



MAXI-CASH FINANCIAL SERVICES CORPORATION LTD

(Incorporated in the Republic of Singapore on 10 April 2008)
(Company Registration No.: 200806968Z)

**THE PROPOSED ACQUISITION OF THE PROPERTIES BY MAXI-CASH PROPERTY PTE. LTD.,
A WHOLLY-OWNED SUBSIDIARY OF THE COMPANY, AS A DISCLOSEABLE TRANSACTION
AND AN INTERESTED PERSON TRANSACTION**

1. INTRODUCTION

1.1 The Proposed Acquisition. The Board of Directors (the “**Board**”) of Maxi-Cash Financial Services Corporation Ltd. (the “**Company**”, and together with its subsidiaries and associated companies, the “**Maxi-Cash Group**”) wishes to announce that Maxi-Cash Property Pte. Ltd. (“**Maxi-Cash Property**”), a wholly-owned subsidiary of the Company, has, on 29 October 2019, entered into a conditional sale and purchase agreement (the “**Sale and Purchase Agreement**”) with 8G Investment Pte. Ltd. (the “**Vendor**”), pursuant to which Maxi-Cash Property has agreed to purchase, and the Vendor has agreed to sell, the Properties (as defined below) for an aggregate cash consideration of S\$23,700,000 (the “**Proposed Acquisition**”).

1.2 Information on the Vendor. The Vendor was incorporated on 29 March 2010 in Singapore as a private company limited by shares. The primary activity of the Vendor is that of a real estate developer (property investment). As at the date of this Announcement, the shareholders of the Vendor are Mr Koh Wee Seng (“**KWS**”), Mdm Tan Su Lan @ Tan Soo Lung (mother of KWS) and Mdm Lim Kwee Hua (spouse of KWS).

2. PROPOSED ACQUISITION

2.1 Description of the Properties. The Vendor is the registered proprietor of the following four (4) investment properties:

- (i) Block 165, Bukit Merah Central, #01-3661, Singapore 150165;
- (ii) Block 101, Yishun Avenue 5, #01-95, Singapore 760101;
- (iii) Block 702, Ang Mo Kio Avenue 8, #01-2515, Singapore 560702; and
- (iv) 40 Changi Road, Singapore 419702,

(collectively, the “**Properties**”) and leases some of the units within the Properties to the Maxi-Cash Group for the purposes of the Maxi-Cash Group’s operations.

A summary of selected information on each of the Properties as at 29 October 2019 is set out below:

(1) Block 165, Bukit Merah Central, #01-3661, Singapore 150165

Type of Property	:	A HDB (as defined herein) shop with living quarters located on the 1 st and 2 nd storeys of an 8-storey commercial and residential block
Age	:	Circa 1980s
Legal Description	:	Lot U40945X Mukim 1
Strata Floor Area	:	1 st Storey – Approximately 117 square metres 2 nd Storey – Approximately 83 square metres Total – Approximately 200 square metres
Tenure	:	83 years lease commencing from 1 March 1996

(2) Block 101, Yishun Avenue 5, #01-95, Singapore 760101

Type of Property	:	A HDB shop with living quarters located on the 1 st and 2 nd storeys of a 4-storey commercial and residential block
Age	:	Circa 1980s
Legal Description	:	Lot U47018L Mukim 19
Strata Floor Area	:	1 st Storey – Approximately 68 square metres 2 nd Storey – Approximately 67 square metres Total – Approximately 135 square metres
Tenure	:	84 years lease commencing from 1 January 1993

(3) Block 702, Ang Mo Kio Avenue 8, #01-2515, Singapore 560702

Type of Property	:	A HDB shop with living quarters located on the 1 st and 2 nd storeys of a 2-storey commercial and residential block
Age	:	Circa 1980s
Legal Description	:	Lot U81019X Mukim 18
Strata Floor Area	:	1 st Storey – Approximately 69 square metres 2 nd Storey – Approximately 83 square metres Total – Approximately 152 square metres
Tenure	:	87 years lease commencing from 1 January 1993

