



**MAXI-CASH FINANCIAL SERVICES CORPORATION LTD.**

(Incorporated in the Republic of Singapore)

(Company Registration No.: 200806968Z)

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- (1) **PROPOSED ACQUISITION OF LOCAL JEWELLERY BUSINESS FROM ASPIAL CORPORATION LIMITED AS A MAJOR TRANSACTION AND AN INTERESTED PERSON TRANSACTION; AND**
- (2) **PROPOSED CHANGE OF NAME OF THE COMPANY**
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**1. INTRODUCTION**

- 1.1. The board of directors (the **“Board”** or the **“Directors”**) of Maxi-Cash Financial Services Corporation Ltd. (the **“Company”**, and together with its subsidiaries and associated companies, the **“MCFS Group”**) wishes to announce that:
- (a) the Company has, on 7 July 2022, entered into a sale and purchase agreement (the **“SPA”**) with Aspial Corporation Limited (the **“Seller”**), pursuant to which the Seller has agreed to sell, and the Company has agreed to acquire, all the issued ordinary shares (the **“Sale Shares”**) in the capital of Aspial-Lee Hwa Jewellery Singapore Pte. Ltd. (**“Aspial-Lee Hwa Singapore”**), Gold Purple Pte. Ltd. (**“Gold Purple”**) and BU2 Services Pte. Ltd. (**“BU2 Services”**) (collectively, the **“Target Companies”**), on the terms and subject to the conditions of the SPA (the **“Proposed Acquisition”**); and
  - (b) in connection with the Proposed Acquisition, the Company is proposing to change its name from “Maxi-Cash Financial Services Corporation Ltd.” to “Aspial Lifestyle Limited” (**“Proposed Change of Name”**). The Company had, on 27 June 2022, submitted an application to the Accounting and Corporate Regulatory Authority (**“ACRA”**) to reserve the name “Aspial Lifestyle Limited”.
- 1.2. The Proposal Acquisition constitutes:
- (a) a “major transaction” as defined under Chapter 10 of the Listing Manual Section B: Rules of Catalist of the Singapore Exchange Securities Trading Limited (**“SGX-ST”**) (the **“Catalist Rules”**); and
  - (b) an “interested person transaction” as defined under Chapter 9 of the Catalist Rules.
- 1.3. **Shareholders’ Approval.** The Proposed Acquisition, which involves the Proposed Allotment (as defined in paragraph 3.1 below), and the Proposed Change of Name, are subject to the approval of the shareholders of the Company (**“Shareholders”**). The Board intends to convene an extraordinary general meeting of the Company (**“EGM”**) in due course to seek the approval of the Shareholders for the Proposed Acquisition (including the Proposed Allotment) and the Proposed Change of Name. The Proposed Change of Name will be subject to the completion of the Proposed Acquisition.

## 2. INFORMATION ON THE COMPANY, TARGET GROUP AND SELLER

### 2.1. Information relating to the Company

The Company is a public company incorporated in Singapore on 10 April 2008 and has been listed on the Catalist Board of the SGX-ST since 22 June 2012. The Company and the MCFS Group offer the following services:

- (a) financial services in the form of pawnbroking;
- (b) the retail and trading of jewellery and branded merchandise through its pawnshops and retail outlets. As at the date of this announcement, the MCFS Group has pawnshops and retail outlets across Singapore, Malaysia, Hong Kong, and Australia; and
- (c) secured lending.

### 2.2. Information relating to the Target Group

The information relating to the Target Companies, together with their subsidiaries (collectively, the “**Target Group**”) is as follow:

- (a) **Aspial-Lee Hwa Singapore.** Aspial-Lee Hwa Singapore was incorporated in Singapore on 25 March 2000 as a private company limited by shares. As at the date of this announcement, it has an issued and paid-up share capital of S\$45,000,000 comprising 45,000,000 ordinary shares and its sole shareholder is the Seller;
- (b) **Aspial-Lee Hwa Jewellery Pte. Ltd..** Aspial-Lee Hwa Jewellery Pte. Ltd. (“**Aspial-Lee Hwa**”) was incorporated in Singapore on 8 November 1997. As at the date of this announcement, it has an issued and paid-up share capital of S\$1,000,000 comprising 1,000,000 ordinary shares, and its sole shareholder is Aspial-Lee Hwa Singapore;
- (c) **Goldheart Jewelry Pte. Ltd..** Goldheart Jewelry Pte. Ltd. (“**Goldheart**”) was incorporated in Singapore on 29 October 1977. As at the date of this announcement, it has an issued and paid-up share capital of S\$8,150,000 comprising 8,150,000 ordinary shares, and its sole shareholder is Aspial-Lee Hwa Singapore;
- (d) **Aspial Capital (Ubi) Pte. Ltd..** Aspial Capital (Ubi) Pte. Ltd. (“**Aspial Capital (Ubi)**”) was incorporated in Singapore on 31 October 2016. As at the date of this announcement, it has an issued and paid-up share capital of S\$4,000,000 comprising 4,000,000 ordinary shares. Each of Aspial-Lee Hwa Singapore and the Company holds 2,000,000 ordinary shares in the capital of Aspial Capital (Ubi);
- (e) **Gold Purple Pte. Ltd..** Gold Purple was incorporated in Singapore on 18 March 1999 as a private company limited by shares. As at the date of this announcement, it has an issued and paid-up share capital of S\$1,000 comprising 1,000 ordinary shares, and its sole shareholder is the Seller; and
- (f) **BU2 Services Pte. Ltd..** BU2 Services was incorporated in Singapore on 28 March 2006 as a private company limited by shares. As at the date of this announcement, it has an issued and paid-up share capital of S\$2 comprising 2 ordinary shares, and its sole shareholder is Aspial International Pte Ltd, which is a direct wholly owned subsidiary of the Seller.

