

JOINT MEDIA RELEASE

Aspial Corporation plans to re-organise its retail businesses into a consumer lifestyle powerhouse

- **Aspial Lifestyle Limited (the renamed Maxi-Cash Financial Services Corporation Ltd.) will own and manage three leading Singapore brands, Lee Hwa, Goldheart and Maxi-Cash**

SINGAPORE, 07 July 2022 – SGX Mainboard-listed Aspial Corporation Limited (“**Aspial**”, and together with its subsidiaries, the “**Aspial Group**”) today announced its plans to re-organise its business lines for greater focus and synergy by consolidating its local jewellery business under SGX Catalist-listed Maxi-Cash Financial Services Corporation Ltd. (“**MCFS**”, and together with its subsidiaries, the “**MCFS Group**”).

Aspial has entered into a sale and purchase agreement (“**SPA**”) with MCFS, pursuant to which Aspial will sell all the issued ordinary shares (the “**Sale Shares**”) in the capital of its wholly-owned subsidiaries Aspial-Lee Hwa Jewellery Singapore Pte. Ltd., Gold Purple Pte. Ltd. and BU2 Services Pte. Ltd. (the “**Target Companies**” and together with its subsidiaries, the “**Target Group**”), to MCFS for an aggregate consideration of up to S\$99.8 million (the “**Consideration**”) based on the terms and conditions of the SPA (the “**Proposed Transaction**”). With Aspial being the controlling shareholder of MCFS with a 62.56% shareholding, the Proposed Transaction is considered both a major transaction and an interested party transaction and will be subject to the approval of the shareholders of Aspial and MCFS at their respective extraordinary general meetings (“**EGM**”) to be convened.

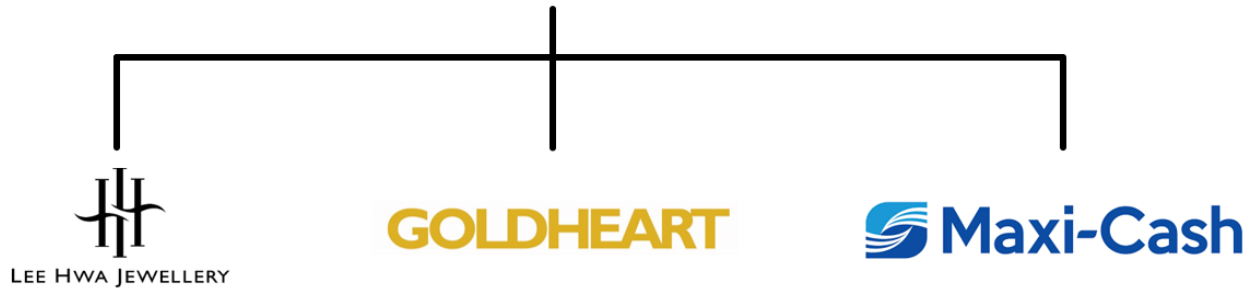
Upon completion of the Proposed Transaction, MCFS will change its name to “Aspial Lifestyle Limited” (“**Aspial Lifestyle**”) as its consumer lifestyle related business would be significantly expanded. In addition to its existing pawnbroking, money lending, and retail and trading of pre-owned jewellery and branded merchandise businesses, the renamed Aspial Lifestyle will also own and operate two of the largest jewellery retail chains in Singapore under the well-known “Lee Hwa” and “Goldheart” brands, which have

strong brand equity, an established track record, innovative concepts, a competent management team, an established customer base, and a prime store network.

Commenting on the Proposed Transaction, **Mr Koh Wee Seng, Chief Executive Officer of Aspial** said: *“This strategic exercise will enable the Aspial Group to consolidate resources and leverage on economies of scale and other synergistic benefits. Aspial Lifestyle Group (the renamed MCFS Group) will house three leading, renowned Singapore retail brands “Lee Hwa”, “Goldheart” and “Maxi-Cash”. It will transform the Group’s retail business into a consumer lifestyle powerhouse and unlock a new stage of growth.”*

Aspial Lifestyle Limited

(currently Maxi-Cash Financial Services Corporation Limited)



Mr Ng Kean Seen, Chief Executive Officer of MCFS added: *“The Proposed Transaction will make us a preeminent consumer lifestyle company in Singapore with a portfolio of strong brands. With the provision of so many lifestyle touchpoints with Singapore consumers, it is fitting for our name to be changed to Aspial Lifestyle, reflecting our evolution and next stage of growth.”*

Rationale for the Proposed Transaction

The Proposed Transaction is part of an overarching re-organisation efforts by the Aspial Group, which has been conducting strategic reviews with the objective of streamlining its investments, businesses, operations, and corporate structure. The Proposed Transaction enables the Aspial Group to focus and consolidate its local retail business segment under the management of MCFS, which will remain a 71.78%-owned subsidiary¹ of Aspial, with its financial results continuing to be consolidated with Aspial Group’s

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

financials, allowing Aspial and its shareholders to continue to participate in the growth prospects of the enlarged MCFS Group, thereby enhancing shareholders' value.

The Proposed Transaction will also minimise any potential and/or existing conflicts of interest between the MCFS Group and the Target Group and any future transactions entered between the two will no longer be considered as interested person transactions. Accordingly, this will provide the MCFS Group greater control and flexibility to mobilise and optimise resources across its businesses to facilitate greater business collaborations, and reduce expenses associated with the adherence to regulatory and compliance requirements related to interested person transactions.