(4) 40 Changi Road, Singapore 419702

Type of Property	:	A strata shop unit located at the 1 st storey and basement level of a 3-storey commercial and residential development with a basement
Age	:	Circa 1980s
Legal Description	:	Lot U8073K Mukim 26
Strata Floor Area	:	Basement – Approximately 117 square metres 1 st Storey – Approximately 181 square metres Total – Approximately 298 square metres
Tenure	:	Estate in Fee Simple

2.2 Value of the Properties

2.2.1 Net Profits

The estimated net profits before income tax attributable to the Properties for the six-month period ended 30 June 2019 (“**1HFY2019**”) is S\$69,000. This figure is determined by reference to the rental yield of the Properties based on the existing tenancies (including those entered with the Maxi-Cash Group) less property tax, estimated interest expenses and depreciation.

2.2.2 Valuation

The Company had commissioned an independent valuer, Jones Lang LaSalle Property Consultants Pte Ltd (“**JLL**”), to undertake an independent valuation of the Properties in order to provide the shareholders of the Company (“**Shareholders**”) with an opinion of the market value of the Properties.

Based on JLL’s valuations reports on the Properties dated 14 October 2019 (the “**Valuation Reports**”), the market values of the Properties are as follows:

S/N	Property	Valuation (\$)	Valuation Date	Basis of Valuation
1.	Block 165, Bukit Merah Central, #01-3661, Singapore 150165	5,600,000	14 October 2019	Direct Comparison Method
2.	Block 101, Yishun Avenue 5, #01-95, Singapore 760101	4,800,000	14 October 2019	Direct Comparison Method
3.	Block 702, Ang Mo Kio Avenue 8, #01-2515, Singapore 560702	7,800,000	14 October 2019	Direct Comparison Method
4.	40 Changi Road, Singapore 419702	5,900,000	14 October 2019	Direct Comparison Method

2.3 Principal Terms of the Proposed Acquisition

2.3.1 Conditions Precedent. Pursuant to the Sale and Purchase Agreement, completion of the Proposed Acquisition (“**Completion**”) is subject to and conditional upon, *inter alia*, the following:

- (i) the independent Shareholders approving, in accordance with applicable laws and regulations, a resolution for the Company to complete the Proposed Acquisition in accordance with the terms of the Sale and Purchase Agreement (the “**Shareholder Approval Condition**”);
- (ii) the consent of the Housing Development Board (“**HDB**”) for the purchase of three (3) of the Properties (which are HDB properties) (the “**HDB Consent Condition**”) being obtained; and

- (iii) satisfactory replies being received by Maxi-Cash Property from the legal requisitions to the local authorities.

In the event (a) the independent Shareholders do not approve the Proposed Acquisition; or (b) HDB does not give its consent for the purchase of the three (3) HDB properties, in either case, by 31 March 2020, the Sale and Purchase Agreement shall be null and void, and all monies paid by Maxi-Cash Property shall be refunded free of interest and thereafter, each party shall have no claim against the other.

2.3.2 Aggregate Consideration. The aggregate consideration payable by Maxi-Cash Property for the Properties is S\$23,700,000 (the “**Aggregate Consideration**”). Maxi-Cash Property has paid a deposit of S\$1,185,000, equivalent to five (5) per cent. of the Aggregate Consideration, on the date of the Sale and Purchase Agreement. The remaining amount of the Aggregate Consideration, equivalent to S\$22,515,000, shall be paid on Completion.

2.3.3 Completion. Completion shall take place within three (3) months following the date of satisfaction of the Shareholder Approval Condition or the HDB Consent Condition, whichever is the later.

2.3.4 Annulment of the Proposed Acquisition. If the government shall acquire or give notice of intended acquisition of the Properties or any part thereof after the date of the Sale and Purchase Agreement and prior to the date of Completion, Maxi-Cash Property may annul the Proposed Acquisition, and all monies paid by Maxi-Cash Property to the Vendor shall be refunded to Maxi-Cash Property without any interest. On the annulment of the Proposed Acquisition, each party to the Sale and Purchase Agreement shall pay its own costs and neither party shall have any claim or demand against the other for costs, damages, compensation or otherwise.