### 2.3. Business of the Target Group

The Target Group is in the business of the manufacture and sale of jewellery in Singapore under the “Lee Hwa” and “Goldheart” brands.

## 2.4. Financial information of the Target Group

Based on the combined unaudited management accounts of the Target Group for the financial year ended 31 December 2021 (“FY2021”):

- (a) the book value and net tangible asset value (“NTA”) of the Target Group were approximately S\$65.6 million and S\$61.8 million respectively, as at 31 December 2021; and
- (b) the net profits after tax of the Target Group for FY2021 were approximately S\$12.5 million.

From 1 January 2022 to the date of this announcement, the Target Group had declared and paid interim dividends aggregating to approximately S\$23.6 million to the Seller.

As at the date of this announcement, there is no available open market valuation of the Sale Shares. As such, in connection with the Proposed Acquisition, the Seller and the Company have appointed BDO Advisory Pte Ltd and RSM Corporate Advisory Pte Ltd respectively to prepare independent valuation reports on the Target Group, including the market valuation of the Sale Shares, as at 31 March 2022. Details of the final independent valuation report (“Valuation Report”) or valuation certificate to be issued by RSM Corporate Advisory Pte Ltd will be set out in the Circular (as defined below) to be despatched to the Shareholders in due course.

## 2.5. Information relating to the Seller

The Seller is a company incorporated in Singapore on 12 November 1970 and was listed on the Mainboard of the SGX-ST on 21 June 1999. The Seller is an investment holding company that is principally engaged in a diversified portfolio of businesses including real estate, financial service, jewellery and other investments (including the hospitality business through its associate AF Global Limited).

The Seller is a controlling shareholder of the Company. As at the date of this announcement, the Seller has a direct interest in 667,446,769 shares in the Company (“Maxi-Cash Shares”), representing approximately 62.56% of the total issued Maxi-Cash Shares.

## 3. PRINCIPAL TERMS OF THE PROPOSED ACQUISITION

### 3.1. Consideration for the Proposed Acquisition

#### (a) Consideration

The aggregate consideration (the “**Consideration**”) for the Proposed Acquisition is up to S\$99.8 million, which comprises:

- (i) S\$87.8 million (the “**Base Consideration**”) payable on completion of the sale and purchase of the Sale Shares pursuant to the SPA (“**Closing**”), which shall be satisfied by:
  - (A) the payment of an amount of S\$37.0 million (the “**Base Consideration Cash Amount**”) comprising:
    - (1) the settlement by the Company on Closing of the debt of an amount not exceeding S\$22.0 million owing from the Seller to the Target Group (the “**Outstanding Debt**”) which shall be offset against an equivalent portion of the Base Consideration Cash Amount;

- (2) S\$7.5 million in cash (the “**Deferred Base Consideration Cash Amount**”) to be paid by the Company to the Seller on the date falling three months after the Closing Date (as defined below), in accordance with paragraph 3.1(d) below; and
  - (3) a remaining amount in cash (the “**Closing Base Consideration Cash Amount**”) equivalent to the Base Consideration Cash Amount LESS the aggregate of (i) the Outstanding Debt; and (ii) the Deferred Base Consideration Cash Amount, to be paid by the Company to the Seller on Closing. For illustrative purposes, the Closing Base Consideration Cash Amount will amount to S\$7.5 million<sup>1</sup> if the Outstanding Debt amounts to S\$22.0 million at Closing; and
- (B) an amount of S\$50.8 million (the “**Consideration Share Amount**”), which shall be satisfied by the allotment and issuance of 311,656,441 new ordinary shares in the capital of the Company (the “**Base Consideration Shares**”) to the Seller at an issue price of S\$0.163 (which is based on the volume weighted average price of the Maxi-Cash Shares for a period of five trading days prior to the date of the SPA on which transactions in the Maxi-Cash Shares were recorded (the “**Issue Price**”)) for each Base Consideration Share; and
- (ii) up to S\$12.0 million (the “**Earn-out Consideration**”), which shall be satisfied by:
    - (A) S\$6.0 million in cash (the “**Earn-out Consideration Cash Amount**”); and
    - (B) an amount of S\$6.0 million which shall be satisfied by the allotment and issuance of 36,809,815 new ordinary shares in the capital of the Company (the “**Earn-out Consideration Shares**”, and together with the Base Consideration Shares, the “**Consideration Shares**”) to be issued to the Seller at the Issue Price for each Earn-out Consideration Share,

