MAXI-CASH FINANCIAL SERVICES CORPORATION LTD.
(Incorporated in the Republic of Singapore)
(Company Registration No. 200806968Z)

THE ADOPTION OF THE PROPOSED SHAREHOLDERS' MANDATE FOR INTERESTED PERSON TRANSACTIONS

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1. INTRODUCTION

1.1 The Board of Directors (the "**Board**") of Maxi-Cash Financial Services Corporation Ltd. (the "**Company**", and together with its subsidiaries, the "**Maxi-Cash Group**") wishes to announce that the Company proposes to adopt a shareholders' mandate (the "**Proposed Shareholders' Mandate**") to enable the Company to enter into the following transactions with Aspial Corporation Limited ("**ACL**"), its subsidiaries and associated companies (collectively, the "**Aspial Group**" or the "**Mandated Interested Persons**"):

(i) the purchase of finished goods by any Maxi-Cash IPT Group Entity (as defined below) from the Mandated Interested Persons (the "**Mandated Finished Goods Transactions**");

(ii) the procurement of services in connection with the jewellery business including the certification of jewellery and procurement of price tags, dismantling charges and jewellery repair from the Mandated Interested Persons for any Maxi-Cash IPT Group Entity (the "**Mandated Jewellery Transactions"**);

(iii) the sale of loose diamonds by any Maxi-Cash IPT Group Entity to the Mandated Interested Persons (the "**Mandated Loose Diamonds Transactions**"); and

(iv) the providing and procuring of intra-group corporate and management support services to and from the Mandated Interested Persons (the "**Mandated Corporate and Management Support Service Transactions**", and together with the Mandated Finished Goods Transactions, the Mandated Jewellery Transactions, and the Mandated Loose Diamonds Transactions, the "**Mandated Transactions**").

1.2 For the purposes of this Announcement, the definition of the following terms are as follows:

(i) "**Maxi-Cash IPT Group**" means (a) the Company, (b) a subsidiary of the Company that is not listed on the SGX-ST or an approved exchange; and (c) an associated company of the Company that is not listed on the SGX-ST or an approved exchange, provided that the Maxi-Cash Group, or the Maxi-Cash Group and Interested Person(s) of the Company, have control over the associated company (each, a "**Maxi-Cash IPT Group Entity**"); and

(ii) "**Interested Person(s)** or **interested person(s)**" means (a) a Director, chief executive officer of the Company, or Controlling Shareholder or (b) an associate of any such Director, chief executive officer, or Controlling Shareholder.

1.3 **Shareholders' Approval**. The Board intends to convene an extraordinary general meeting of the Company ("**EGM**") in due course to seek approval and/or ratification from shareholders of the Company (the "**Shareholders**") for the proposed adoption of the Proposed Shareholders' Mandate.

2. THE PROPOSED SHAREHOLDERS' MANDATE

2.1 Background. Pursuant to Chapter 9 of Section B: Rules of Catalist of the Listing Manual of the SGX-ST (the "**Catalist Rules**"), the Company is allowed to obtain a general mandate from its Shareholders to enable the Company, its subsidiaries and associated companies that are considered to be "entities at risk" under Chapter 9 of the Catalist Rules, or any of them, to enter into any of the transactions with the Interested Persons, provided that such transactions are carried out on normal commercial terms, will not be prejudicial to the interests of the Company and its minority shareholders and are in accordance with the guidelines and review procedures for Interested Person Transactions.

2.2 Rationale and Benefits of the Proposed Shareholders' Mandate.

2.2.1 The Maxi-Cash IPT Group has been, and it is anticipated that it will be, in the ordinary course of business, entering into the Mandated Transactions with the Mandated Interested Persons in its ordinary course of business and/or which are necessary for the day-to-day operations of the Maxi-Cash IPT Group.