2.4 Pricing Factors. The Aggregate Consideration was arrived at based on arm’s length negotiations between Maxi-Cash Property and the Vendor and on a willing-buyer and willing-seller basis, after taking into account, *inter alia*, the independent valuations of the Properties (as further described in paragraph 2.2.2 of this Announcement) and the rationale for the Proposed Acquisition (as further described in paragraph 3 of this Announcement).

The Aggregate Consideration is at a discount of approximately 1.66 per cent. to the market value of the Properties which was assessed and determined by JLL.

2.5 Funding of the Aggregate Consideration. The Aggregate Consideration will be payable by Maxi-Cash Property to the Vendor wholly in cash. The Proposed Acquisition will be funded by existing cash and bank borrowings of the Maxi-Cash Group.

3. RATIONALE FOR AND BENEFIT OF THE PROPOSED ACQUISITION

3.1 Acquisition of Properties on which Businesses are Carried Out. As the Properties are currently utilised (or have the potential to be utilised) for the purposes of the Maxi-Cash Group’s existing pawnbroking and retail businesses, the Proposed Acquisition will enable the Maxi-Cash Group to own the properties on which such businesses are carried out. Accordingly, these businesses will not be subject to the periodic renewal of leases that could affect the operation and costs of such businesses (for example, in the event that the landlord elects not to renew such leases, or to increase the rent payable for such leases).

3.2 Acquisition of Properties with Potential for Capital Gain. The Proposed Acquisition is in line with the Maxi-Cash Group's strategic plans to acquire assets which have the potential for capital gain, while being utilised (or potentially utilised) for the purposes of its existing pawnbroking and retail businesses. The Proposed Acquisition will not result in a material change to the Maxi-Cash Group's risk profile.

4. THE PROPOSED ACQUISITION AS AN INTERESTED PERSON TRANSACTION

4.1 Entity at Risk and Interested Persons

4.1.1 Under Chapter 9 of Section B: Rules of Catalist of the Listing Manual of the Singapore Exchange Securities Trading Limited (the "**SGX-ST**") (the "**Catalist Rules**"), where an entity at risk proposes to enter into a transaction with an interested person and the value of the transaction (either in itself or when aggregated with the value of other transactions, each of a value equal to or greater than S\$100,000, with the same interested person during the same financial year) is equal to or exceeds 5 per cent. of the group's latest audited net tangible assets, shareholders' approval is required in respect of the transaction.

4.1.2 The Proposed Acquisition is a transaction between Maxi-Cash Property and the Vendor. Maxi-Cash Property is a wholly-owned subsidiary of the Company which is not listed on the SGX-ST or an approved exchange. Accordingly, Maxi-Cash Property is considered an "entity at risk" for the purposes of Chapter 9 of the Catalist Rules in relation to the Proposed Acquisition.

4.1.3 KWS is a Director and Controlling Shareholder (as defined under the Catalist Rules) of the Company, holding a direct and deemed interest in 823,752,091 ordinary shares in the capital of the Company ("**Maxi-Cash Shares**"), representing approximately 79.58 per cent. of the total issued Maxi-Cash Shares as at the date of this Announcement. KWS and his immediate family have an interest of more than 30 per cent. of the issued share capital of the Vendor. Accordingly, the Vendor is an associate of KWS and considered an "interested person" of the Company for the purposes of Chapter 9 of the Catalist Rules in relation to the Proposed Acquisition.

4.2 Shareholders' Approval pursuant to Chapter 9 of the Catalist Rules

The Aggregate Consideration is S\$23,700,000, which represents approximately 16.84 per cent. of the latest audited consolidated net tangible assets of the Maxi-Cash Group as at 31 December 2018, being S\$140,718,591 ("**Maxi-Cash Group NTA**"). As the Aggregate Consideration represents more than 5 per cent. of the Maxi-Cash Group NTA, the Proposed Acquisition is subject to the approval of the independent Shareholders pursuant to Rule 906(1)(a) of the Catalist Rules.