and which shall be payable in accordance with paragraph 3.1(c) below.

The allotment and issuance of all Consideration Shares pursuant to the Proposed Acquisition (the “**Proposed Allotment**”) is subject to the approval of the Shareholders at the EGM.

The Consideration Shares will be credited as fully-paid and shall rank *pari passu* in all respects with the existing Maxi-Cash Shares at the time of the allotment and issuance of such Consideration Shares, save for rights to any dividends, rights, allotments or distributions, the record date of which falls prior to the Closing Date.

Based on the Issue Price, the aggregate of the total number of Base Consideration Shares and the maximum number of Earn-out Consideration Shares to be issued is 348,466,256 Maxi-Cash Shares, which represents approximately 24.62 per cent<sup>2</sup> of the issued share capital of the Company (on an enlarged basis immediately after the allotment and issuance of the Base Consideration Shares and the maximum number of Earn-out Consideration Shares).

<sup>1</sup> Being S\$37.0 million LESS (i) S\$22.0 million (being the Outstanding Debt); and (ii) S\$7.5 million (being the Deferred Base Consideration Cash Amount).

<sup>2</sup> Calculated on the basis of 1,066,927,234 Maxi-Cash Shares (excluding Maxi-Cash Shares held as treasury shares and subsidiary holdings) as at the date of this announcement and the enlarged share capital of 1,415,393,490 Maxi-Cash Shares (excluding treasury shares and subsidiary holdings).

The Company will be making an application to the SGX-ST via its Sponsor as soon as reasonably practicable after the signing of the SPA for the listing of and quotation for the Consideration Shares on the SGX-ST and will make the necessary announcement(s) upon receipt of the listing and quotation notice from the SGX-ST.

(b) Adjustments to the Base Consideration Shares and Earn-out Consideration Shares

If a variation in the ordinary share capital of the Company shall take place (including by way of, *inter alia*, consolidation, subdivision or reclassification of shares, capitalisation issues, rights, warrants or other convertibles issues and certain capital distributions (each, an “**Adjustment Event**”)) between the date of the SPA and the date the Earn-out Consideration Shares (if any) are issued pursuant to the terms of the SPA, the Company and the Seller agree that there shall be an adjustment to the number of Base Consideration Shares and/or Earn-out Consideration Shares, as the case may be, to be issued to the Seller as described in paragraph 3.1(a) above, so as to prevent a dilution of the percentage shareholding held by the Seller in the Company. Notwithstanding the above, where an Adjustment Event occurs which does not result in a pro rata dilution of the percentage shareholding held by the Seller in the Company, the Company and the Seller may (acting reasonably) mutually agree to an adjustment to the number of Base Consideration Shares and/or Earn-out Consideration Shares, as the case may be, that the Company and the Seller determine to be fair and reasonable to take into account such Adjustment Event had it occurred prior to the date of the SPA, in particular, if the Adjustment Event would have resulted in a reduction in the Issue Price.

(c) Earn-out Consideration

In the event the audited combined total profit after tax of the Target Group for the financial year ending 31 December 2022, excluding any (i) extraordinary/exceptional items, including but not limited to one-off income, expenses or write offs not in the ordinary course of the Target Group’s business; (ii) profit or loss attributable to non-controlling interest; (iii) other comprehensive income or loss (if any); and (iv) fair value gain or loss to the Target Group’s properties and securities (“**FY2022 NPAT**”) is:

- (A) at least S\$10.0 million, the Company shall make payment of the entire Earn-out Consideration to the Seller; or
- (B) less than S\$10.0 million, the Company shall make a pro rata payment of the Earn-out Consideration to the Seller in accordance with the following formulae:

Pro-rated cash :  $\frac{\text{FY2022 NPAT (in millions)}}{10}$  \* the Earn-out  
 portion of the Earn- Consideration Cash  
 out Consideration Amount  
 Cash Amount to be  
 paid by the  
 Company to the  
 Seller

Pro-rated Earn-out :  $\frac{\text{FY2022 NPAT (in millions)}}{10}$  \* the Earn-out  
 Consideration Consideration Shares  
 Shares to be issued  
 by the Company to  
 the Seller

The Earn-out Consideration (or such proportion thereof) shall be paid by the Company to the Seller within 30 days of the completion of a special purpose audit of the Target Group to be undertaken for the purposes of determining the FY2022 NPAT (the “**Special Audit**”) of, or such longer period, up to a maximum of six months after such Special Audit is completed.

