ASPIAL LIFESTYLE LIMITED
(formerly known as Maxi-Cash Financial Services Corporation Ltd.)
(Incorporated in the Republic of Singapore)
(Company Registration No. 200806968Z)

THE PROPOSED ACQUISITION OF A MAJORITY STAKE IN MAXION HOLDINGS SDN BHD BY MAXI CASH (MALAYSIA) SDN BHD, A WHOLLY-OWNED SUBSIDIARY OF THE COMPANY, AS A DISCLOSEABLE TRANSACTION

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1. INTRODUCTION

The Board of Directors (the "**Board**") of Aspial Lifestyle Limited (formerly known as Maxi-Cash Financial Services Corporation Ltd.) (the "**Company**", and together with its subsidiaries and associated companies, the "**Aspial Lifestyle Group**") wishes to announce that Maxi Cash (Malaysia) Sdn Bhd ("**Maxi-Cash Malaysia**"), a wholly-owned subsidiary of the Company, has, on 1 December 2022, entered into a share sale and purchase agreement (the "**SPA**") with Ion World Sdn Bhd (the "**Vendor**"), pursuant to which Maxi-Cash Malaysia has agreed to purchase, and the Vendor has agreed to sell, shares representing 65% of the issued shares in the capital of Maxion Holdings Sdn Bhd, a company incorporated in Malaysia with Registration No. 202201029531 (1475228-K) (the "**Target**") for an aggregate cash consideration of RM30,713,600 (the "**Proposed Acquisition**").

2. PROPOSED ACQUISITION

2.1 **Description of the Sale Shares**. The Vendor is incorporated in Malaysia and is the sole legal and beneficial owner of the entire issued share capital of the Target. As at the date of this Announcement, the Target has an issued share capital of RM19,221,000 comprising 19,221,000 ordinary shares (each, a "**Share**"). The Vendor has agreed to sell and Maxi-Cash Malaysia has agreed to purchase 12,493,650 Shares, representing 65% of the issued shares in the capital of the Target (the "**Sale Shares**") on the terms set out in the SPA.

2.2 **Business of Target**. The principal business of the Target is in investment holding. The Target's subsidiaries, being (i) Pajak Gadai Ion Sdn ("**Pajak Gadai Ion**"), (ii) PG Ion Sdn Bhd ("**PG Ion**") and (iii) PG Ion (BSJ) Sdn Bhd (formerly known as Ion World Construction Sdn Bhd) (collectively, the "**Subsidiaries**"), are carrying on business as pawnbrokers.

2.3 **Principal Terms of the Proposed Acquisition**

2.3.1 **Aggregate Consideration.** Pursuant to the SPA, the consideration payable by Maxi-Cash Malaysia for the Sale Shares is RM30,713,600 (the "**Aggregate Consideration**"), subject to customary completion account adjustments and earn out adjustments as set out in paragraph 2.3.2 below.

2.3.2 **Payment terms.** Maxi-Cash Malaysia has paid a deposit of RM280,000 to the Vendor on the date of the SPA. The remaining amount of the Aggregate Consideration shall be paid as follows:

(i) Maxi-Cash Malaysia shall pay the sum of RM2,000,000 to the Vendor upon execution of the SPA;

(ii) Subject to completion taking place in accordance with the terms of the SPA, Maxi-Cash Malaysia shall pay the sum of RM18,433,600 to the Vendor on the completion date of the Proposed Acquisition;

(iii) If 65% of the aggregate net asset value of the Target and its Subsidiaries (the "**Target Group**") derived from the Reviewed Consolidated Financial Statements[1] is more or less than 65% of the aggregate of the net asset value of the Target Group derived from the Management Financial Statements 2022,[2] the Consideration shall be respectively increased or decreased (as the case may be) by an amount equal to the difference between the two; and

(iv) Maxi-Cash Malaysia shall pay the Earn-Out Amount (if positive)[3] on a ringgit-for-ringgit basis of up to RM10,000,000 in aggregate over the Earn-Out Period.[4] If the Earn-out Amount for the Earn-out Period is negative, no Earn-Out Amount shall be paid.

2.3.3 Conditions Precedent. Pursuant to the SPA, completion of the Proposed Acquisition ("**Completion**") is subject to and conditional upon, *inter alia*, the following:

(i) The passing of resolutions by the board of directors and members (if required) of the Vendor approving the sale of the Sale Shares and other contemplated transactions under the SPA;

(ii) Maxi-Cash Malaysia having procured the passing of resolutions by the board of directors of Maxi-Cash Malaysia approving the acquisition of the Sale Shares and other contemplated transactions under the SPA;

(iii) Confirmation on amounts owing of certain intercompany and related party loans;

(iv) The passing of resolutions by the board of directors of the Target and/or its subsidiaries approving the employment of certain individuals in the Target Group, the execution of related employment agreements and the prior consent in writing from financial institutions which have provided loans to the Target Group to the employment of such individuals; and

(v) The payment of requisite stamping fees by the Vendor.