4.3 Current and On-going Interested Person Transactions

4.3.1 Same Interested Person Transactions. For the current financial year commencing on 1 January 2019 up to the date of this Announcement, the aggregate value of all transactions between the Maxi-Cash Group and KWS and his associates (excluding transactions which are less than S\$100,000 and the Proposed Acquisition) is approximately S\$29,145,000 (the "**Same Interested Person Aggregate Value**"), representing approximately 20.71 per cent. of the Maxi-Cash Group NTA, of which (i)

approximately S\$1,065,000 falls within Rule 916(1) of the Catalist Rules and (ii) approximately S\$23,163,000 arises from transactions which had been approved by Shareholders (collectively, the “**Exempted Values**”). As the Same Interested Person Aggregate Value (excluding the Exempted Values) is S\$4,917,000, representing approximately 3.49 per cent. of the Maxi-Cash Group NTA, and does not exceed 5 per cent. of the Maxi-Cash Group NTA, the Company is not required to seek the approval of Shareholders pursuant to Rule 906(1)(b) of the Catalist Rules for the Interested Person Transactions (as defined under the Catalist Rules) under this paragraph 4.3.1.

4.3.2 Aggregated Interested Person Transactions. The aggregate value of all Interested Person Transactions entered into by the Maxi-Cash Group for the current financial year commencing on 1 January 2019 up to the date of this Announcement (excluding transactions which are less than S\$100,000 and the Proposed Acquisition) is approximately S\$29,145,000, representing approximately 20.71 per cent. of the Maxi-Cash Group NTA.

4.4 Independent Financial Adviser. Pursuant to Rule 921(4)(b)(ii) of the Catalist Rules, the opinion from an independent financial adviser is not required for the Proposed Acquisition as (i) the Aggregate Consideration is in cash; (ii) an independent professional valuation has been obtained for the Proposed Acquisition; and (iii) the valuations of the Properties will be disclosed in the Circular (as defined below). Instead, an opinion from the audit committee of the Company (“**Audit Committee**”) in the form required in Rule 917(4)(a) of the Catalist Rules would be disclosed in the Circular. The opinion from the Audit Committee is also set out in paragraph 4.5 of this Announcement below.

4.5 Audit Committee Statement. The Audit Committee comprises Mr Tan Keh Yan, Peter, Mr Lee Sai Sing, Ms Goh Bee Leong, Mr Tan Soo Kiang and Ms Ko Lee Meng. The Chairman of the Audit Committee is Mr Tan Keh Yan, Peter. As Ms Ko Lee Meng is the sister of KWS and therefore an associate of KWS, she has abstained from issuing a view on the Proposed Acquisition.

The Audit Committee (other than Ms Ko Lee Meng), having considered and reviewed, *inter alia*, the terms of the Proposed Acquisition and the rationale and the benefits of the Proposed Acquisition, is satisfied that the Proposed Acquisition is on normal commercial terms and will not be prejudicial to the interests of the Company and its minority Shareholders.

4.6 Circular and Abstention. The Company shall, in due course, convene an extraordinary general meeting to seek the approval of the independent Shareholders for the Proposed Acquisition (the “**EGM**”) and shall issue a circular to the Shareholders in connection therewith (the “**Circular**”). The Circular will contain, *inter alia*, the opinion and advice of the Audit Committee.

KWS and his associates (which include Ms Ko Lee Meng, Ms Koh Lee Hwee, Aspial Corporation Limited (“**Aspial**”) and MLHS Holdings Pte. Ltd. (“**MLHS**”)) will abstain from voting on the ordinary resolution to be proposed at the EGM in respect of the Proposed Acquisition. Further, KWS undertakes to decline, and shall ensure that his associates (which includes Ms Ko Lee Meng, Ms Koh Lee Hwee, Aspial and MLHS) decline, to accept appointment as proxies to vote at and attend the forthcoming EGM in respect of the ordinary resolution in relation to the Proposed Acquisition, unless the Shareholder concerned has given specific instructions as to the manner in which his votes are to be cast at the EGM in respect of such ordinary resolution.

