

LEADER and INNOVATOR in the Pawnbroking Industry



OFFER DOCUMENT DATED 12 JUNE 2012

(Registered by the Singapore Exchange Securities Trading Limited acting as agent on behalf of the Monetary Authority of Singapore on 12 June 2012)

This document is important. If you are in any doubt as to the action you should take, you should consult your legal, financial, tax or other professional adviser(s).

Canaccord Genuity Singapore Pte. Ltd. (the “**Sponsor**”) has made an application to the Singapore Exchange Securities Trading Limited (the “**SGX-ST**”) for permission to deal in, and for quotation of, all the ordinary shares (the “**Shares**”) in the capital of Maxi-Cash Financial Services Corporation Ltd (the “**Company**”) already issued, the new Shares (the “**New Shares**”) which are the subject of the Invitation (as defined herein) and the new Shares which may be allotted and issued from time to time pursuant to the listing of awards under the Maxi-Cash Performance Share Plan (the “**Performance Shares**”) on Catalist. The dealing in, and quotation of, our Shares, the New Shares and the Performance Shares will be in Singapore dollars.

Companies listed on Catalist may carry higher investment risk when compared with larger or more established companies listed on the Main Board of the SGX-ST. In particular, companies may list on Catalist without a track record of profitability and there is no assurance that there will be a liquid market in the shares or units of shares traded on Catalist. You should be aware of the risks of investing in such companies and should make the decision to invest only after careful consideration and, if appropriate, consultation with your professional adviser(s).

This Invitation is made in or accompanied by this Offer Document that has been registered by the SGX-ST acting as agent on behalf of the Monetary Authority of Singapore (the “Authority”). We have not lodged or registered this Offer Document in any other jurisdiction.

Neither the Authority nor the SGX-ST has examined or approved the contents of this Offer Document. Neither the Authority nor the SGX-ST assumes any responsibility for the contents of this Offer Document, including the correctness of any of the statements or opinions made or reports contained in this Offer Document. The SGX-ST does not normally review the application for admission but relies on the Sponsor (as defined herein) confirming that our Company is suitable to be listed on Catalist and complies with the rules of the Listing Manual (as defined herein). Neither the Authority nor the SGX-ST has, in any way, considered the merits of the Shares or units of Shares being offered for investment.

The registration of this Offer Document by the SGX-ST does not imply that the Securities and Futures Act (Chapter 289) of Singapore, or any other legal or regulatory requirements, or requirements under the SGX-ST’s listing rules, have been complied with.

Acceptance of applications will be conditional upon the issue of the New Shares and the listing and quotation of all our existing issued Shares, the New Shares and the Performance Shares. Monies paid in respect of any application accepted will be returned to you at your own risk, without interest or any share of revenue or other benefit arising therefrom, if the admission and listing do not proceed, and you will not have any claims against us, the Sponsor, the Underwriter or the Placement Agent (as defined herein).

Investing in our Shares involves risks which are described in the section entitled “Risk Factors” of this Offer Document.

After the expiration of six (6) months from the date of registration of this Offer Document, no person shall make an offer of securities, or allot, issue or sell any of our Shares, on the basis of this Offer Document; and no officer or equivalent person or promoter of our Company will authorise or permit the offer of any of our Shares or the allotment, issue or sale of any of our Shares, on the basis of this Offer Document.

Invitation in respect of 56,000,000 New Shares comprising:

- (a) 2,250,000 Offer Shares at S\$0.30 each by way of public offer; and**
 - (b) 53,750,000 Placement Shares at S\$0.30 each by way of placement,**
- payable in full on application.**

Sponsor, Underwriter and Placement Agent

CANACCORD Genuity

CANACCORD GENUITY SINGAPORE PTE. LTD.
(Incorporated in the Republic of Singapore)
(Company Registration No.: 200713620D)

CORPORATE PROFILE

We offer financial services in the form of pawnbroking and the retail and trading of pre-owned jewellery and watches. Our Directors believe that as the leader and innovator in the pawnbroking industry, we provide pawnbroking services to consumers in a modern, professional and customer-centric service to meet their financial needs.

Our consumers enjoy “bank-like” pawning experiences where trust, transparency and reliability are the basic hallmarks of our services. Incorporated in 2008, we opened our first pawnshop in Ang Mo Kio Central in February 2009. In August 2009, we opened the first pawnshop in Orchard Road. An additional nine (9) pawnshops were added in 2009, followed by six (6) pawnshops in 2010. As at the Latest Practicable Date, we have pawnshops and retail outlets in 24 strategic locations in Singapore.



