



**Securities Investors Association (Singapore)**

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**Issuer:** ValueMax Group Limited

**Security:** ValueMax Group Limited

**Meeting details:**

Date: 30 April 2019

Time: 10.00 a.m.

Venue: 261 Waterloo Street #01-35, Singapore 180261

**Company Description**

ValueMax Group Limited is an investment holding company. The Company is engaged in the provision of management services. The Company and its subsidiaries provide pawnbroking and secured moneylending services, as well as the retail and trading of pre-owned jewelry and gold. The Company operates through four segments: Pawnbroking; Retail and trading of pre-owned jewelry and gold; Moneylending, and Other operations, including investment holding and provision of other support services. Its licensed moneylending business grants term loans secured by mortgages of private residential and commercial properties. The retail arm of the Company reconditions selected pre-owned jewelry and watches for retail sale at the outlets, including unredeemed pledged articles from the pawnbroking business, as well as jewelry and branded watches purchased from walk-in individuals at the outlets. The Company's gold trading wholesale business purchases scrap gold from other pawnbrokers and jewelry traders.

(Source: [http://www.sgx.com/wps/portal/sgxweb/home/company\\_disclosure/stockfacts?code=T6I](http://www.sgx.com/wps/portal/sgxweb/home/company_disclosure/stockfacts?code=T6I))

**Q1.** In the message from CEO, it was disclosed that the group obtained a remittance licence from the Monetary Authority of Singapore and is expected to begin remittance services at the Waterloo Centre outlet in 2019.

- (i) Can management help shareholders understand if the remittance licence would allow the group to offer its remittance services through its network of pawnbroking and retail outlets?**
- (ii) Given that the remittance business is highly regulated, how experienced is the team to deal with the regulatory and compliance requirements?**
- (iii) Will there be a steep learning curve in scaling up the remittance business?**
- (iv) How synergistic is the remittance business to the group's current pawnbroking and moneylending services?**

**Q2.** Would the board/management provide shareholders with better clarity on the following operational matters? Specifically:

- (i) Business volume:** The group's total trade and other receivables (current and non-current) increased from \$310.6 million as at 31 December 2017 to \$372.9 million at the end of the reporting period. **Can management help shareholders understand which segment (pawnbroking/moneylending/gold trading) contributed the most to the increase?**
- (ii) Other receivables:** In particular, other receivables jumped from \$356,000 to \$5.468 million as at 31 December 2018. **Would management elaborate further on the nature of the "other receivables"?**
- (iii) Auto financing:** What is the value proposition offered to customers in the auto financing segment? How can the group compete efficiently against the large banks and finance companies who already have a foothold in this segment?
- (iv) Digitalisation:** Can management elaborate further on the opportunities and threats brought about by digitalisation? Can the company also describe its "digital team" and help shareholders understand the group's digital strategy?

**Q3.** The group has the following interested person transactions, mostly conducted under the shareholders' mandate:

The aggregate value of interested person transactions above \$100,000 entered into during the financial year ended 31 December 2018 is as follows:

Name of Interested Person	Aggregate value of all interested person transactions conducted under shareholders' mandate (\$'000)	Aggregate value of all interested person transactions (excluding transactions conducted under shareholders' mandate) (\$'000)
<b>Sale of pre-owned jewellery and gold</b>		
Hwa Goldsmith and Jewellers	1,142	–
Mei Zhi Jewellery	151	–
Lucky Jewellery	1,349	–
<b>Purchase of pre-owned jewellery and gold</b>		
Mei Zhi Jewellery	346	–
<b>Lease of premises</b>		
Yeah Properties Pte Ltd	312	–
Yeah Capital Pte Ltd	174	–
<b>Subscription of 3-year 5.10 percent fixed rate note due 2021</b>		
Yeah Hiang Nam	–	3,634

(Source: Company annual report)

At the annual general meeting scheduled to be held on 30 April 2019, the company is seeking the proposed renewal of shareholders' general mandate for the Interested Person Transactions (IPTs).

- (i) Can the audit committee elaborate further on their involvement in the quarterly review of the IPTs?
- (ii) In a typical quarter, how many items are there in the IPT register?
- (iii) What is the basis of the AC's opinion that the IPTs are conducted based on an arm's length basis and on the Company's normal commercial terms and will not be prejudicial to the interests of the company and its minority shareholders?

A copy of the questions for the Annual Report for the financial year ended 31 December 2017 could be found here:

<https://sias.org.sg/qa-on-annual-reports/?company=ValueMax%20Group%20Ltd&cid=6701,4560>

The company's response could be found here: -----