have submitted an application for the Offer Shares in your own name, you should not submit any other application for the Offer Shares, whether by way of an Application Form or by way of an Electronic Application, for any other person. Such separate applications shall be deemed to be multiple applications and shall be rejected.

   You are allowed to submit only one application in your own name for the Placement Shares. Any separate application by you for the Placement Shares shall be deemed to be multiple applications and our Company has the discretion whether to accept or reject such multiple applications.

   If you, being other than an approved nominee company, have submitted an application for the Placement Shares in your own name, you should not submit any other application for the Placement Shares for any other person. Such separate applications shall be deemed to be multiple applications and will be liable to be rejected at our discretion.

   If you have made an application for the Placement Shares, and you have also made a separate application for the Offer Shares, either by way of an Application Form or through an Electronic Application, we shall have the discretion to either (i) reject both of such separate applications or (ii) accept any one (but not the other) out of such separate applications.

Conversely, if you have made an application for the Offer Shares either by way of an Application Form or through an Electronic Application, and you have also made a separate application for the Placement Shares, we shall have the discretion to either (i) reject both of such separate applications or (ii) accept any one (but not the other) out of such separate applications.

Joint applications shall be rejected. Multiple applications for the New Shares may be rejected at the discretion of our Company. If you submit or procure submissions of multiple share applications (whether for the Offer Shares, the Placement Shares or both the Offer Shares and the Placement Shares), you may be deemed to have committed an offence under the Penal Code, Chapter 224 of Singapore and the Securities and Futures Act, Chapter 289 of Singapore, and your applications may be referred to the relevant authorities for investigation. Multiple applications or those appearing to be or suspected of being multiple applications may be rejected at the discretion of our Company.

4. We will not accept applications from any person under the age of 18 years, undischarged bankrupts, sole-proprietorships, partnerships or non-corporate bodies, joint Securities Account holders of CDP and from applicants whose addresses (furnished in their Application Forms or, in the case of Electronic Applications, contained in the records of the relevant Participating Banks) bear post office box numbers. No person acting or purporting to act on behalf of a deceased person is allowed to apply under the Securities Account with CDP in the deceased's name at the time of application.

5. We will not recognise the existence of a trust. An application by a trustee or trustees must therefore be made in his/her/their own name(s) and without qualification or, where the application is made by way of an Application Form by a nominee, in the name(s) of an approved nominee company or approved nominee companies after complying with paragraph 6 below.

6. **WE WILL ONLY ACCEPT APPLICATIONS FROM APPROVED NOMINEE COMPANIES.** Approved nominee companies are defined as banks, merchant banks, finance companies, insurance companies, licensed securities dealers in Singapore and nominee companies controlled by them. Applications made by nominees other than approved nominee companies shall be rejected.

7. **IF YOU ARE NOT AN APPROVED NOMINEE COMPANY, YOU MUST MAINTAIN A SECURITIES ACCOUNT WITH CDP IN YOUR OWN NAME AT THE TIME OF YOUR APPLICATION.** If you do not have an existing Securities Account with CDP in your own name at the time of your application, your application will be rejected (if you apply by way of an Application Form), or you will not be able to complete your Electronic Application (if you apply by way of an Electronic Application). If you have an existing Securities Account with CDP but fail to provide your Securities Account number or provide an incorrect Securities Account number in section B of the Application Form or in your Electronic Application, as the case may be, your application is liable to be rejected. Subject to paragraph 8 below, your application shall be rejected if your particulars such as name, NRIC/passport number, nationality, permanent residence status and CDP Securities Account number provided in your Application Form, or in the case of an Electronic Application, contained in the records of the relevant Participating Bank at the time of your Electronic Application, as the case may be, differ from those particulars in your Securities Account as maintained with CDP. If you possess more than one individual direct Securities Account with CDP, your application shall be rejected.

8. **If your address as stated in the Application Form or, in the case of an Electronic Application, contained in the records of the relevant Participating Bank, as the case may be, is different from the address registered with CDP, you must inform CDP of your updated address promptly, failing which the notification letter on successful allotment and other correspondence from CDP will be sent to your address last registered with CDP.**

9. **Our Company reserves the right to reject any application which does not conform strictly to the instructions set out in the Application Form and in this Prospectus or which does not comply with the instructions for Electronic Applications or with the terms and conditions of this Prospectus or, in the case of an application by way of an Application Form, which is illegible, incomplete, incorrectly completed or which is accompanied by an improperly drawn remittance or improper form of remittance. Our Company further reserves the right to treat as valid any applications not completed or submitted or effected in all respects in accordance with the instructions set out in the Application Forms or the instructions for Electronic Applications or the terms and conditions of this Prospectus and also to present for payment or other processes all remittances at any time after receipt and to have full access to all information relating to, or deriving from, such remittances or the processing thereof.**

10. Our Company reserves the right to reject or to accept, in whole or in part, or to scale down or to ballot any application, without assigning any reason therefor, and no enquiry and/or correspondence on the decision of our Company will be entertained. This right applies to applications made by way of Application Forms and by way of Electronic Applications. In deciding the basis of allotment, which shall be at the discretion of our Company, due consideration will be given to the desirability of allotting the New Shares to a reasonable number of Applicants with a view to establishing an adequate market for our Shares.

11. Share certificates will be registered in the name of CDP and will be forwarded only to CDP. It is expected that CDP will send to you, at your own risk, within 15 Market Days after the close of the Application List, a statement of account stating that your Securities Account has been credited with the number of New Shares allotted to you. This will be the only acknowledgement of application monies received and is not an acknowledgement by our Company. You irrevocably authorise CDP to complete and sign on your behalf as transferee or renouncee any instrument and/or other documents required for the issue or transfer of the New Shares allotted to you. This authorisation applies to applications made by way of Application Forms and by way of Electronic Applications.

12. In the event that a supplementary or replacement prospectus is lodged with the Authority, the Invitation shall be kept open for at least 14 days after the lodgement of such supplementary or replacement prospectus.