OUR BUSINESS

Pawnbroking

Pawnbroking is essentially a form of collateralised micro-loan, an activity that is regulated by and licensed under the Pawnbrokers Act. We play a complementary role to Singapore's banking system and provide customers with convenient and quick access to short-term finance with a Redemption Period of six (6) months (for each pledge transaction which may be renewed).

Our customers are walk-in individuals who pledge personal articles with our pawnshops. As collateral for the loans extended, we typically accept jewellery such as yellow gold, white gold, diamond jewellery and branded timepieces.

The rate of interest on the loans we can charge is regulated by the Pawnbrokers Act.

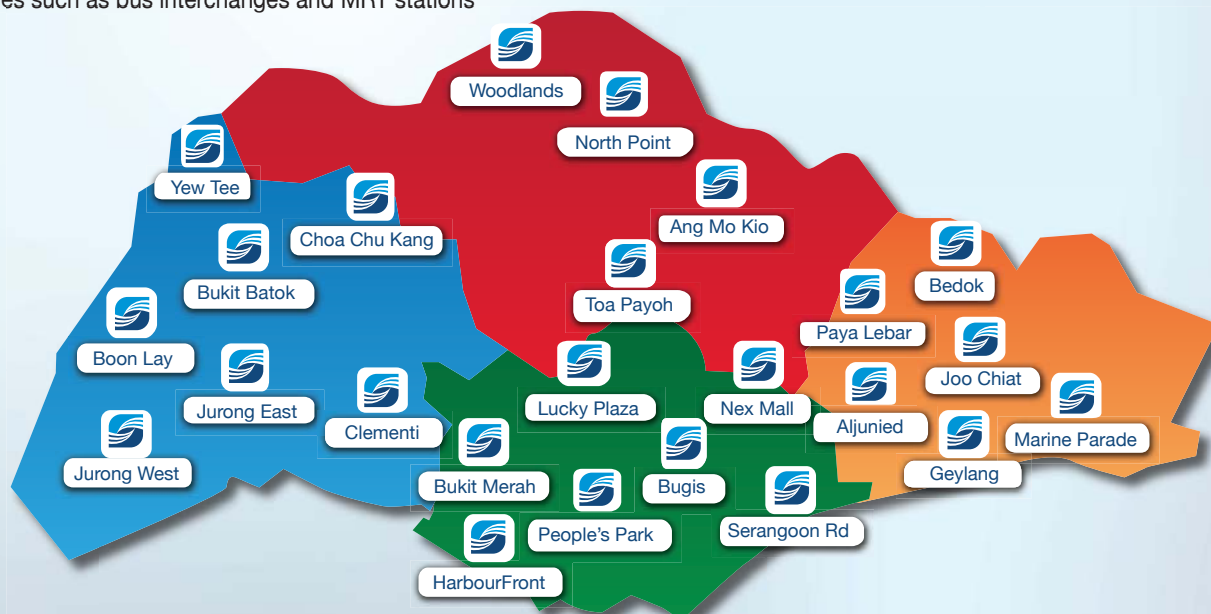
Retail and Trading of Pre-Owned Jewellery and Watches

We acquire pre-owned jewellery and watches from walk-in individuals who sell their personal articles to us at our retail outlets and secondhand traders/dealers, as well as unredeemed pledged articles from our pawnbroking business.

We sell these pre-owned jewellery and watches in our retail outlets and to jewellery, precious metals and watch traders/dealers.

OUR ISLAND-WIDE PRESENCE

Locations of our pawnshops and retail outlets in 24 locations in Singapore which are predominantly strategically and conveniently located near amenities such as bus interchanges and MRT stations



COMPETITIVE STRENGTHS

We have a well established market position

- We currently have the largest network of pawnshops and retail outlets in 24 locations in Singapore which are predominantly strategically and conveniently located near amenities such as bus interchanges and MRT stations. Our pawnshops and retail outlets are also open for 11.5 hours a day from 8.30 a.m. to 8.00 p.m. daily (including public holidays) for the convenience of our customers.
- As at 1 May 2012, our market share of the pawnbroking business in terms of number of licensed pawnbrokers is approximately 13.0% according to information obtained from the Insolvency and Public Trustee's Office website (www.ipto.gov.sg).
- As a result of our dedication, understanding and experience in serving the needs of our customers, our business has grown in scale, as evident in the growth of our revenue, from S\$10.0 million in FY2009 to S\$87.7 million in FY2011.