5. RELATIVE FIGURES PURSUANT TO RULE 1006 OF THE CATALIST RULES IN RESPECT OF THE PROPOSED ACQUISITION

The relative figures of the Proposed Acquisition computed on the bases set out in Rule 1006 of the Catalist Rules based on the latest announced unaudited consolidated financial statements of the Maxi-Cash Group for 1HFY2019 are as follows:

Rule 1006	Bases	Proposed Acquisition (\$ million)	The Maxi-Cash Group / Company (\$ million)	Relative Figures (%)
(b)	Net profits attributable to the Properties to be acquired, compared with the Maxi-Cash Group's net profits for 1HFY2019	0.07 ⁽¹⁾	6.85	1.02
(c)	Aggregate Consideration payable for the Proposed Acquisition compared with the Company's market capitalisation ⁽²⁾	23.70	130.60	18.15

Notes:

- (1) The estimated net profits before income tax attributable to the Properties for 1HFY2019 is S\$69,000. This figure is determined by reference to the rental yield of the Properties based on the existing tenancies (including those entered with the Maxi-Cash Group) less property tax, estimated interest expenses and depreciation.
- (2) The Company's market capitalisation is based upon 1,035,186,234 Maxi-Cash Shares in issue (excluding treasury shares and subsidiary holdings) as at 25 October 2019, at a volume weighted average price of S\$0.1262 per Maxi-Cash Share on 25 October 2019, being the last market day on which the Maxi-Cash Shares were traded preceding the date of the Sale and Purchase Agreement.

As the relative figure calculated under Rule 1006(c) of the Catalist Rules exceeds 5 per cent. but does not exceed 75 per cent., the Proposed Acquisition constitutes a discloseable transaction within the meaning of Chapter 10 of the Catalist Rules.

6. PRO FORMA FINANCIAL EFFECTS IN RESPECT OF THE PROPOSED ACQUISITION

The pro forma financial effects of the Proposed Acquisition on the Maxi-Cash Group NTA per Maxi-Cash Share and earnings per Maxi-Cash Share ("EPS") of the Maxi-Cash Group are set out below.

- (i) **Bases and Assumptions.** The pro forma financial effects for the Proposed Acquisition have been prepared based on the audited consolidated financial statements of the Maxi-Cash Group for the financial year ended 31 December 2018 ("FY2018"), being the most recently completed financial year for which financial statements are publicly available as at the date of this Announcement. Such financial effects are theoretical in nature and are therefore not necessarily indicative of the future financial position and earnings of the Maxi-Cash Group following the Proposed Acquisition.

- (ii) **Maxi-Cash Group NTA per Maxi-Cash Share.** For illustrative purposes only and assuming that the Proposed Acquisition had been completed on 31 December 2018, the pro forma financial effects on the consolidated Maxi-Cash Group NTA per Maxi-Cash Share for FY2018 are as follows:

	Before the Proposed Acquisition	After the Proposed Acquisition
Net Assets (S\$)	141,146,577	141,285,469
Less: Intangibles (S\$)	427,986	427,986
Maxi-Cash Group NTA (S\$)	140,718,591	140,857,483
Number of Maxi-Cash Shares	1,035,156,056	1,035,156,056
Maxi-Cash Group NTA per Maxi-Cash Share (in cents)	13.59	13.61

- (iii) **EPS.** For illustrative purposes only and assuming that the Proposed Acquisition had been completed on 1 January 2018, being the beginning of FY2018, the pro forma financial effects on the consolidated EPS for FY2018 are as follows:

	Before the Proposed Acquisition	After the Proposed Acquisition
Profit after tax and non-controlling interests (before fair value adjustments and exceptional items) (S\$)	10,381,869	10,520,761
Weighted average number of Maxi-Cash Shares	1,012,594,117	1,012,594,117
EPS (in cents)	1.03	1.04

7. FURTHER INFORMATION

7.1 Directors' Service Contracts. No person is proposed to be appointed as a director of the Company in connection with the Proposed Acquisition. Accordingly, no service contract is proposed to be entered into between the Company and any such person.

7.2 Interests of Directors and Substantial Shareholders. As at the date of this Announcement, save as disclosed below, none of the directors of the Company (the "Directors") or the Substantial Shareholders (as defined in the Companies Act, Chapter 50 of Singapore) has any interest, direct or indirect, in the Proposed Acquisition.