    Where prior to the lodgement of the supplementary or replacement prospectus, applications have been made under this Prospectus to subscribe for the New Shares and:

    (a) where the New Shares have not been issued to the applicants, our Company shall either:

        (i) (A) within two (2) days (excluding any Saturday, Sunday or public holiday) from the date of lodgement of the supplementary or replacement prospectus, give the applicants notice in writing of how to obtain, or arrange to receive a copy of the supplementary or replacement prospectus, as the case may be, and to provide the applicants with an option to withdraw their applications; and (B) take all reasonable steps to make available within a reasonable period the supplementary or replacement prospectus, as the case may be, to the applicants, where they have indicated that they wish to obtain, or have arranged to receive, a copy of the supplementary or replacement prospectus; or

        (ii) within seven (7) days from the date of lodgement of the supplementary or replacement prospectus, give the applicants the supplementary or replacement prospectus, as the case may be, and provide the applicants with an option to withdraw their applications; or

(iii) treat the applications as withdrawn and cancelled, in which case the applications shall be deemed to have been withdrawn and cancelled, and our Company shall within seven (7) days from the date of lodgement of the supplementary or replacement prospectus, return all monies paid in respect of any application to the applicants; or

(b) where the New Shares have been issued to the applicants, our Company shall either:

(i) (A) within two (2) days (excluding any Saturday, Sunday or public holiday) from the date of lodgement of the supplementary or replacement prospectus, give the applicants notice in writing of how to obtain, or arrange to receive a copy of the supplementary or replacement prospectus, as the case may be, and to provide the applicants with an option to return to our Company, the New Shares which they do not wish to retain title in; and (B) take all reasonable steps to make available within a reasonable period the supplementary or replacement prospectus, as the case may be, to the applicants, where they have indicated that they wish to obtain, or have arranged to receive, a copy of the supplementary or replacement prospectus; or

(ii) within seven (7) days from the date of lodgement of the supplementary or replacement prospectus, give the applicants the supplementary or replacement prospectus, as the case may be, and provide the applicants with an option to return to our Company the New Shares, which they do not wish to retain title in; or

(iii) treat the issue of the Shares as void, in which case the issue shall be deemed void and our Company shall within seven (7) days from the date of lodgement of the supplementary or replacement prospectus, return all monies paid in respect of any application to the applicants.

If an applicant wishes to exercise his option under paragraph a(i) or a(ii) above to withdraw his application in respect of the New Shares, he shall, within 14 days from the date of lodgement of the supplementary or replacement prospectus, notify our Company of this, whereupon our Company shall within seven (7) days from the receipt of such notification, return to him all monies he have paid on account of his application for such New Shares.

If an applicant wishes to exercise his option under paragraph b(i) or b(ii) above to return the New Shares issued to him, he shall, within 14 days from the date of lodgement of the supplementary or replacement prospectus, notify our Company of this and return all documents, if any, purporting to be evidence of title to those Shares, to our Company, whereupon our Company shall within seven (7) days from the receipt of such notification and documents, if any, return to him all monies he have paid for those New Shares and the issue of those Shares shall be deemed to be void.

Where monies are to be returned to an applicant for the New Shares, it shall be paid to him without any interest or share of revenue or other benefit arising therefrom at his own risk, and the applicant will not have any claim against us, and the Issue Manager, Underwriter and Placement Agent.

Additional terms and instructions applicable upon the lodgement of the supplementary or replacement prospectus, including instructions on how you can exercise the option to withdraw your application or return the New Shares allotted to you, may be found in such supplementary or replacement prospectus.

13. In the event of an under-subscription for the Offer Shares as at the close of the Application List, that number of Offer Shares under-subscribed for shall be made available to satisfy applications for the Placement Shares to the extent that there is an over-subscription for the Placement Shares as at the close of the Application List.

    In the event of an under-subscription for the Placement Shares as at the close of the Application List, that number of Placement Shares under-subscribed for shall be made available to satisfy applications for the Offer Shares to the extent that there is an over-subscription for the Offer Shares as at the close of the Application List.

    In the event of an over-subscription for the Offer Shares as at the close of the Application List and/or the Placement Shares are fully subscribed or over-subscribed for as at the close of the Application List, the successful applications for the Offer Shares will be determined by ballot or otherwise as determined by our Directors after consultation with the Issue Manager, and approved by the SGX-ST (if required).

    In all the above instances, the basis of allotment of the New Shares as may be decided upon by our Directors in ensuring a reasonable spread of shareholders of our Company, shall be made public, as soon as practicable, via an announcement through the SGX-ST and through a paid advertisement in a local newspaper.

14. You consent to the disclosure of your name, NRIC/passport number, address, nationality, permanent resident status, CDP Securities Account number, CPF Investment Account number (if applicable) and share application amount from your account with the relevant Participating Bank to the Share Registrar and Share Transfer Agent, SCCS, SGX-ST, CDP, our Company, the Issue Manager, Underwriter and Placement Agent. You irrevocably authorise CDP to disclose the outcome of your application, including the number of New Shares allotted to you pursuant to your application, to our Company, the Issue Manager, Underwriter and Placement Agent and any other parties so authorised by the foregoing persons. CDP shall not be liable for any delays, failures or inaccuracies in the recording, storage or transmission or delivery of data relating to Electronic Applications.

15. Any reference to "you" or the "Applicant" in this section shall include an individual, a corporation, an approved nominee and trustee applying for the Offer Shares by way of an Offer Shares Application Form or by way of an Electronic Application, or applying for the Placement Shares by way of a Placement Shares Application Form.

16. By completing and delivering an Application Form or by making and completing an Electronic Application (in the case of an ATM Electronic Application) by pressing the "Enter" or "OK" or "Confirm" or "Yes" or any other relevant key on the ATM (as the case may be) or by (in the case of an Internet Electronic Application or mBanking Application) clicking "Submit" or "Continue" or "Yes" or "Confirm" or any other relevant button on the IB website screen of the relevant Participating Banks or the mobile banking interface of DBS Bank (as the case may be) in accordance with the provisions of this Prospectus, you:

    (a) irrevocably offer, agree and undertake to subscribe for the number of New Shares specified in your application (or such smaller number for which the application is accepted) at the Issue Price for each New Share and agree that you will accept such New Shares as may be allotted to you, in each case on the terms of, and subject to the conditions set out in this Prospectus and the Memorandum and Articles of Association of our Company;

    (b) agree that, in the event of any inconsistency between the terms and conditions for application set out in this Prospectus and those set out in the IB websites or ATMs or mobile banking interfaces of the relevant Participating Banks, the terms and conditions set out in this Prospectus shall prevail;

(c) agree that the aggregate Issue Price for the New Shares applied for is due and payable to our Company upon application;

(d) warrant the truth and accuracy of the information contained, and representations and declarations made, in your application, and acknowledge and agree that such information, representations and declarations will be relied on by our Company in determining whether to accept your application and/or whether to allot any New Shares to you; and

(e) agree and warrant that, if the laws of any jurisdictions outside Singapore are applicable to your application, you have complied with all such laws and none of our Company, the Issue Manager, Underwriter and/or Placement Agent will infringe any such laws as a result of the acceptance of your application.