We have an established brand name in the industry

- We have established a strong track record and reputation under our "Maxi-Cash" brand name.
- We position ourselves as an acceptable and attractive source of financing, via a modern, professional and customer-centric store concept.
- Our customers are provided a "bank-like" pawning experience where trust, transparency and reliability are the basic hallmarks of our services.

We have a skilled and qualified work force

- Our professional and qualified staff possess the relevant knowledge to appraise pledged articles and disburse loans expeditiously.
- We believe that our high quality customer service and short response time differentiate our services

We have an experienced and committed Board of Directors and management team

- Our management team is led by our CEO, Koh Lee Hwee, who has over 20 years of experience in the jewellery industry, together with a dedicated and dynamic management team who assists her in the daily management of our business.
- We believe the extensive experience of our management team, together with their industry knowledge and in-depth understanding of the market, will enable us to continue to take advantage of future market opportunities.

We have a strong system of risk management

- Risk management is integral to the success of our business.
- Our focus on accuracy in valuation and assessment of authenticity of pledged articles and acquisition of pre-owned jewellery and watches enables us to maintain our risk at minimum levels, minimise price risks and determine the appropriate value or loans to be given.
- Accordingly, this strong risk management system allows us to effectively manage our risks as we expand our business.

We provide convenient and quick access to short-term financings

- We complement the role played by commercial banks and other lending financial institutions by providing speedy, convenient and efficient services for customers who need cash on short notice.



PROSPECTS

Population growth in Singapore

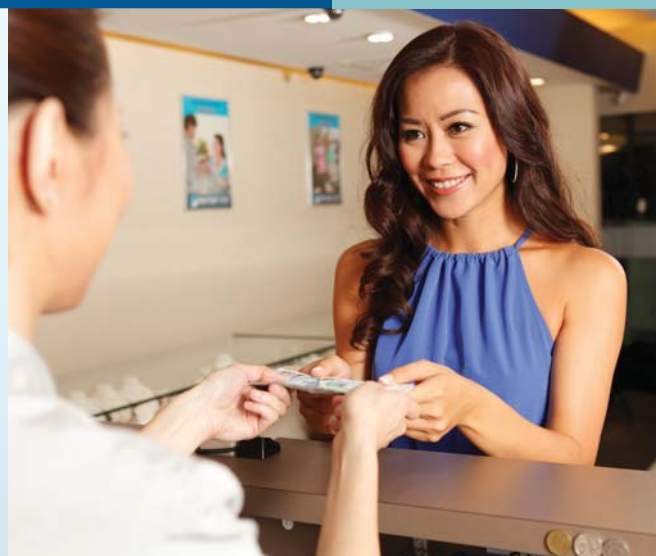
- Our customers generally fall within the 25 to 64 years age group. The growth of this population segment from 1,896,900 in 2000 to 2,284,000 in June 2011 (according to the "Yearbook of Statistics Singapore, 2011" and the "Monthly Digest of Statistics Singapore, May 2012"), therefore, bodes well for our business operations in Singapore.

Growth in the pawnbroking industry

- Over the past decade, the number of pledges received at pawnshops has increased from 2,696,900 in 2000 to 3,498,100 in 2011, while the amount of loans disbursed at pawnshops has increased from S\$1.1 billion in 2000 to S\$4.9 billion in 2011 (according to the "Yearbook of Statistics Singapore, 2011" and the "Monthly Digest of Statistics Singapore, May 2012").

Growing acceptance of pawnbroking

- Our Directors believe that there is potential growth in the pawnbroking business as more customers are likely to gradually regard pawning as a viable alternative source of financing to banks.



BUSINESS STRATEGIES AND FUTURE PLANS

Expand our business operations

- We plan to develop and expand our business operations in Singapore by increasing the number of pawnshops and/or retail outlets, in particular, in locations where we are not well represented.
- In order to optimise our expansion, we carefully assess potential markets by analysing demographic, competitive and regulatory factors, site selection and growth potential.

Strengthen our brand recognition through our brand management and marketing strategies

- We believe that a key factor for future growth of our business is consumer recognition and loyalty towards our brand.
- We intend to strengthen our “Maxi-Cash” brand name and maintain our brand leadership (in terms of number of shops in Singapore) so as to further distinguish ourselves from our competitors.