(d) Deferred Base Consideration Cash Amount

- (i) The Company shall pay to the Seller (or its nominee) an amount of S\$7.5 million, being the Deferred Base Consideration Cash Amount, on the date falling three (3) months after the Closing Date (the “**Relevant Date**”).
- (ii) The Company and the Seller may mutually agree to a deferral in the payment of the Deferred Base Consideration Cash Amount, provided that the entire Deferred Base Consideration Cash Amount is paid in full no later than the date falling six (6) months from the Relevant Date.

(e) Basis of Consideration

The Consideration was arrived at on a “willing-buyer willing-seller” basis, taking into account, *inter alia*, (i) the historical financial performance of the Target Group; (ii) the Target Group’s business prospects; (iii) the average of the indicative market values of the Sale Shares based on the preliminary valuation conducted by the valuers appointed by the Company (RSM Corporate Advisory Pte Ltd) and the Seller (BDO Advisory Pte Ltd) respectively; and (iv) the proposed terms and formulae of the Consideration.

3.2. **Source of funds**

The Base Consideration Cash Amount (excluding the Outstanding Debt) and the Earn-out Consideration Cash Amount will be funded using a combination of internal funds and/or bank borrowings.

3.3. **Conditions Precedent**

The agreement to sell and purchase the Sale Shares under the SPA is conditional upon satisfaction or waiver (as the case may be) of, *inter alia*, the following conditions, or their satisfaction subject only to Closing:

- (a) all consents, approvals and authorisations of governmental authorities and any counterparties to the contracts entered into by the Seller’s group, Target Group or the MCFS Group which are necessary in connection with the transfer of the Sale Shares as contemplated under the SPA having been obtained, and if such consents, approvals and authorisations are subject to conditions, such conditions being acceptable to both the Seller and the Company (acting reasonably and in good faith);
- (b) approval by the shareholders of the Seller of the sale of the Sale Shares on the terms and conditions set out in the SPA, in accordance with applicable laws and regulations (including the listing manual of the SGX-ST (the “**SGX-ST Listing Manual**”));
- (c) no event having occurred which has a material adverse effect on the turnover, profitability, financial or trading position or prospects of the Target Group as a whole, not being an event affecting or likely to affect generally all companies carrying on similar businesses;
- (d) no notice of termination having been received by any member of the Target Group (each, a “**Target Group Company**”) in connection with any material contract, lease, licence or other similar commercial arrangement to which the Target Group Company is a party, as identified by the Target Group and agreed in writing by the Company, and none of such material contracts, leases, licences or commercial arrangements being

adversely affected to a material extent, as a result of the entry by the Seller into the SPA and/or the transactions contemplated under the SPA;

- (e) the net asset value of the Target Group as derived from the combined unaudited management accounts of the Target Group for the most recent completed quarter prior to Closing not being less than S\$40.0 million;
- (f) the Seller's warranties provided pursuant to the SPA being and remaining true, accurate and not misleading in all material respects as at the date of the SPA and as at the Closing Date;
- (g) no injunction, interim or otherwise, having been granted in respect of the Seller, any Target Group Company or the Company, and no laws having been enacted or proposed, which would prohibit, restrict or delay (i) the Seller or the Company from entering into or performing their obligations under the SPA; and/or (ii) the implementation of the transactions contemplated by the SPA;
- (h) approval by the Shareholders of the acquisition of the Sale Shares and the allotment and issuance of the Consideration Shares to the Seller on the terms and conditions set out in the SPA, in accordance with applicable laws and regulations (including the SGX-ST Listing Manual); and
- (i) receipt of the listing and quotation notice from the SGX-ST for the listing of and quotation for all the Consideration Shares on the SGX-ST on conditions (if any) reasonably acceptable to both the Seller and the Company and such notice not being revoked or amended, and any such conditions which are required to be fulfilled on or before the Closing Date being fulfilled on or before that date to the satisfaction of the SGX-ST or waived by the SGX-ST.

#### 3.4. Closing

Closing shall take place on the date falling five (5) business days after the date of satisfaction or waiver of the last of the conditions precedent set out in the SPA, or such other date as may be agreed by the Company and the Seller in writing (the "**Closing Date**").

#### 3.5. Cut-off Date

If the conditions precedent in the SPA are not satisfied or waived on or before 31 December 2022 or such other date as may be agreed in writing between the Company and the Seller, save as expressly provided, the Company or the Seller may, in its absolute discretion, terminate the SPA (other than the surviving provisions of the SPA) and neither the Seller nor the Company shall have any claim against the other under it, save for any claim arising from antecedent breaches of the SPA.