17. Our acceptance of applications will be conditional upon, *inter alia*, our Company being satisfied that:

(a) permission has been granted by the SGX-ST to deal in and for quotation for all our existing Shares, the New Shares and the Award Shares on the Official List of the SGX-ST;

(b) no stop order has been issued by the Authority under the Securities and Futures Act; and

(c) the Management and Underwriting Agreement and the Placement Agreement referred to in the section entitled "Other General Information – Management and Underwriting Agreement and Placement Agreement" of this Prospectus have become unconditional and have not been terminated or cancelled prior to such date as our Company may determine.

18. In the event that the Authority issues a stop order pursuant to section 242 of the Securities and Futures Act and applications to subscribe for the New Shares to which this Prospectus relates have been made prior to the stop order, and:

(a) where the New Shares have not been issued to the applicants, all applications shall be deemed to have been withdrawn and cancelled and our Company shall, within 14 days from the date of the stop order, return to the applicant all monies he have paid on account of his application for the New Shares; or

(b) where the New Shares have been issued to the applicant, the Securities and Futures Act provides that the issue of the New Shares shall be deemed to be void and our Company is required, within 14 days from the date of the stop order, to return to the applicant all monies paid by him for the New Shares.

Where monies are to be returned to an applicant for the New Shares, it shall be paid to him without any interest or share of revenue or other benefit arising therefrom at his own risk, and the applicant will not have any claim against us, and the Issue Manager, Underwriter and Placement Agent.

This shall not apply where only an interim stop order has been served.

19. In the event that an interim stop order in respect of the New Shares is served by the Authority or other competent authority, no New Shares shall be issued to you until the Authority revokes the interim stop order.

20. The Authority is not able to serve a stop order in respect of the New Shares if the New Shares have been issued and listed on a securities exchange and trading in them has commenced.

21. In the event of any changes in the closure of the Application List or the shortening or extension of the time period during which the Invitation is open, we will publicly announce the same through a SGXNET announcement to be posted on the internet at the SGX-ST website http://www.sgx.com and in a local English newspaper, such as The Straits Times or The Business Times.

22. We will not hold any application in reserve.

23. We will not allot Shares on the basis of this Prospectus later than six (6) months after the date of registration of this Prospectus.

24. Additional terms and conditions for applications by way of Application Forms are set out below.

25. Additional terms and conditions for applications by way of Electronic Applications are set out below.

26. CDP shall not be liable for any delays, failures or inaccuracies in the recording storage or in the transmission or delivery of data relating to Electronic Applications.

ADDITIONAL TERMS AND CONDITIONS FOR APPLICATIONS USING APPLICATION FORMS

Applications by way of an Application Form shall be made on, and subject to, the terms and conditions of this Prospectus including but not limited to the terms and conditions appearing below as well as those set out under the section on "TERMS, CONDITIONS AND PROCEDURES FOR APPLICATIONS AND ACCEPTANCE" of this Prospectus, as well as the Memorandum and Articles of Association of our Company.

1. Your application must be made using the **WHITE** Application Form and **WHITE** official envelopes "A" and "B" for Offer Shares, or the **BLUE** Application Form for Placement Shares accompanying and forming part of this Prospectus. We draw your attention to the detailed instructions contained in the respective Application Forms and this Prospectus for the completion of the Application Forms which must be carefully followed. **Our Company reserves the right to reject applications which do not conform strictly to the instructions set out in the Application Forms and this Prospectus or to the terms and conditions of this Prospectus or which are illegible, incomplete, incorrectly completed or which are accompanied by improperly drawn remittances or improper forms of remittances.**

2. Your Application Forms must be completed in English. Please type or write clearly in ink using **BLOCK LETTERS.**

3. All spaces in the Application Forms except those under the heading "**FOR OFFICIAL USE ONLY**" must be completed and the words "**NOT APPLICABLE**" or "**N.A.**" should be written in any space that is not applicable.

4. Individuals, corporations, approved nominee companies and trustees must give their names in full. If you are an individual, you must make your application using your full name as it appears in your identity card (if you have such an identification document) or in your passport and, in the case of corporations, in your full names as registered with a competent authority. If you are not an individual, you must complete the Application Form under the hand of an official who must state the name and capacity in which he signs on the Application Form. If you are a corporation completing the Application Form, you are required to affix your Common Seal (if any) in accordance with your Memorandum and Articles of Association or equivalent constitutive documents. If you are a corporate applicant and your application is successful, a copy of your Memorandum and Articles of Association or equivalent constitutive documents must be lodged with our Company's Share Registrar and Share Transfer Office. Our Company reserves the right to require you to produce documentary proof of identification for verification purposes.

5. (a) You must complete sections A and B and sign on page 1 of the Application Form.

   (b) You are required to delete either paragraph 7(a) or 7(b) on page 1 of the Application Form. Where paragraph 7(a) is deleted, you must also complete section C of the Application Form with particulars of the beneficial owner(s).

   (c) If you fail to make the required declaration in paragraph 7(a) or 7(b), as the case may be, on page 1 of the Application Form, your application is liable to be rejected.

6. You (whether you are an individual or corporate applicant, whether incorporated or unincorporated and wherever incorporated or constituted) will be required to declare whether you are a citizen or permanent resident of Singapore or a corporation in which citizens or permanent residents of Singapore or any body corporate constituted under any statute of Singapore having an interest in the aggregate of more than 50% of the issued share capital of or interests in such corporations. If you are an approved nominee company, you are required to declare whether the beneficial owner of the New Shares is a citizen or permanent resident of Singapore or a corporation, whether incorporated or unincorporated and wherever incorporated or constituted, in which citizens or permanent residents of Singapore or any body corporate whether incorporated or unincorporated and wherever incorporated or constituted under any statute of Singapore have an interest in the aggregate of more than 50% of the issued share capital of or interests in such corporation.