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[1] "**Reviewed Consolidated Financial Statements**" refers to the consolidated financial statements of the Target Group as at 30 September 2022 which have been reviewed by certified accountants jointly appointed by Maxi-Cash Malaysia and the Vendor, in accordance with the Malaysian Financial Reporting Standards.

[2] "**Management Financial Statements 2022**" refers to the unaudited financial statements of the Target Group as at 30 September 2022 prepared by the respective companies which includes a statement on the Net Asset Value of the Target Group as at 30 September 2022.

[3] "**Earn-out Amount**" refers to the amount equivalent to the aggregate of: (i) the audited net profit after tax of PG Ion and Pajak Gadai Ion; and (ii) the amount of interest payable on any portion of the loan(s) granted by financial institution(s) to PG Ion and Pajak Gadai Ion that is used by the Target or its Subsidiaries (other than PG Ion and Pajak Gadai Ion), for each of Year 1, Year 2 or Year 3 (as defined below).

[4] "**Earn Out Period**" refers to the period commencing on 1 October 2022 and ending on 31 December 2023 ("**Year 1**"), the period commencing on 1 January 2024 and ending on 31 December 2024 ("**Year 2**"), and the period commencing on 1 January 2025 and ending on 31 December 2025 ("**Year 3**").

2.3.4 **Completion.** Completion shall take place no later than 7 January 2023.

2.3.5 **Long Stop Date.** If any of the Conditions Precedent are not fulfilled or waived by the relevant parties by 15 December 2022 or such other date as may be mutually agreed in writing between the Parties (the "**Long Stop Date**"), the SPA shall cease to be of any effect save for certain customary surviving clauses.

2.3.6 **Put Option**. Under the terms of the transaction documents to be entered into in connection with the SPA, Maxi-Cash Malaysia has also agreed to grant a put option to the Vendor on completion of the Proposed Acquisition in which the Vendor may require Maxi-Cash Malaysia to purchase shares of the Target held by the Vendor post Completion, representing up to 35% of the issued share capital of the Target ("**Put Option Shares**"). The Put Option will be exercisable between 1 January 2027 and 31 December 2032, provided that Maxi-Cash Malaysia shall not be required to acquire more than 10% of the issued shares of the Target in any one year. If the Put Option is exercised, the Put Option Shares will be acquired at:

(i) if the net profit after tax of the Target Group for the preceding two years is zero or negative, a price equivalent to the shareholding percentage of the Put Option Shares multiplied by the net asset value of the Target Group; or

(ii) if the net profit after tax of the Target Group for the preceding two years is positive, a price equivalent to the shareholding percentage of the Put Option Shares multiplied by 1.3x the net asset value of the Target Group.

Completion of the Put Option, if exercised, will be subject to compliance with applicable regulatory and shareholder approval requirements including, where required under the applicable listing rules, the shareholders' approval of the Company.

2.3.7 **Shareholders' Agreement.** Following Completion, Maxi-Cash Malaysia will be the majority shareholder holding 65% of shares in the Target, while the Vendor will hold the balance 35% of shares in the Target. Maxi-Cash Malaysia and the Vendor will enter into an agreement to govern the shareholding arrangement between parties in relation to the Target Group, including, *inter alia*, customary pre-emptive rights on shares held in the Target.

2.4 **Pricing Factors.** The Aggregate Consideration was arrived at based on arm's length negotiations between Maxi-Cash Malaysia and the Vendor, and on a willing-buyer and willing-seller basis, after taking into account, *inter alia*, the Target's financial performance and growth potential, and the rationale for the Proposed Acquisition (as further described in paragraph 3 of this Announcement).

2.5 **Funding of the Aggregate Consideration**. The Aggregate Consideration is payable by Maxi-Cash Malaysia to the Vendor wholly in cash. The Company intends to fund the consideration payable for the Proposed Acquisition through existing cash and bank borrowings of Maxi-Cash Malaysia.

2.6 **Book Value, Net Tangible Asset Value and Net Profit.** Based on the financial year ended 30 September 2022 ("**FY2022**"):

2.6.1 the book value of the Sale Shares is RM19,251,692;[5]

2.6.2 the net tangible asset value of the Sale Shares is RM19,258,629;[5] and

2.6.3 the net profit attributable to the Sale Shares in FY2022 is RM4,606,843.[5]

3. RATIONALE FOR AND BENEFIT OF THE PROPOSED ACQUISITION

(a) The Group currently has pawnbroking outlets in the Malaysian states of Johor and Selangor. The Board is of the view that the Proposed Acquisition will be in the best interests of the Company and the Shareholders as it will further strengthen its presence in Malaysia and provide opportunities for the Group to grow by enhancing its local network and customer base.

(b) The Company is of the view that the Proposed Acquisition is expected to contribute positively to the Group's financial results.

Based on the foregoing, Company believes that the Proposed Acquisition will support the Company's strategies to enhance Shareholders' value in the long term.