Pursuant to the completion of the Proposed Transaction, Aspial Group will continue to be principally engaged in its diversified portfolio of businesses which include real estate, a re-focused local retail business (including the jewellery and financial services businesses), and other investments (including the hospitality business through its associate AF Global Limited). Furthermore, as the completion of the Proposed Transaction is expected to result in Aspial increasing its equity interest in MCFS, the Board of Aspial is of the view that the Proposed Transaction is the best interests of the Aspial Group and its shareholders.

With the Proposed Transaction, 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 islandwide in Singapore. The combined businesses of the MCFS Group will allow it to benefit from an improved relative bargaining position when dealing with business partners, suppliers, vendors, and lenders. There will also be group-wide synergies and cost savings in areas of organisational structure, systems, processes and knowledge transfer across various businesses and support functions.

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 also allow the MCFS Group to better attract, train and retain talent, which will in turn help drive long-term growth.

The Board of MFCS is of the view that the Proposed Transaction will allow the MCFS Group to unlock a new stage of growth. The completion of the Proposed Transaction will also be earnings accretive for the

MCFS Group, and the Board believes that the Proposed Transaction will enhance shareholders' value in the long term. Furthermore, the Consideration will be fulfilled partially in by way of shares in MCFS to be allotted to Aspial, which will allow the MCFS Group to conserve its cash outlay.

Principal Terms of SPA

The Consideration comprises:

- (A) S\$87.8 million (the "**Base Consideration**") which shall be satisfied by:
- i. S\$37.0 million (the "**Base Consideration Cash Amount**") comprising:
 - a. the settlement by MCFS of the debt of an amount not exceeding S\$22.0 million owing from Aspial to the Target Group (the "**Outstanding Debt**") which shall be offset against an equivalent portion of the Base Consideration Cash Amount;
 - b. S\$7.5 million in cash (the "**Deferred Base Consideration Cash Amount**") on the date falling three months after Closing; and
 - c. a remaining amount in cash (the "**Closing Base Consideration Cash Amount**"). For illustrative purposes, the Closing Base Consideration Cash Amount will amount to S\$7.5 million² if the Outstanding Debt amounts to S\$22.0 million at Closing;
 - ii. S\$50.8 million ("**Consideration Share Amount**") which shall be satisfied by the allotment and issuance of 311,656,441 new ordinary shares in the capital of MCFS (the "**Base Consideration Shares**") to Aspial at an issue price³ of S\$0.163 for each Base Consideration Share (the "**Issue Price**");
- (B) up to S\$12.0 million (the "**Earn-out Consideration**"), which shall be satisfied by:
- i. S\$6.0 million in cash (the "**Earn-out Consideration Cash Amount**"); and
 - ii. 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 MCFS (the "**Earn-out Consideration Shares**") to Aspial at the Issue Price for each Earn-out Consideration Share.

² 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).

³ The Issue Price is based on the volume weighted average price of MCFS' shares for a period of five (5) trading days prior to the date of the SPA on which transactions in the MCFS' shares were recorded.

In the event that the audited combined total profit after tax of the Target Group⁴ for the financial year ending 31 December 2022 is at least S\$10.0 million, MCFS shall make payment of the entire Earn-out Consideration, and if such profit after tax is less than S\$10.0 million, the Earn-out Consideration shall be pro-rated accordingly.

The Consideration was arrived at on a willing-buyer and 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 valuations conducted by the respective companies' valuers, and (iv) the proposed terms and formulae of the Consideration. The Proposed Transaction is subject to conditions precedent set out in the SPA, including but not limited to, the necessary regulatory approvals, as well as approval of the shareholders of Aspial and MCFS.

Note: This Media Release is to be read in conjunction with the respective SGX-Net announcements of Aspial Corporation Limited and Maxi-Cash Financial Services Corporation Ltd. released on the date of this Media Release.

End.

About Aspial Corporation Limited

Aspial Corporation Limited is the first public-listed jewellery retailer on Singapore stock exchange.

Aspial has grown into a leading jewellery group in Asia owning the Lee Hwa Jewellery and Goldheart Jewelry brands. Today, Aspial is a conglomerate with diverse businesses in jewellery retailing, real estate, hospitality, financial services and bullion business.

These businesses are operated by its subsidiaries and associate companies, two of which are listed on the Singapore stock exchange; they are Maxi-Cash Financial Services Corporation Ltd and AF Global Limited. For more information, please visit www.aspial.com.

⁴ 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, (ii) other comprehensive income or loss (if any), and (iii) fair value gain or loss to the Target Group's properties and securities.

About Maxi-Cash Financial Services Corporation Ltd.

Incorporated in 2008, MCFS is the first public-listed pawnbroker on the Singapore stock exchange. The MCFS Group also retails jewellery and branded merchandise, and provides secured lending services.

Today, the MCFS Group has the largest network of pawnshops and retail outlets across Singapore, Malaysia, Hong Kong and Australia.

As the leader in the pawnbroking and retail industry in Singapore, the MCFS Group continues to innovate in our products, services and customer experience. In 2022, the MCFS Group is proud to be awarded the Straits Times Singapore's Best Employers award. For more information, please visit www.maxi-cash.com

Issued on behalf of	:	Aspial Corporation Limited and Maxi-Cash Financial Services Corporation Ltd.
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This media release has been jointly prepared by Aspial Corporation Limited and Maxi-Cash Financial Services Corporation Ltd., and its contents have been reviewed by the Maxi-Cash Financial Services Corporation Ltd.'s sponsor, SAC Capital Private Limited ("**Sponsor**"). This media release 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.

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