### 4. RATIONALE FOR AND BENEFIT TO THE COMPANY ARISING FROM THE PROPOSED ACQUISITION

The Board is of the view that the Proposed Acquisition will be in the best interests of the Company and the Shareholders, having taken into consideration the following:

- (a) The Proposed Acquisition is in line with the Seller's overarching re-organisation efforts, which will enable the Seller to focus and consolidate its local retail business segment under the management of the Company. Upon the completion of the Proposed Acquisition, the Company will change its name to "Aspial Lifestyle Limited" as its consumer lifestyle related business would be significantly expanded. In addition to its existing pawnbroking, money lending, and retail and trading of pre-owned jewellery and branded merchandise businesses, the Company will also own and operate two (2) of the largest jewellery retail chains in Singapore under the well-known "Lee Hwa" and "Goldheart" brands, which have strong brand equity, established track record,

innovative concepts, competent management team, established customer base and prime store network.

As such, the Board is of the view that the Proposed Acquisition will transform the MCFS Group into a consumer lifestyle powerhouse in Singapore, and unlock a new stage of growth for the MCFS Group.

- (b) The Target Group is profitable and the Proposed Acquisition would be earnings accretive for the MCFS Group upon the completion of the Proposed Acquisition, with opportunities for further growth. As such, the Company believes that the Proposed Acquisition is in the interest of the MCFS Group and will enhance shareholders' value in the long term.
- (c) With the Proposed Acquisition, the enlarged MCFS Group will be able to significantly increase its retail presence in Singapore, with the addition of the Target Group's 25 retail outlets<sup>3</sup> islandwide in Singapore. With the enlarged scale, the combined businesses will allow the MCFS Group to benefit from an improved relative bargaining position when dealing with business partners, suppliers, vendors and lenders.
- (d) The enlarged scale of the business and operations will enable the MCFS Group to better manage its talent across all business functions by providing a larger platform and more diverse career opportunities. This will allow the enlarged MCFS Group to attract, train and retain talent, which in turn will drive long-term growth of the MCFS Group.
- (e) The Proposed Acquisition will also allow the enlarged MCFS Group to create and benefit from group-wide synergies and cost savings in areas of organisational structure, systems, processes and knowledge transfer across various business and support functions in the MCFS Group, including, but not limited to, marketing, merchandising, operations, information technology, finance and human resources.
- (f) The Consideration for the Proposed Acquisition will be fulfilled partially by way of Maxi-Cash Shares (being the Base Consideration Shares and the Earn-out Consideration Shares), which will allow the Company to conserve its cash outlay.

## **5. RATIONALE FOR THE PROPOSED CHANGE OF NAME**

Upon the completion of the Proposed Acquisition, the Board believes that the Proposed Change of Name will better represent the enlarged MCFS Group as its consumer lifestyle related business would be significantly expanded. In addition to its existing pawnbroking, money lending, and retail and trading of pre-owned jewellery and branded merchandise businesses, the renamed Aspial Lifestyle group will also own and operate two of the largest jewellery retail chains in Singapore under the well-known "Lee Hwa" and "Goldheart" brands. The Proposed Change of Name will also allow the public and the Company's business partners to better identify with the Company going forward based on its business plans and strategic direction post completion of the Proposed Acquisition.

## **6. THE PROPOSED ACQUISITION AS AN INTERESTED PERSON TRANSACTION**

### **6.1. Entity at Risk and Interested Persons**

The Seller is a controlling shareholder of the Company, holding a direct and deemed interest in 667,446,769 Maxi-Cash Shares, representing approximately 62.56% of the total issued Maxi-Cash Shares. Furthermore, as at the date of this announcement, each of Koh Wee Seng, Koh Lee Hwee and Ko Lee Meng (collectively, the "**Koh Siblings**"), together with his/her immediate family, has an interest of 30% or more in the Seller and the Seller is hence regarded as an associate of a Director (being each of the Koh Siblings). Pursuant to Chapter 9 of the Catalyst Rules, the Seller is considered as an "interested person" of the Company.

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<sup>3</sup> As at the date of this announcement.

Accordingly, the Proposed Acquisition (including the Proposed Allotment), which is a transaction entered into between the Company (being an “entity at risk” under Chapter 9 of the Catalist Rules) and the Seller, would constitute an “interested person transaction” for the purposes of Chapter 9 of the Catalist Rules, and the Proposed Acquisition is therefore subject to, *inter alia*, Rules 905, 906 and 907 of the Catalist Rules.