2.2.2 In view of the time-sensitive nature of commercial transactions and the possible frequency of such commercial transactions, the Company believes that it would be advantageous to the Maxi-Cash IPT Group to approve the Proposed Shareholders' Mandate in order to further potential business opportunities and strategies between the Maxi-Cash IPT Group and the Mandated Interested Persons. The adoption of the Shareholders' Mandate and the renewal of the Shareholders' Mandate on an annual basis thereafter will eliminate the need to convene separate extraordinary general meetings from time to time to seek Shareholders' approval as and when potential Mandated Transactions with the Mandated Interested Persons arise or prior to implementing any Mandated Transactions with the Mandated Interested Persons, thereby substantially reducing the administrative time and expenses in convening such meetings (including the engagement of external advisers and preparation of documents) on an ad hoc basis and improving administrative efficiency and efficacy considerably by allowing manpower resources and time to be channelled towards attaining other business objectives available to the Maxi-Cash IPT Group, without compromising the Maxi-Cash IPT Group's corporate objectives or adversely affecting the business opportunities available to the Maxi-Cash IPT Group.

2.2.3 The Proposed Shareholders' Mandate is intended to facilitate the Mandated Transactions which are necessary for the Maxi-Cash Group's day-to-day operations and which are transacted from time to time and in the ordinary course of business, provided that they are carried out on normal commercial terms and are not prejudicial to the interests of the Company and its minority Shareholders.

2.2.4 Further details on each of the Mandated Transactions are provided below.

2.3 Mandated Finished Goods Transactions. In relation to the Mandated Finished Goods Transactions, the Company believes that the Maxi-Cash IPT Group:

(i) can benefit from the purchase of finished goods from the Mandated Interested Persons, which purchase would be on terms no less favourable to the Maxi-Cash IPT Group than those purchased from other non-interested/unrelated third parties, allowing the Maxi-Cash IPT Group to benefit from keeping the cost of the finished goods relatively lower at cost-price;

(ii) will benefit from the increase in the Maxi-Cash IPT Group's selection of new finished goods and having access to competitive quotes from, or transacting with, the Mandated Interested Persons in respect of the finished goods procured; and

(iii) will benefit from the flexibility of the Proposed Shareholders' Mandate which will allow the Maxi-Cash IPT Group to enjoy economies of scale in the procurement of finished goods without the restrictive thresholds in terms of values imposed by Chapter 9 of the Catalist Rules, thereby reducing administrative time, inconvenience and costs.

For FY2021, the Maxi-Cash IPT Group has acquired finished goods from the following Mandated Interested Persons (including transactions which are less than S$100,000 within the same financial year and aggregated in accordance with Chapter 9 of the Catalist Rules):

Name of Mandated Interested Person	**Details of Transaction**	**Value of Transaction (S$'000)**	**As a % of 31 December 2021's Net Tangible Assets ("NTA")[(1)] (%)**
Aspial-Lee Hwa Jewellery Singapore Pte. Ltd.	Acquisition of finished goods	195	0.13

Note:

(1) The Maxi-Cash Group's NTA is approximately S$147,878,000 based on the audited financials for the financial year ended 31 December 2021.

2.4 Mandated Jewellery Transactions. In relation to the Mandated Jewellery Transactions, the Company believes that the Maxi-Cash IPT Group:

(i) can benefit from having access to competitive quotes in relation to services procured from the Mandated Interested Persons, which quote would be on terms no less favourable to the Maxi-Cash IPT Group than those procured from other non-interested/unrelated third parties; and

(ii) will benefit from the flexibility of the Shareholders' Mandate which will allow the Maxi-Cash IPT Group to enjoy economies of scale in the procurement of services without the restrictive thresholds in terms of values imposed by Chapter 9 of the Catalist Rules, thereby reducing administrative time, inconvenience and costs.

For FY2021, the Maxi-Cash IPT Group has procured services from the Mandated Interested Persons (including transactions which are less than S$100,000 within the same financial year and aggregated in accordance with Chapter 9 of the Catalist Rules):

Name of Mandated Interested Person	**Details of Transaction**	**Value of Transaction (S$'000)**	**As a % of 31 December 2021's NTA[(1)] (%)**
Aspial-Lee Hwa Jewellery Singapore Pte. Ltd.	Procurement of services (including, but not limited to, certification of jewellery and procurement of price tags, dismantling charges and jewellery repair)	353	0.24

Note:

(1) The Maxi-Cash Group's NTA is approximately S$147,878,000 based on the audited financials for the financial year ended 31 December 2021.