7. Your application must be accompanied by a remittance in Singapore currency for the full amount payable, in respect of the number of New Shares applied for, in the form of a **BANKER'S DRAFT or CASHIER'S ORDER** drawn on a bank in Singapore, made out in favour of "**VALUEMAX SHARE ISSUE ACCOUNT**" crossed "**A/C PAYEE ONLY**", and with your name and address written clearly on the reverse side. Applications not accompanied by any payment or accompanied by **ANY OTHER FORM OF PAYMENT WILL NOT BE ACCEPTED**. We will reject remittances bearing "**NOT TRANSFERABLE**" or "**NON TRANSFERABLE**" crossings. No acknowledgement or receipt will be issued by our Company or the Issue Manager, Underwriter and Placement Agent for applications and application monies received.

8. Monies paid in respect of unsuccessful applications are expected to be returned (without interest or any share of revenue or other benefit arising therefrom) to you by ordinary post within 24 hours of balloting of applications at your own risk. Where your application is rejected or accepted in part only, the full amount or the balance of the application monies, as the case may be, will be refunded (without interest or any share of revenue or other benefit arising therefrom) to you by ordinary post at your own risk within 14 days after the close of the Application List, provided that the remittance accompanying such applications have been presented for payment or other processes have been honoured and the application monies have been received in the designated share issue account. In the event that the Invitation is cancelled by us following the termination of the Management and Underwriting Agreement and/or the Placement Agreement, the application monies received will be refunded (without interest or any share of revenue or other benefit arising therefrom) to you by ordinary post at your own risk within 14 days of the termination of the Invitation. In the event that the Invitation is cancelled by us following the issuance of a stop order by the Authority, the application monies received will be refunded (without interest or any share of revenue or other benefit arising therefrom) to you by ordinary post at your own risk within 14 days from the date of the stop order.

9. Capitalised terms used in the Application Forms and defined in this Prospectus shall bear the meanings assigned to them in this Prospectus.

10. By completing and delivering the Application Form, you agree that:

    (a) in consideration of our Company having distributed the Application Form to you and agreeing to close the Application List at **12.00 noon on 28 October 2013** or such other time or date as our Company may, in consultation with the Issue Manager, Underwriter and Placement Agent, decide:

        (i) your application is irrevocable; and

        (ii) your remittance will be honoured on first presentation and that any application monies returnable may be held pending clearance of your payment without interest or any share of revenue or other benefit arising therefrom;

    (b) all applications, acceptances and contracts resulting therefrom under the Invitation shall be governed by and construed in accordance with the laws of Singapore and that you irrevocably submit to the non-exclusive jurisdiction of the Singapore courts;

    (c) in respect of the New Shares for which your application has been received and not rejected, acceptance of your application shall be constituted by written notification and not otherwise, notwithstanding any remittance being presented for payment by or on behalf of our Company;

    (d) you will not be entitled to exercise any remedy of rescission for misrepresentation at any time after acceptance of your application;

(e) in making your application, reliance is placed solely on the information contained in this Prospectus and that none of our Company, the Issue Manager, Underwriter and Placement Agent or any other person involved in the Invitation shall have any liability for any information not so contained;

(f) you consent to the disclosure of your name, NRIC/passport number, address, nationality, permanent resident status, CDP Securities Account number, CPF Investment Account number (if applicable), the share application amount to our Share Registrar, CDP, SCCS, SGX-ST, our Company, the Issue Manager, Underwriter and Placement Agent or other authorised operators; and

(g) you irrevocably offer, agree and undertake to subscribe for the number of New Shares applied for as stated in the Application Form or any smaller number of such New Shares that may be allotted to you in respect of your application. In the event that we decide to allot a smaller number of New Shares or not to allot any New Shares to you, you agree to accept such decision as final.

Applications for Offer Shares

1. Your application for Offer Shares **MUST** be made using the **WHITE** Offer Shares Application Form and **WHITE** official envelopes "A" and "B". **ONLY ONE APPLICATION** should be enclosed in each envelope.

2. You must:

   (a) enclose the **WHITE** Offer Shares Application Form, duly completed and signed, together with the correct remittance in accordance with the terms and conditions of this Prospectus in the **WHITE** official envelope "A" provided;

   (b) in the appropriate spaces on **WHITE** official envelope "A":

      (i) write your name and address;

      (ii) state the number of Offer Shares applied for;

      (iii) tick the relevant box to indicate the form of payment; and

      (iv) affix adequate Singapore postage;

   (c) seal the **WHITE** official envelope "A";

   (d) write, in the special box provided on the larger **WHITE** official envelope "B" addressed to Tricor Barbinder Share Registration Services (a division of Tricor Singapore Pte. Ltd.) at 80 Robinson Road #02-00 Singapore 068898, the number of Offer Shares you have applied for; and

   (e) insert **WHITE** official envelope "A" into **WHITE** official envelope "B", seal **WHITE** official envelope "B", and affix adequate Singapore postage on **WHITE** official envelope "B" (if dispatching by ordinary post) and thereafter **DESPATCH BY ORDINARY POST OR DELIVER BY HAND the documents at your own risk to**, Tricor Barbinder Share Registration Services (a division of Tricor Singapore Pte. Ltd.) at 80 Robinson Road #02-00 Singapore 068898, to arrive by **12.00 noon on 28 October 2013 or such other time as our Company may, in consultation with the Issue Manager, Underwriter and Placement Agent, decide. Local Urgent Mail or Registered Post must NOT be used.** No acknowledgement of receipt will be issued for any application or remittance received.

3. Applications that are illegible, incomplete or incorrectly completed or accompanied by improperly drawn remittances or improper form of remittance or which are not honoured upon their first presentation are liable to be rejected.

Applications for Placement Shares

1. Your application for Placement Shares **MUST** be made using the **BLUE** Placement Shares Application Form. **ONLY ONE APPLICATION** should be enclosed in each envelope.

2. The completed and signed **BLUE** Placement Shares Application Form and your remittance in full in respect of the number of Placement Shares applied for (in accordance with the terms and conditions of this Prospectus) with your name and address written clearly on the reverse side, must be enclosed and sealed in an envelope to be provided by you. You must affix adequate Singapore postage on the envelope (if dispatching by ordinary post) and thereafter the sealed envelope must be **DESPATCHED BY ORDINARY POST OR DELIVERED BY HAND at your own risk to,** Tricor Barbinder Share Registration Services (a division of Tricor Singapore Pte. Ltd.) at 80 Robinson Road #02-00 Singapore 068898, to arrive by **12.00 noon on 28 October 2013 or such other time as our Company may, in consultation with the Issue Manager, Underwriter and Placement Agent, decide. Local Urgent Mail or Registered Post must NOT be used.** No acknowledgement of receipt will be issued for any application or remittance received.