## 6.2. Shareholders’ Approval pursuant to Chapter 9 of the Catalist Rules

Pursuant to Rule 906 of the Catalist Rules, an issuer must obtain shareholders’ approval for an interested person transaction of a value equal to, or more than, 5% of the group’s latest audited NTA. The audited NTA of the MCFS Group (“**MCFS Group NTA**”) is S\$147.9 million for FY2021 and the Consideration represents approximately 67.49% of the MCFS Group NTA. As such, the Company is required to seek Shareholders’ approval for the Proposed Acquisition at the EGM.

## 6.3. Current and On-going Interested Person Transactions.

- (a) For the current financial year commencing on 1 January 2022 up to the date of this announcement, the aggregate value of all transactions with the Seller and its associates (excluding the Proposed Acquisition and transactions less than S\$100,000) is approximately S\$9,343,000.

Information on the interested person transactions entered into between the MCFS Group and the same interested persons for the current financial year commencing on 1 January 2022 are set out below:

Name of interested person(s)	Details of Transaction	Aggregate value of all interested person transactions in the financial year commencing on 1 January 2022 (excluding transactions less than S\$100,000) (S\$'000)
AF Global Limited and its subsidiaries	Lease of premises	116
	Exchange/subscription of 3-years 6.05% per cent. bonds due 2025 issued by the Company (“ <b>Maxi-Cash Bonds</b> ”)	460 <sup>(1)</sup>
The Seller and its subsidiaries	Corporate Charges	1,200
	Lease of premises	1,862
	Provisions of management services	195
Aspial Capital (Ubi) Pte Ltd	Lease of premises	1,530
Ko Lee Meng and her child	Exchange/subscription of Maxi-Cash Bond	414 <sup>(1)</sup>
Lim Kwee Hua		274 <sup>(1)</sup>
DN Global Pte Ltd		506 <sup>(1)</sup>
Koh Wee Meng		1,815 <sup>(1)</sup>
Tan Su Lan		817 <sup>(1)</sup>
Aspial-Lee Hwa Singapore	Acquisition of finished goods	154

**Note:**

- (1) The exchange/subscription of Maxi-Cash Bonds were exchanged or subscribed in the first quarter of the current financial year commencing on 1 January 2022. Interest computed is based on the total interest (6.05% per annum) to be received over the tenure of 3 years and inclusive of exchange fee for the relevant exchange offered bonds where applicable.
- (b) The aggregate value of all interested person transactions for the current financial year commencing on 1 January 2022 up to the date of this announcement (excluding the Proposed Acquisition and transactions less than S\$100,000) is approximately S\$9,343,000.

**6.4. Independent Financial Adviser**

Pursuant to Rule 921(4)(a) of the Catalist Rules, the Company is finalising the appointment of an independent financial adviser (the “**IFA**”) to advise the Directors who are considered independent for the purposes of the Proposed Acquisition (the “**Independent Maxi-Cash Directors**”) on whether the Proposed Acquisition is on normal commercial terms and prejudicial to the interests of the Company and its minority Shareholders. A copy of the letter from the IFA to the Independent Maxi-Cash Directors will be included in the Circular.

**6.5. Opinion of Audit Committee**

The audit committee of the Company (the “**Audit Committee**”) as at the date of this announcement 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 a director and controlling shareholder of the Seller, she is considered interested in the Proposed Acquisition and has recused herself from the Audit Committee’s deliberations on the Proposed Acquisition.

The Audit Committee (other than Ms Ko Lee Meng) will be obtaining an opinion from the IFA before forming its view on whether the Proposed Acquisition is on normal commercial terms and is not prejudicial to the interests of the Company and its minority Shareholders, which will be set out in the Circular to be despatched to the Shareholders in due course.

**7. 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 audited consolidated financial statements of the MCFS Group for FY2021 are as follows:

<b>Rule 1006</b>	<b>Bases</b>	<b>Relative Figures (%)</b>
(a)	Net asset value of the assets to be disposed of, compared with the MCFS Group’s net asset value.	Not applicable <sup>(1)</sup>
(b)	Net profits attributable to the assets to be acquired, compared with the MCFS Group’s net profits <sup>(2)</sup>	81.44 <sup>(3)</sup>
(c)	Aggregate value of the consideration given, compared with the Company’s market capitalisation based on the total number of issued shares, excluding treasury shares <sup>(4)</sup>	57.04 <sup>(5)</sup>
(d)	Number of equity securities issued by the Company as consideration for the Proposed Acquisition, compared with the number of equity securities previously in issue	32.66 <sup>(6)</sup>

<b>Rule 1006</b>	<b>Bases</b>	<b>Relative Figures (%)</b>
(e)	Aggregate volume or amount of proved and probable reserves to be disposed of, compared with the aggregate of MCFS Group's proved and probable reserves	Not applicable <sup>(7)</sup>