Expand our range of pre-owned jewellery and watches

- We need to carry a wider range of pre-owned jewellery and watches in order to keep up with the rapid changes in market trends and consumer preferences.

Expansion through acquisitions, joint ventures and/or strategic alliances

- In addition to growing organically, we may consider expanding our business through acquisitions, joint ventures or strategic alliances with parties who create synergistic values with our existing business.
- Through these, we will look to strengthen our market position, expand our network, as well as expand into new businesses complementary to our current business.

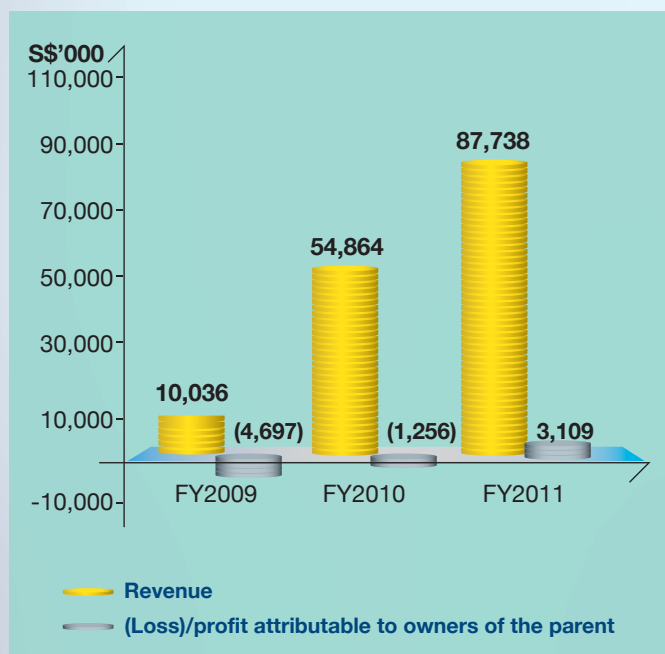


PROPOSED DIVIDENDS

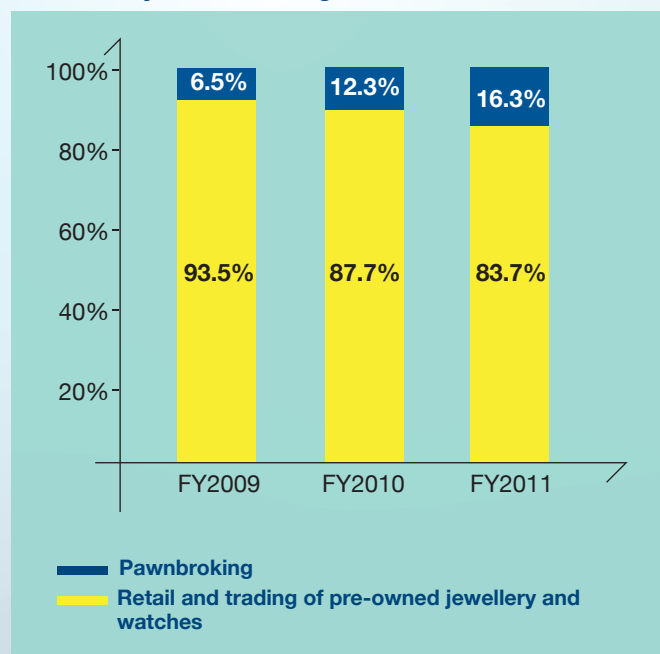
We intend to recommend and distribute dividends of at least 60.0% (including scrip dividends) of our net profits attributable to Shareholders for FY2012, subject to the factors outlined in the section entitled “Dividend Policy” of this Offer Document.