2.5 Mandated Loose Diamonds Transactions. In relation to the Mandated Loose Diamonds Transactions, the Company believes that the Maxi-Cash IPT Group:

(i) can benefit from having access to an increased customer base and the increase in its sale of loose diamonds, by selling to the Mandated Interested Persons;

(ii) will benefit from having access to competitive offers from the Mandated Interested Persons, which will be accepted on terms no less favourable to the Maxi-Cash IPT Group than those offered by other non-interested/unrelated third parties; and

(iii) will benefit from the flexibility of the Proposed Shareholders' Mandate which will allow the Maxi-Cash IPT Group to maximise its revenue from the sale of loose diamonds without the restrictive thresholds in terms of values imposed by Chapter 9 of the Catalist Rules.

For FY2021, the Maxi-Cash IPT Group has sold loose diamonds to the Mandated Interested Persons (including transactions which are less than S$100,000 within the same financial year and aggregated in accordance with Chapter 9 of the Catalist Rules):

Name of Mandated Interested Person	**Details of Transaction**	**Value of Transaction (S$'000)**	**As a % of 31 December 2021's NTA[(1)] (%)**
Aspial-Lee Hwa Jewellery Singapore Pte. Ltd.	Sale of loose diamonds	256	0.17

Notes:

(1) The Maxi-Cash Group's NTA is approximately S$147,878,000 based on the audited financials for the financial year ended 31 December 2021.

2.6 Mandated Corporate and Management Support Service Transactions. In relation to the Mandated Corporate and Management Support Service Transactions, the Company believes that the Maxi-Cash IPT Group:

(i) will benefit from its provision of management support services to the Mandated Interested Persons, as it allows the Company to utilise and leverage on its existing resources to maximise its revenue by providing management services and support for a fair rate; and

(ii) will benefit from its procurement of corporate and management support services from the Mandated Interested Persons, as it allows the Company to leverage on the infrastructure and knowledge available at the Mandated Interested Persons to receive a wide variety of corporate services, which are necessary for the Company's day-to-day operations, at a fair rate.

3. INTERESTED PERSON TRANSACTIONS

3.1 Entity at Risk. The Company is considered an "entity at risk" for the purposes of Chapter 9 of the Catalist Rules in relation to the Proposed Shareholders' Mandate.

3.2 **Interested Persons.** Mr Koh Wee Seng is the Chairman, Non-Executive Director, and controlling shareholder of the Company, holding a direct and deemed interest in 1,572,679,867 ACL Shares, representing approximately 72.60 per cent. of the total issued ACL Shares. Ms Ko Lee Meng is a Non-Executive and Non-Independent Director and controlling shareholder of the Company, holding a direct and deemed interest in 1,195,376,340 ACL Shares, representing approximately 55.18 per cent. of the total issued ACL Shares. Ms Koh Lee Hwee is a Non-Executive and Non-Independent Director and controlling shareholder of the Company, holding a direct and deemed interest in 1,235,292,920 ACL Shares, representing approximately 57.03 per cent. of the total issued ACL Shares. For completeness, the interests of each of Mr Koh Wee Seng, Ms Ko Lee Meng and Ms Koh Lee Hwee as recorded in the register of Directors' shareholdings of ACL as at the date of this Announcement are set out below:

	Direct Interest		Deemed Interest	
Name of Directors	**Number of ACL Shares**	**%**[1]	**Number of ACL Shares**	**%**[1]
Mr Koh Wee Seng	406,595,923	18.77	1,166,083,944[2]	53.83
Ms Ko Lee Meng	33,639,865	1.55	1,161,736,475[3]	53.63
Ms Koh Lee Hwee	30,890,888	1.43	1,204,402,032[4]	55.60

Notes:

(1) The figures are computed based on the issued and paid-up share capital of 2,166,194,245 ACL Shares (excluding ACL Shares held as treasury shares) as at the date of this Announcement.

(2) Mr Koh Wee Seng's direct interest is derived from 246,692,201 held in his own name and 159,903,722 shares held in the name of nominee accounts. The deemed interest derived from 1,160,581,588 shares held by MLHS Holdings Pte. Ltd. and 5,502,356 shares held by his spouse.

(3) Ms Ko Lee Meng's direct interest is derived from 22,642,785 held in her own name and 10,997,080 shares held in the name of nominee accounts. The deemed interest derived from 1,160,581,588 shares held by MLHS Holdings Pte. Ltd. and 1,154,887 shares held by her spouse.