**Notes:**

- (1) Not applicable, as there are no assets to be disposed of.
- (2) Based on the latest announced audited consolidated financial statements of the MCFS Group for FY2021.
- (3) Based on the net profits attributable to the Target Group of S\$14,320,000, compared with the MCFS Group's net profits of S\$17,583,000, for FY2021.
- (4) The Company's market capitalisation is based upon 1,066,927,234 Maxi-Cash Shares in issue (excluding treasury shares and subsidiary holdings), at a volume weighted average price of S\$0.164 per Maxi-Cash Share on 6 July 2022, being the last market day on which the Maxi-Cash Shares were traded preceding the date of the SPA.
- (5) Based on the aggregate value of the consideration given of S\$99,800,000, compared with the Company's market capitalisation of S\$174,976,066.
- (6) Based on the aggregate of up to 348,466,256 new Maxi-Cash Shares to be issued (comprising 311,656,441 Base Consideration Shares and up to 36,809,815 Earn-out Consideration Shares).
- (7) Not applicable, as the Company is not a mineral, oil and gas company.

As at least one of the relative figures computed on the applicable bases set out in Rule 1006 of the Catalist Rules for the Proposed Acquisition exceeds 75% but is less than 100%, the Proposed Acquisition constitutes a "major transaction" under Rule 1014 of the Catalist Rules and shall be subject to the approval of the Shareholders.

## **8. PRO FORMA FINANCIAL EFFECTS OF THE PROPOSED ACQUISITION**

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

**(a) Bases and Assumptions**

The unaudited pro forma financial effects for the Proposed Acquisition have been prepared based on the audited consolidated financial statements of the MCFS Group for FY2021, being the most recently completed financial year for which financial statements are publicly available as at the date of this announcement. The financial effects set out below are purely for illustrative purposes only and do not necessarily reflect the actual results and financial performance and position of the MCFS Group after the Proposed Acquisition. No representation is made as to the financial position and/or results of the Company after the completion of the Proposed Acquisition.

**(b) NTA per Maxi-Cash Share**

For illustrative purposes only and assuming that the Proposed Acquisition had been effected on 31 December 2021, being the end of FY2021, the pro forma financial effects on the consolidated NTA per Maxi-Cash Share for FY2021 are as follows:

	<b>Before the Proposed Acquisition</b>	<b>After the Proposed Acquisition<sup>(1)</sup></b>
Net Assets attributable to owners of the Company (S\$)	149,426,000	172,015,000
Less: Intangibles and Net Deferred Tax Assets <sup>(1)</sup> (S\$)	2,678,000	5,595,000

	Before the Proposed Acquisition	After the Proposed Acquisition <sup>(1)</sup>
MCFS Group NTA attributable to owners of the Company (S\$)	146,748,000	166,420,000
Number of Maxi-Cash Shares	1,066,927,234 <sup>(2)</sup>	1,415,393,490
<b>NTA per Maxi-Cash Share (cents)</b>	<b>13.75</b>	<b>11.76</b>

**Notes:**

- (1) Based on the total Consideration (assuming the Earn-out Consideration is paid in full).
- (2) Computed based on deferred tax assets, net of deferred tax liabilities.
- (3) Being the number of Maxi-Cash Shares in issue as at 31 December 2021.

(c) **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 <sup>(1)</sup>
Net profit after tax attributable to owners of Company (before fair value adjustments and exceptional items) (S\$)	14,446,000	26,993,000
Weighted average number of Maxi-Cash shares	1,036,666,820	1,385,133,076
<b>EPS (in cents)</b>	<b>1.39</b>	<b>1.95</b>

**Note:**

- (1) Based on the total Consideration (assuming the Earn-out Consideration is paid in full).

## 9. SHAREHOLDERS' APPROVAL FOR THE PROPOSED ALLOTMENT

- 9.1. **Rule 805(1) of the Catalist Rules.** Section 161 of the Companies Act and Rule 805(1) of the Catalist Rules provide, among others, that an issuer must obtain the prior approval of shareholders in general meeting for the issue of shares or convertible securities or the grant of options carrying rights to subscribe for shares of the issuer unless the issue of shares or convertible securities or the grant of options carrying rights to subscribe for shares of the issuer is made pursuant to a general mandate previously obtained from shareholders of the issuer at a general meeting as provided in Rule 806 of the Catalist Rules.

The Proposed Allotment will be made pursuant to a specific mandate and the Company is seeking specific Shareholder's approval for the Proposed Allotment at the EGM in accordance with Rule 805(1) of the Catalist Rules.

- 9.2. **Rule 804 and Rule 812 of the Catalist Rules.** Rule 804 of the Catalist Rules further provides, among others, that except in the case of an issue made on a pro rata basis to shareholders or a scheme referred to in Part VIII of Chapter 8 of the Catalist Rules, no director of an issuer, or associate of the director, may participate directly or indirectly in an issue of equity securities or convertible securities unless shareholders in general meeting have approved the specific allotment. Such directors and their associates must abstain from exercising any voting rights on the matter.