3. Applications that are illegible, incomplete or incorrectly completed or accompanied by improperly drawn remittances or improper form of remittance or which are not honoured upon their first presentation are liable to be rejected.

ADDITIONAL TERMS AND CONDITIONS FOR ELECTRONIC APPLICATIONS

The procedures for Electronic Applications are set out on the ATM screens (in the case of ATM Electronic Applications) and the IB website screens (in the case of Internet Electronic Applications) and the mobile banking interface (in the case of mBanking Applications) of the relevant Participating Banks.

Currently, DBS Bank is the only Participating Bank through which mBanking Applications can be made.

For illustrative purposes, the procedures for Electronic Application through ATMs and the IB website of the UOB Group are set out respectively in the "Steps for an ATM Electronic Application through ATMs of the UOB Group" and the "Steps for an Internet Electronic Application through the IB website of the UOB Group" (collectively, the "**Steps**") appearing below. The Steps set out the actions that you must take at an ATM or the IB website of the UOB Group to complete an Electronic Application. Please read carefully the terms of this Prospectus, the Steps and the terms and conditions for Electronic Applications set out below before making an Electronic Application. Any reference to "you" or the "applicant" in this section "Additional Terms and Conditions for Electronic Applications" and the Steps shall refer to you making an application for Offer Shares through an ATM or the IB website of a relevant Participating Bank or the mobile banking interface of DBS Bank.

You must have an existing bank account with and be an ATM cardholder of one of the Participating Banks before you can make an Electronic Application at an ATM. An ATM card issued by one (1) Participating Bank cannot be used to apply for Offer Shares at an ATM belonging to other Participating Banks. For an Internet Electronic Application or a mBanking Application, you must have an existing bank account with and an IB User Identification ("**User ID**") and a Personal Identification Number/Password ("**PIN**") given by a relevant Participating Bank. The Steps set out the actions that you must take at ATMs or the IB website of the UOB Group to complete an Electronic Application. The actions that you must take at ATMs or the IB websites of other Participating Banks are set out on the ATM screens or the IB website screens of the relevant Participating Banks. Upon the completion of your ATM Electronic Application transaction, you will receive an ATM transaction slip ("**Transaction Record**"), confirming the details of your Electronic Application. Upon completion of your Internet Electronic Application or mBanking Application, there will be an on-screen confirmation ("**Confirmation Screen**") of the application which can be printed out for your record. The Transaction Record or your printed record of the Confirmation Screen is for your retention and should not be submitted with any Application Form.

You must ensure that you enter your own Securities Account number when using the ATM card issued to you in your own name. If you fail to use your own ATM card issued in your own name or if you do not key in your own Securities Account number your application will be rejected. If you operate a joint bank account with any of the Participating Banks, you must ensure that you enter your own Securities Account number when using the ATM card issued to you in your own name. Using your own Securities Account number with an ATM card which is not issued to you in your own name will render your ATM Electronic Application liable to be rejected.

You must ensure, when making an Internet Electronic Application or mBanking Application, that your mailing address for the purpose of the application is in Singapore and the application is being made in Singapore and you will be asked to declare accordingly. Otherwise, your application is liable to be rejected. In connection with this, you will be asked to declare that you are in Singapore at the time when you make the application.

You shall make an Electronic Application on the terms and subject to the conditions of this Prospectus including but not limited to the terms and conditions appearing below and those set out in "TERMS, CONDITIONS AND PROCEDURES FOR APPLICATION AND ACCEPTANCE" in Appendix I of this Prospectus as well as the Memorandum and Articles of Association of our Company.

1. In connection with your Electronic Application for Offer Shares, you are required to confirm statements to the following effect in the course of activating the Electronic Application:

   (a) that you have received a copy of this Prospectus (in the case of ATM Electronic Applications only) and have read, understood and agreed to all the terms and conditions of application for Offer Shares in this Prospectus prior to effecting the Electronic Application and agree to be bound by the same;

   (b) that you consent to the disclosure of your name, NRIC/passport number, address, nationality, permanent resident status, CPF Investment Account number (if applicable), CDP Securities Account number, and share application details (the "Relevant Particulars") by the relevant Participating Bank to the Share Registrar, CDP, SGX-ST, SCCS, CPF, our Company, the Issue Manager, Underwriter and Placement Agent or other authorised operators (the "Relevant Parties"); and

   (c) that this is your only application for Offer Shares and it is made in your own name and at your own risk.

   Your application will not be successfully completed and cannot be recorded as a completed transaction in the ATM or IB website or the mobile banking interface unless you press the "Enter" or "Confirm" or "Yes" or "OK" key or any other relevant key on the ATM or click "Confirm" or "OK" or "Submit" or "Continue" or "Yes" or any other relevant button on the IB website screen or the mobile banking interface. By doing so, you shall be treated as signifying your confirmation of each of the above three statements. In respect of statement 1(b) above, such confirmation, shall signify and shall be treated as your written permission, given in accordance with the relevant laws of Singapore including section 47(2) of the Banking Act, Chapter 19 of Singapore to the disclosure by the relevant Participating Bank of the Relevant Particulars to the Relevant Parties.

2. **BY MAKING AN ELECTRONIC APPLICATION, YOU CONFIRM THAT YOU ARE NOT APPLYING FOR OFFER SHARES AS A NOMINEE OF ANY OTHER PERSON AND THAT ANY ELECTRONIC APPLICATION THAT YOU MAKE IS THE ONLY APPLICATION MADE BY YOU AS A BENEFICIAL OWNER.**

YOU SHOULD MAKE ONLY ONE ELECTRONIC APPLICATION FOR OFFER SHARES AND SHOULD NOT MAKE ANY OTHER APPLICATION FOR OFFER SHARES, WHETHER AT THE ATMS OR THE IB WEBSITES (IF ANY) OF ANY PARTICIPATING BANK OR THE MOBILE BANKING INTERFACE OF DBS BANK OR ON THE APPLICATION FORMS. IF YOU HAVE MADE AN APPLICATION FOR OFFER SHARES OR PLACEMENT SHARES ON AN APPLICATION FORM, YOU SHALL NOT MAKE AN ELECTRONIC APPLICATION FOR OFFER SHARES AND *VICE VERSA*.