4. 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 Aspial Lifestyle Group are as follows:

Rule 1006	Bases	Proposed Acquisition (S$)	The Aspial Lifestyle Group / Company (S$)	Relative Figures (%)
(b)	Net profits attributable to the Sale Shares to be acquired, compared with the Aspial Lifestyle Group's net profits	907,408(1)	11,515,000(2)	7.88
(c)	Aggregate Consideration payable for the Proposed Acquisition compared with Aspial Lifestyle Group's market capitalisation, based on the total number of shares (excluding treasury shares)	9,307,152(3)	214,679,234(4)	4.34

[5] The Target's book value, net tangible asset value and net profit are determined by reference to the consolidated profit and loss figures of each Subsidiary, as derived from the unaudited financial statements of the Subsidiaries for the 12-month period ended 30 September 2022.

Notes:

(1) The net profits before income tax attributable to the Sale Shares for the 12-month period ended 30 September 2022 is RM4,606,843. This figure is determined by reference to the 65% of net profit derived from the unaudited financial statements of each Subsidiary for the 12-month period

ended 30 September 2022, and using an exchange rate of 1 SGD:3.3 RM, such that RM2,994,448 / 3.3 = S$907,408.

(2) This figure refers to the Aspial Lifestyle Group's net profits for the 6-month period ended 30 June 2022.

(3) This figure is derived based on the following assumptions that: (a) there is no adjustment to the Aggregate Consideration payable pursuant to paragraph 2.3.2(iii); (b) Maxi-Cash Malaysia shall pay the maximum Earn-Out Amount of RM10,000,000 pursuant to paragraph 2.3.2(iv); and (c) excludes any consideration payable under the terms of the Put Option set out in paragraph 2.3.6 which is exercisable only from January 2027 onwards.

(4) The Company's market capitalisation is based upon 1,378,800,475 Aspial Lifestyle Shares in issue (excluding treasury shares and subsidiary holdings) as at 30 November 2022, at a volume weighted average price of S$0.1557 per Aspial Lifestyle Share on 30 November 2022, being the last market day on which the Aspial Lifestyle Shares were traded preceding the date of the SPA.

As the relative figure calculated under Rule 1006(b) of the Catalist Rules exceeds 5 per cent. but does not exceed 75 per cent., the Proposed Acquisition constitutes a disclosable transaction within the meaning of Chapter 10 of the Catalist Rules. For the avoidance of doubt, assuming that the Put Option is exercised today in its entirety, the relative figure calculated under Rule 1006(c) of the Catalist Rules based on the aggregate of: (i) the total amount payable under the Put Option based on 1.3x of the net asset value of the Target Group as at 30 September 2022; and (ii) the Aggregate Consideration, does not exceed 75 per cent.

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

The pro forma financial effects of the Proposed Acquisition on the Aspial Lifestyle Group Net Tangible Assets ("**NTA**") per Aspial Lifestyle Share and earnings per Aspial Lifestyle Share ("**EPS**") of the Aspial Lifestyle 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 Aspial Lifestyle Group for the financial year ending 31 December 2021 ("**FY2021**"), 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 Aspial Lifestyle Group following the Proposed Acquisition.

(ii) **Aspial Lifestyle Group's NTA per Aspial Lifestyle Share**. For illustrative purposes only and assuming that the Proposed Acquisition had been completed on 31 December 2021, the pro forma financial effects on the consolidated Aspial Lifestyle Group's NTA per Aspial Lifestyle Share for FY2021 are as follows:

	Before the Proposed Acquisition	After the Proposed Acquisition
Net Assets (S$)	150,556,000	150,556,000
Less: Intangibles and Net Deferred Tax Assets (S$)	2,678,000	9,741,000
Aspial Lifestyle Group NTA (S$)	147,878,000	140,815,000
Number of Aspial Lifestyle Shares	1,066,927,234	1,066,927,234
Aspial Lifestyle Group NTA per Aspial Lifestyle Share (in cents)	13.86	13.20

(iii) **EPS**. For illustrative purposes only and assuming that the Proposed Acquisition had been completed on 1 January 2021, being the beginning of FY2021, the pro forma financial effects on the consolidated EPS for FY2021 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$)	14,541,000	14,989,000
Weighted average number of Aspial Lifestyle Shares	1,036,666,820	1,036,666,820
EPS (in cents)	1.40	1.45

6. FURTHER INFORMATION

6.1 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.

6.2 Interests of Directors and Substantial Shareholders. As at the date of this Announcement, save for their interests (deemed or direct) in the Company, none of the directors of the Company or the Substantial Shareholders (as defined in the Companies Act 1967 of Singapore) has any interest, direct or indirect, in the Proposed Acquisition.

6.3 **Documents Available for Inspection**. Copies of the SPA are available for inspection during normal business hours at the registered office of the Company at 80 Raffles Place, #32-01 UOB Plaza, Singapore 048624, for a period of three (3) months commencing from the date of this Announcement.

BY ORDER OF THE BOARD
ASPIAL LIFESTYLE LIMITED
(formerly known as Maxi-Cash Financial Services Corporation Ltd.)

Lim Swee Ann
Company Secretary

1 December 2022

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 David Yeong (Tel: (65) 6232 3210) at 1 Robinson Road, #21-00 AIA Tower, Singapore 048542.