In addition, Rule 812(1) and Rule 812(2) of the Catalist Rules provide that an issue of shares must not be placed to an issuer's directors and substantial shareholders and their immediate family members unless specific shareholders' approval has been obtained for such placement, and the person, and its associates, must abstain from voting on the resolution approving the placement.

As the Consideration Shares will be allotted and issued to the Seller, which is an associate of the Koh Siblings as well as a substantial shareholder of the Company, Shareholders' approval is required for the allotment of and issue of the Consideration Shares to the Seller pursuant to Rule 804 and Rule 812 of the Catalist Rules.

## **10. CIRCULAR AND EGM**

The Company will be convening an EGM to seek the Shareholders' approval for the Proposed Acquisition (including the Proposed Allotment) and the Proposed Change of Name, and a circular containing, *inter alia*, the notice of the EGM and further details of the Proposed Acquisition (including the Proposed Allotment) and the Proposed Change of Name (the "Circular") and the Valuation Report or valuation certificate will be despatched to the Shareholders in due course.

## **11. ABSTENTION FROM VOTING AND/OR RECOMMENDATION TO THE BOARD AND THE SHAREHOLDERS**

- 11.1. Under Rule 919 of the Catalist Rules, an interested person and their associates must abstain from voting on the resolution approving the interested person transactions involving themselves and their associates. Such interested persons and their associates shall not act as proxies nor accept appointments as proxies in relation to such resolution unless specific voting instructions had been given by the Shareholders.
- 11.2. Under Rule 812(2) of the Catalist Rules, persons falling under Rule 812(1) of the Catalist Rules, and their associates, must abstain from voting on the resolution approving the placement to themselves.
- 11.3. Accordingly, the Seller, the Koh Siblings and their respective associates will abstain from (a) deliberating and making any recommendation to the Board and the Shareholders in respect of the resolutions in connection with the Proposed Acquisition and the Proposed Allotment; and (b) voting on the Proposed Acquisition and the Proposed Allotment.

## **12. INTERESTS OF DIRECTORS AND CONTROLLING SHAREHOLDERS**

As at the date of this announcement, save as disclosed in paragraphs 2.5, 6.1, 6.5 and 9.2 above and save for shares in the Company and/or the Seller held by the Directors (other than the Koh Siblings), none of the Directors or controlling shareholders of the Company has any interest, direct or indirect, in the Proposed Acquisition and/or the Proposed Allotment.

## **13. FINANCIAL ADVISER**

SAC Capital Private Limited has been appointed as the financial adviser to the Company for the purposes of the Proposed Acquisition.

## **14. EFFECTING THE PROPOSED CHANGE OF NAME**

- 14.1. Upon receipt of the approval of the Shareholders for the Proposed Change of Name, and subject to the completion of the Proposed Acquisition, the Company will lodge with ACRA a Notice of Change of Name from "Maxi-Cash Financial Services Corporation Ltd." to "Aspial Lifestyle Limited" to effect such change. Upon the receipt of the Certificate of Incorporation on Change of Name of Company from ACRA, the name "Aspial Lifestyle Limited" shall be substituted for "Maxi-Cash Financial Services Corporation Ltd.", wherever the latter name appears in the constitution of the Company. The Company will make an announcement when the Proposed Change of Name takes effect.

- 14.2. Shareholders should note that notwithstanding the Proposed Change of Name, the Company will not recall existing share certificates in respect of the Maxi-Cash Shares, which will continue to be *prima facie* evidence of legal title. No further action is required on the part of the Shareholders in respect of existing share certificates.

**15. 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 in connection with the Proposed Acquisition.

**16. DOCUMENTS AVAILABLE FOR INSPECTION**

A copy of the SPA is 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.

**17. CAUTIONARY STATEMENT**

Shareholders and potential investors are advised to exercise caution when dealing in Maxi-Cash Shares. The Proposed Acquisition is subject to the fulfilment of conditions precedent under the SPA. There is no certainty or assurance that the Proposed Acquisition will be completed or that no changes will be made to the terms thereof. Shareholders and potential investors are advised to read this announcement and any further announcements by the Company carefully. Shareholders and potential investors should consult their stockbrokers, bank managers, solicitors or other professional advisers if they have any doubt about the actions they should take.

BY ORDER OF THE BOARD  
**MAXI-CASH FINANCIAL SERVICES CORPORATION LTD.**

Lim Swee Ann  
Company Secretary  
7 July 2022

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*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 Ms Tay Sim Yee (Tel: 6232 3210) at 1 Robinson Road, #21-00 AIA Tower, Singapore 048542.*