3. You must have sufficient funds in your bank account with your Participating Bank at the time you make your Electronic Application, failing which your Electronic Application will not be completed or accepted. **Any Electronic Application which does not conform strictly to the instructions set out in this Prospectus or on the screens of the ATM or the IB website or mobile banking interface of the relevant Participating Bank through which your Electronic Application is being made shall be rejected.**

4. You may make an ATM Electronic Application at the ATM of any Participating Bank or an Internet Electronic Application at the IB website of the relevant Participating Bank or the mobile banking interface of DBS Bank for the Offer Shares using only cash by authorising such Participating Bank to deduct the full amount payable from your account with such Participating Bank.

5. You irrevocably agree and undertake to subscribe for and to accept the number of Offer Shares applied for as stated on the Transaction Record or the Confirmation Screen or any lesser number of Offer Shares that may be allotted to you in respect of your Electronic Application.

   In the event that our Company decides to allot any lesser number of such Offer Shares or not to allot any Offer Shares to you, you agree to accept such decision as final. If your Electronic Application is successful, your confirmation (by your action of pressing the "Enter" or "Confirm" or "Yes" or "Ok" key or any other relevant key on the ATM or clicking "Confirm" or "OK" or "Submit" or "Continue" or "Yes" or any other relevant button on the IB website screen or the mobile banking interface) of the number of Offer Shares applied for shall signify and shall be treated as your acceptance of the number of Offer Shares that may be allotted to you and your agreement to be bound by the Memorandum and Articles of Association of our Company.

6. **We will not keep any applications in reserve.** Where your Electronic Application is unsuccessful, the full amount of the application monies will be refunded in Singapore currency (without interest or any share of revenue or other benefit arising therefrom) to you by being automatically credited to your account with your Participating Bank within 24 hours after balloting provided that the remittance in respect of such application which has been presented for payment or other processes have been honoured and the application monies have been received in the designated share issue account. **Trading on a "WHEN ISSUED" basis, if applicable, is expected to commence after such refund has been made.**

   Where your Electronic Application is rejected or accepted in part only, the full amount or the balance of the application monies, as the case may be, will be refunded in Singapore currency (without interest or any share of revenue or other benefit arising therefrom) to you by being automatically credited to your account with your Participating Bank within 14 days after the close of the Application List, provided that the remittance in respect of such application which has been presented for payment or other processes have been honoured and the application monies have been received in the designated share issue account.

Responsibility for timely refund of application monies arising from unsuccessful or partially successful Electronic Applications lies solely with the respective Participating Banks. Therefore, you are strongly advised to consult your Participating Bank as to the status of your Electronic Application and/or the refund of any monies to you from unsuccessful or partially successful Electronic Application, to determine the exact number of Offer Shares allotted to you before trading of the Shares on the SGX-ST. You may also call CDP Phone at 6535 7511 to check the provisional results of your application by using your T-Pin (issued by CDP upon application for the service) and keying in the stock code (that will be made available together with the results of the allotment via announcement through the SGX-ST and by advertisement in a local English newspaper). To sign up for the service, you may contact CDP customer service officers. Neither the SGX-ST, the CDP, the SCCS, the Participating Banks, our Company nor the Issue Manager, Underwriter and Placement Agent assumes any responsibility for any loss that may be incurred as a result of you having to cover any net sell positions or from buy-in procedures activated by the SGX-ST.

7. If your Electronic Application is unsuccessful, no notification will be sent by the Participating Banks.

If you make Electronic Applications through the ATMs of the following Participating Banks, you may check the provisional results of your Electronic Applications as follows:

Bank	Telephone	Other channel	Operating hours	Service expected from
DBS Bank	1800 339 6666 (POSB account holders) 1800 111 1111 (DBS Bank account holders)	Internet Banking http://www.dbs.com(1)	24 hours a day	Evening of the balloting day
OCBC Bank	1800 363 3333	Phone Banking/ATM/Internet Banking http://www.ocbc.com(2)	24 hours a day	Evening of the balloting day
UOB Group	1800 222 2121	Phone Banking/ATM (Other Transactions – "IPO Results Enquiry")/Internet Banking http://www.uobgroup.com(3)	24 hours a day	Evening of the balloting day

Notes:

(1) If you have made your Internet Electronic Application through the IB website of DBS Bank or mBanking Application through the mobile banking interface of DBS Bank, you may check the results of your application through the same channels listed in the table above in relation to ATM Electronic Applications made at ATMs of DBS Bank.

(2) If you have made your Electronic Application through the ATMs or IB website of OCBC Bank, you may check the results of your application through OCBC Personal Internet Banking, OCBC's ATMs or OCBC Phone Banking services.

(3) If you have made your Electronic Application through the ATMs or IB website of UOB Group, you may check the results of your application through UOB Personal Internet Banking, UOB Group's ATMs or UOB Phone Banking Services.

8. **Electronic Applications shall close at 12.00 noon on 28 October 2013 or such other time or date as our Company may, in consultation with the Issue Manager, Underwriter and Placement Agent decide, subject to any limitation under all applicable laws and regulations and the rules of the SGX-ST.** Subject to paragraph 10 below, an Internet Electronic Application or mBanking Application is deemed to be received when it enters the designated information system of the relevant Participating Bank, that is when there is a non-screen confirmation of the application.

9. You are deemed to have irrevocably requested and authorised us to:

   (a) register the Offer Shares allotted to you in the name of CDP for deposit into your Securities Account as entered by you;

   (b) send the relevant Share certificate(s) to CDP;

   (c) return or refund (without interest or any share of revenue or other benefit arising therefrom) the application monies in Singapore currency, should your Electronic Application be unsuccessful, by automatically crediting your bank account with your Participating Bank with the relevant amount within 24 hours after balloting of applications; and

   (d) return or refund (without interest or any share of revenue or other benefit arising therefrom) the balance of the application monies in Singapore currency, should your Electronic Application be accepted in part only, by automatically crediting your bank account with your Participating Bank with the relevant amount within 14 days after the close of Application List.