- (i) **Interests of Directors.** The interests of the Directors in the Company as recorded in the register of Directors' shareholdings of the Company as at the date of this Announcement are set out below:

Name of Directors	Direct Interest		Deemed Interest	
	Number of Maxi-Cash Shares	% ⁽¹⁾	Number of Maxi-Cash Shares	% ⁽¹⁾
KWS	96,181,017	9.29	727,571,074 ⁽²⁾	70.28
Mr Ng Leok Cheng	1,883,985	0.18	-	-
Ms Koh Lee Hwee	14,288,888	1.38	734,687,805 ⁽³⁾	70.97
Ms Ko Lee Meng	2,813,326	0.27	728,765,805 ⁽⁴⁾	70.40
Mr Tan Keh Yan, Peter	-	-	-	-
Mr Lee Sai Sing	1,200,550	0.12	-	-
Ms Goh Bee Leong	-	-	-	-
Mr Tan Soo Kiang	-	-	-	-

Notes:

- (1) The figures are computed based on the issued and paid-up share capital of the Company comprising 1,035,186,234 Maxi-Cash Shares (excluding treasury shares and subsidiary holdings) as at the date of this Announcement.
- (2) KWS is deemed interested in the Maxi-Cash Shares held by (i) his spouse; (ii) Aspial; and (iii) MLHS. KWS is the brother of Ms Koh Lee Hwee and Ms Ko Lee Meng.
- (3) Ms Koh Lee Hwee is deemed interested in the Maxi-Cash Shares held by (i) Aspial; (ii) her spouse; and (iii) MLHS. Ms Koh Lee Hwee is the sister of KWS and Ms Ko Lee Meng.
- (4) Ms Ko Lee Meng is deemed interested in the Maxi-Cash Shares held by (i) Aspial; (ii) her spouse, Mr Koh Kian Soo; and (iii) MLHS. Ms Ko Lee Meng is the sister of KWS and Ms Koh Lee Hwee.

- (ii) **Interests of Substantial Shareholders (other than Directors).** The interests of the Substantial Shareholders (other than Directors) in the Company as recorded in the register of Substantial Shareholders of the Company as at the date of this Announcement are set out below:

Name of Substantial Shareholders	Direct Interest		Deemed Interest	
	Number of Maxi-Cash Shares	% ⁽¹⁾	Number of Maxi-Cash Shares	% ⁽¹⁾
Aspial ⁽²⁾	669,954,669	64.72	-	-
MLHS ⁽²⁾	57,351,654	5.54	669,954,669	64.72

Notes:

- (1) The figures are computed based on the issued and paid-up share capital of 1,035,186,234 Maxi-Cash Shares (excluding treasury shares and subsidiary holdings) as at the date of this Announcement.
- (2) MLHS is the immediate and ultimate holding company of Aspial. (i) KWS holds approximately 47.00 per cent. of the issued and paid-up ordinary shares of MLHS, (ii) Ms Ko Lee Meng holds approximately 25.75 per cent. of the issued and paid-up ordinary shares of MLHS and (iii) Ms Koh Lee Hwee holds approximately 24.25 per cent. of the issued and paid-up ordinary shares of MLHS.

7.3 Documents Available for Inspection. Copies of the Sale and Purchase Agreement, the Valuation Reports and the annual report of the Company for FY2018 are available for inspection during normal business hours at the registered office of the Company at 80 Raffles Place, #32-01 UOB Plaza 1, Singapore 048624, for a period of three (3) months commencing from the date of this Announcement.

BY ORDER OF THE BOARD

Lim Swee Ann
Company Secretary

29 October 2019

This Announcement has been reviewed by the Company's sponsor, SAC Capital Private Limited (the "**Sponsor**"). This Announcement has not been examined or approved by the SGX-ST and the SGX-ST assumes no responsibility for the contents of this Announcement, including the correctness of any of the statements or opinions made or reports contained in this Announcement.

The contact person for the Sponsor is Mr Ong Hwee Li (Tel: (65) 6232 3210) at 1 Robinson Road, #21-00 AIA Tower, Singapore 048542.