(4) Ms Koh Lee Hwee's direct interest derived from 2,000 held in her own name and 30,888,888 shares held in the name of nominee accounts. The deemed interest derived from 1,160,581,588 shares held by MLHS Holdings Pte. Ltd. and 43,820,444 shares held by her spouse.

As Mr Koh Wee Seng, Ms Ko Lee Meng and Ms Koh Lee Hwee (the "**Koh Siblings**") have a collective interest of 30 per cent. or more in ACL, ACL is regarded as an associate of each of Mr Koh Wee Seng, Ms Ko Lee Meng and Ms Koh Lee Hwee and considered an "interested person" of the Company for the purposes of Chapter 9 of the Catalist Rules.

Further, the Koh Siblings collectively hold more than five per cent. in ACL other than through the Company. Accordingly, transactions entered into between (a) (I) the Company, (II) a subsidiary of the Company that is not listed on SGX-ST or an approved exchange or (III) an associated company of the Company that is not listed on SGX-ST or an approved exchange, provided that the Maxi-Cash Group, or the Maxi-Cash Group and its interested person(s), has control over the associated company and (b) the Aspial Group (including ACL) would be considered interested person transactions for the purposes of Chapter 9 of the Catalist Rules which do not fall within the exception under Rule 915(3) of the Catalist Rules, and are therefore subject to, *inter alia*, Rules 905, 906 and 907 of the Catalist Rules.

3.3 **IFA.** Pursuant to Rule 920(1)(b)(v) of the Catalist Rules, RHT Capital Pte. Ltd. (the "**IFA**") has been appointed as the independent financial adviser to advise the directors of the Company who are considered independent for the purposes of the Proposed Shareholders' Mandate on whether the methods and review procedures for determining the terms of the Proposed Shareholders' Mandate, if adhered to, are sufficient to ensure that the Mandated Transactions under the Proposed Shareholders' Mandate will be carried out on normal commercial terms and will not be prejudicial to the interests of the Company and its minority Shareholders.

3.4 **Opinion of Audit Committee.** The Audit Committee of the Company 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 ACL, and accordingly considered to be interested in the Proposed Shareholders' Mandate, she has abstained from issuing a view on the Proposed Shareholders' Mandate.

The Audit Committee (other than Ms Ko Lee Meng), having considered and reviewed, *inter alia*, (i) the terms, the rationale and the benefits of the Proposed Shareholders' Mandate, (ii) the opinion and advice of the IFA, and (iii) the discussions with the management of the Company, the Audit Committee concurs with the opinion of the IFA and is satisfied that the guidelines and review procedures for the Interested Person Transactions, as well as the quarterly reviews to be made by the Audit Committee in relation thereto, are sufficient to ensure that the Interested Person Transactions will be carried out on normal commercial terms and will not be prejudicial to the interests of the Company and its minority Shareholders.

3.5 **Circular and Abstentions.** The Company has today issued a notice to convene the EGM to seek the approval of the Shareholders for the Proposed Shareholders' Mandate, and has issued the circular to the Shareholders in connection therewith. The circular contains further details on the Proposed Shareholders' Mandate and the opinion and advice of the IFA and the Audit Committee. The Mandated Interested Persons, ACL, MLHS, the Koh Siblings, and their respective associates will abstain from voting on the Proposed Shareholders' Mandate at the EGM.

Further, the Mandated Interested Persons, ACL, MLHS, and the Koh Siblings undertake to decline, and shall ensure that their associates decline, to accept appointment as proxies to vote at and attend the forthcoming EGM in respect of the Proposed Shareholders' Mandate for other Shareholders, unless the Shareholder concerned has given specific instructions as to the manner in which his votes are to be cast at the EGM.

4. FURTHER INFORMATION

4.1 **Documents Available for Inspection**. Copies of the Constitution of the Company, the annual report of the Company for FY2021, the IFA Letter and the letter of consent from the IFA 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 months commencing from the date of this Announcement.

BY ORDER OF THE BOARD

Lim Swee Ann
Company Secretary

24 June 2022

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*This announcement has been reviewed by the Company's sponsor, SAC Capital Private Limited ("**Sponsor**").*

*This announcement has not been examined or approved by the Singapore Exchange Securities Trading Limited (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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