10. You irrevocably agree and acknowledge that your Electronic Application is subject to risks of electrical, electronic, technical and computer-related faults and break downs, fires, acts of God and other events beyond the control of the Participating Banks, our Company, the Issue Manager, Underwriter and Placement Agent and if, in any such event, our Company, the Issue Manager, Underwriter and Placement Agent and/or the relevant Participating Bank do not receive your Electronic Application, or data relating to your Electronic Application or the tape or any other devices containing such data is lost, corrupted or not otherwise accessible, whether wholly or partially for whatever reason, you shall be deemed not to have made an Electronic Application and you shall have no claim whatsoever against our Company, the Issue Manager, Underwriter and Placement Agent and/or the relevant Participating Bank and/or other parties involved in the Invitation for Offer Shares applied for or for any compensation, loss or damage.

11. We do not recognise the existence of a trust. Any Electronic Application by a trustee must be made in your own name and without qualification. Our Company will reject any application by any person acting as nominee except those made by approved nominee companies only.

12. All your particulars in the records of your Participating Bank at the time you make your Electronic Application shall be deemed to be true and correct and your Participating Bank and the Relevant Parties shall be entitled to rely on the accuracy thereof. If there has been any change in your particulars after the time of the making of your Electronic Application, you shall promptly notify your Participating Bank.

13. **You should ensure that your personal particulars as recorded by both CDP and the relevant Participating Bank are correct and identical; otherwise, your Electronic Application is liable to be rejected.** You should promptly inform CDP of any change in address, failing which the notification letter on successful allotment will be sent to your address last registered with CDP.

14. By making and completing an Electronic Application, you are deemed to have agreed that:

(a) in consideration of us making available the Electronic Application facility, through the Participating Banks acting as our agents, at the ATMs and the IB websites of the relevant Participating Banks and mobile banking interface of DBS Bank:

(i) your Electronic Application is irrevocable; and

(ii) your Electronic Application, our acceptance and the contract resulting therefrom under the Invitation shall be governed by and construed in accordance with the laws of Singapore and you irrevocably submit to the non-exclusive jurisdiction of the Singapore courts;

(b) neither our Company, the Issue Manager, Underwriter and Placement Agent, CDP, the Participating Banks nor other parties involved in the Invitation shall be liable for any delays, failures or inaccuracies in the recording, storage or in the transmission or delivery of data relating to your Electronic Application to our Company or CDP due to a breakdown or failure of transmission, delivery or communication facilities or any risks referred to in paragraph 10 above or to any cause beyond their respective controls;

(c) in respect of Offer Shares for which your Electronic Application has been successfully completed and not rejected, acceptance of your Electronic Application shall be constituted by written notification by or on behalf of our Company and not otherwise, notwithstanding any payment received by or on behalf of our Company;

(d) you will not be entitled to exercise any remedy of rescission or misrepresentation at any time after acceptance of your application; and

(e) in making your application, reliance is placed solely on the information contained in this Prospectus and neither our Company, the Issue Manager, Underwriter and Placement Agent nor any other person involved in the Invitation shall have any liability for any information not so contained.

Steps for Electronic Applications through ATMs and the IB website of the UOB Group

The instructions for Electronic Applications will appear on the ATM screens and the IB website screens of the respective Participating Banks. For illustrative purposes, the steps for making an Electronic Application through ATMs or IB website of the UOB Group are shown below. Instructions for Electronic Applications appearing on the ATM screens and the IB website screens (if any) of the relevant Participating Banks (other than the UOB Group) may differ from that represented below.

Steps for an ATM Electronic Application through ATMs of the UOB Group

Owing to space constraints on the UOB Group's ATM screens, the following terms will appear in abbreviated form:

"&"	:	and
"A/C" and "A/CS"	:	ACCOUNT AND ACCOUNTS, respectively
"ADDR"	:	ADDRESS
"AMT"	:	AMOUNT
"APPLN"	:	APPLICATION
"CDP"	:	THE CENTRAL DEPOSITORY (PTE) LIMITED

"CPF"	:	THE CENTRAL PROVIDENT FUND
"CPFINVT A/C"	:	CPF INVESTMENT ACCOUNT
"ESA"	:	ELECTRONIC SHARE APPLICATION
"IC/PSSPT"	:	NRIC or PASSPORT NUMBER
"NO" or "NO."	:	NUMBER
"PERSONAL NO"	:	PERSONAL IDENTIFICATION NUMBER
"REGISTRARS"	:	SHARE REGISTRARS
"SCCS"	:	SECURITIES CLEARING AND COMPUTER SERVICES (PTE) LIMITED
"TRANS"	:	TRANSACTIONS
"YR"	:	YOUR

Step 1 : Insert your personal Unicard, Uniplus card or UOB VISA/MASTER card and key in your personal identification number.

2 : Select "**CASHCARD/OTHER TRANS**".

3 : Select "**SECURITIES APPLICATION**".

4 : Select the share counter which you wish to apply for.

5 : Read and understand the following statements which will appear on the screen:

– **THIS OFFER OF SECURITIES (OR UNITS OF SECURITIES) WILL BE MADE IN, OR ACCOMPANIED BY, A COPY OF THE PROSPECTUS/OFFER INFORMATION STATEMENT/DOCUMENT OR SUPPLEMENTARY DOCUMENTS. ANYONE WISHING TO ACQUIRE THESE SECURITIES (OR UNITS OF SECURITIES) WILL NEED TO MAKE AN APPLICATION IN THE MANNER SET OUT IN THE PROSPECTUS/OFFER INFORMATION STATEMENT/DOCUMENT OR SUPPLEMENTARY DOCUMENTS.**

(Press "**ENTER**" to continue)

– **PLEASE CALL 1800 222 2121 IF YOU WOULD LIKE TO FIND OUT WHERE YOU CAN OBTAIN A COPY OF THE PROSPECTUS/OFFER INFORMATION STATEMENT/DOCUMENT OR SUPPLEMENTARY DOCUMENT.**

– **WHERE APPLICABLE, A COPY OF THE PROSPECTUS/OFFER INFORMATION STATEMENT/DOCUMENT OR SUPPLEMENTARY DOCUMENT HAS BEEN LODGED WITH AND/OR REGISTERED BY THE MONETARY AUTHORITY OF SINGAPORE WHO ASSUMES NO RESPONSIBILITY FOR THE CONTENTS OF THE PROSPECTUS/OFFER INFORMATION STATEMENT/DOCUMENT OR SUPPLEMENTARY DOCUMENT.**

(Press "**ENTER**" key to continue)

6 : Read and understand the following terms which will appear on the screen:

– **YOU HAVE READ, UNDERSTOOD AND AGREED TO ALL TERMS OF THE PROSPECTUS/OFFER INFORMATION/STATEMENT/DOCUMENT/SUPPLEMENTARY DOCUMENT AND THIS ELECTRONIC APPLICATION.**

(Press "**ENTER**" to continue)

– **YOU CONSENT TO DISCLOSE YOUR NAME, IC/PASSPORT, NATIONALITY, ADDRESS, APPLICATION AMOUNT, CPF INVESTMENT ACCOUNT NUMBER AND CDP ACCOUNT NUMBER FROM YOUR ACCOUNTS TO CDP, CPF, SCCS, SHARE REGISTRARS, SGX-ST AND ISSUER/VENDOR(S).**

– **THIS IS YOUR ONLY FIXED PRICE APPLICATION AND IS IN YOUR NAME AND AT YOUR RISK.**

(Press "**ENTER**" to continue)

7 : Screen will display:

NRIC/Passport No. XXXXXXXXXXXX

IF YOUR NRIC/PASSPORT NUMBER IS INCORRECT, PLEASE CANCEL THE TRANSACTION AND NOTIFY THE BRANCH PERSONALLY.

(Press "**CANCEL**" or "**CONFIRM**")

8 : Select mode of payment i.e. "**CASH ONLY**". You will be prompted to select Cash Account type to debit (i.e., "**CURRENT ACCOUNT/I-ACCOUNT**", "**CAMPUS ACCOUNT**" OR "**SAVINGS ACCOUNT/TX-ACCOUNT**"). Should you have a few accounts linked to your ATM card, a list of linked account numbers will be displayed for you to select.

9 : After you have selected the account, your CDP Securities Account number will be displayed for you to confirm or change (This screen with your CDP Securities Account number will be shown if your CDP Securities Account number is already stored in the ATM system of the UOB Group). If this is the first time you are using UOB Group's ATM to apply for securities, your CDP Securities Account number will not be stored in the ATM system of the UOB Group, and the following screen will be displayed for your input of your CDP Securities Account number.

10 : Read and understand the following terms which will appear on the screen:

1. **YOU ARE REQUIRED TO ENTER YOUR CDP ACCOUNT NUMBER FOR YOUR FIRST IPO/SECURITIES APPLICATION. THIS ACCOUNT NUMBER WOULD BE DISPLAYED FOR FUTURE APPLICATIONS.**

2. **DO NOT APPLY FOR JOINT ACCOUNT HOLDER OR THIRD PARTIES.**

3. **PLEASE ENTER YOUR OWN CDP ACCOUNT NUMBER (12 DIGITS) & PRESS ENTER.**

If you wish to terminate the transaction, please press "**CANCEL**".

11 : Key in your CDP Securities Account number (12 digits) and select "**CONFIRM-YES**".

12 : Select your nationality status.

13 : Key in the number of shares you wish to apply for and press the "**ENTER**" key.

14 : Check the details of your Electronic Application on the screen and press "**ENTER**" key to confirm your Electronic Application.

15 : Select "**NO**" if you do not wish to make any further transactions and remove the Transaction Record. You should keep the Transaction Record for your own reference only.

Steps for an Internet Electronic Application through the IB website of the UOB Group

Owing to space constraints on the UOB Group's IB website screens, the following terms will appear in abbreviated form:

"CDP" : The Central Depository (Pte) Limited

"CPF" : The Central Provident Fund

"NRIC" or "IC" : National Registration Identity Card

"PR" : Permanent Resident

"SGD" : Singapore dollars

"SCCS" : Securities Clearing and Computer Services (Pte) Limited

"SGX" : Singapore Exchange Securities Trading Limited

Step 1 : Connect to the UOB Group website at http://www.uobgroup.com.

2 : Locate the "**UOB Online Services Login**" icon on the top right hand side of the Home Page.

3 : Point on "**UOB Online Services Login**" icon and at the drop list select "UOB Personal Internet Banking".

4 : Enter your Username and Password and click "**Submit**".

5 : Click on "**Proceed**" under the Full Access Mode.

6 : You will receive a SMS One-Time Password. Enter the SMS One-Time Password and click "**Proceed**".

7 : Click on "**EPS/Securities/CPFIS**", followed by "**Securities**", followed by "**Securities Application**".

8 : Read the IMPORTANT notice and complete the declarations found on the bottom of the page by answering Yes/No to the questions.

9 : Click "**Continue**".

10 : Select your country of residence (you must be residing in Singapore to apply), and click "**Continue**".

11 : Select the "Securities Counter" from the drop list (if there are concurrent IPOs) and click "**Submit**".

12 : Check the "**Securities Counter**", select the mode of payment and account number to debit and click on "**Submit**".

13 : Read the important instructions and click on "**Continue**" to confirm that:

1. You have read, understood and agreed to all the terms of this application and the Prospectus/Document or Supplementary Document.

2. You consent to disclose your name, I/C or passport number, address, nationality, CDP Securities Account Number, CPF Investment Account Number (if applicable), and application details to the Securities registrars, SGX, SCCS, CDP, CPF Board and issuer/vendor(s).

3. This application is made in your own name, for your own account and at your own risk.

4. For FIXED/MAX price Securities application, this is your only application. For TENDER price Securities application, this is your only application at the selected tender price.

5. For FOREIGN CURRENCY securities, subject to the terms of the issue, please note the following: The application monies will be debited from your bank account in SGD, based on the Bank's exchange profit or loss, or application monies may be debited and refunds credited in SGD at the same exchange rate.

6. For 1ST-COME-1ST-SERVE securities, the number of securities applied for may be reduced, subject to the availability at the point of application.

14 : Check your personal details, details of the share counter you wish to apply for and account to debit.

Select (a) Nationality;

Enter (b) your CDP Securities Account Number; and

(c) the number of shares applied for.

Click "**Submit**"

15 : Check your personal particulars (name, NRIC/Passport number and nationality), details of the share counter you wish to apply for, CDP Securities Account Number, account to debit and number of securities applied for.

16 : Click "**Confirm**", "**Edit**" or "**Home**".

17 : Print the Confirmation Screen (optional) for your own reference and retention only.

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