FINANCIAL HIGHLIGHTS

Financial Year Ended 31 December



Revenue by Business Segments



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CORPORATE INFORMATION

BOARD OF DIRECTORS	: Koh Wee Seng (Non-Executive Chairman) Koh Lee Hwee (CEO) Ko Lee Meng (Non-Executive Director) Tan Keh Yan, Peter (Lead Independent Director) Ng Leok Cheng (Independent Director) Lee Sai Sing (Independent Director)
COMPANY SECRETARIES	: Lim Swee Ann (CPA, ACIS) Janet Tan, LLB (Hons)
REGISTERED OFFICE	: 1 Finlayson Green #14-02 Singapore 049246
SHARE REGISTRAR AND SHARE TRANSFER OFFICE	: B.A.C.S. Private Limited 63 Cantonment Road Singapore 089758
SPONSOR, UNDERWRITER AND PLACEMENT AGENT	: Canaccord Genuity Singapore Pte. Ltd. 77 Robinson Road #21-02 Singapore 068896
AUDITORS AND REPORTING ACCOUNTANTS	: Ernst & Young LLP One Raffles Quay North Tower Level 18 Singapore 048583 Partner-in-charge: Max Loh Khum Whai (Certified Public Accountant, a member of the Institute of Certified Public Accountants of Singapore)
SOLICITORS TO THE INVITATION	: Stamford Law Corporation 10 Collyer Quay #27-00 Ocean Financial Centre Singapore 049315
PRINCIPAL BANKERS	: United Overseas Bank Limited 80 Raffles Place UOB Plaza Singapore 048624 Oversea-Chinese Banking Corporation Limited 65 Chulia Street OCBC Centre Singapore 049513 DBS Bank Ltd. 6 Shenton Way DBS Building Tower One Singapore 068809 The Hongkong and Shanghai Banking Corporation Limited 21 Collyer Quay #08-01 HSBC Building Singapore 049320

CORPORATE INFORMATION

Malayan Banking Berhad
2 Battery Road
Maybank Tower
Singapore 049907

Hong Leong Finance Limited
16 Raffles Quay #01-05
Hong Leong Building
Singapore 048581

RECEIVING BANKER

: Oversea-Chinese Banking Corporation Limited
65 Chulia Street
OCBC Centre
Singapore 049513

DEFINITIONS

In this Offer Document and the accompanying Application Forms, unless the context otherwise requires, the following definitions apply throughout where the context so admits:

Companies within our Group

<i>“Cash Express Financial Services”</i>	:	Cash Express Financial Services Pte Ltd
<i>“Company” or “Maxi-Cash FSC”</i>	:	Maxi-Cash Financial Services Corporation Ltd. The terms <i>“we”</i> , <i>“our”</i> , <i>“our Company”</i> or <i>“us”</i> have correlative meanings
<i>“Group”</i>	:	Our Company and our subsidiaries
<i>“Maxi-Cash Assets”</i>	:	Maxi-Cash Assets Pte Ltd
<i>“Maxi-Cash Capital”</i>	:	Maxi-Cash Capital Pte Ltd
<i>“Maxi-Cash Central”</i>	:	Maxi-Cash (Central) Pte Ltd
<i>“Maxi-Cash Central 2”</i>	:	Maxi-Cash (Central 2) Pte Ltd
<i>“Maxi-Cash Clementi”</i>	:	Maxi-Cash (Clementi) Pte Ltd
<i>“Maxi-Cash East”</i>	:	Maxi-Cash (East) Pte Ltd
<i>“Maxi-Cash East 2”</i>	:	Maxi-Cash (East 2) Pte Ltd
<i>“Maxi-Cash Group”</i>	:	Maxi-Cash Group Pte Ltd
<i>“Maxi-Cash Jewellery”</i>	:	Maxi-Cash Jewellery Pte Ltd
<i>“Maxi-Cash Jewellery Group”</i>	:	Maxi-Cash Jewellery Group Pte Ltd
<i>“Maxi-Cash North”</i>	:	Maxi-Cash (North) Pte Ltd
<i>“Maxi-Cash North East”</i>	:	Maxi-Cash (North East) Pte Ltd
<i>“Maxi-Cash Ventures”</i>	:	Maxi-Cash Ventures Pte Ltd
<i>“Maxi-Cash West”</i>	:	Maxi-Cash (West) Pte Ltd

Other Corporations, Agencies and Entities

<i>“8G Investment”</i>	:	8G Investment Pte Ltd
<i>“Aspial”</i>	:	Aspial Corporation Limited, an entity listed on the Official List of the SGX-ST with its main business in jewellery, property and financial services, and the Controlling Shareholder of our Company
<i>“Aspial Group”</i>	:	Aspial, its subsidiaries and associated companies
<i>“Aspial-Lee Hwa”</i>	:	Aspial-Lee Hwa Jewellery Pte Ltd
<i>“Authority”</i>	:	The Monetary Authority of Singapore

DEFINITIONS

<i>“Canaccord Genuity”, “Sponsor”, “Underwriter” or “Placement Agent”</i>	:	Canaccord Genuity Singapore Pte. Ltd. (formerly known as Collins Stewart Pte. Limited)
<i>“CDP”</i>	:	The Central Depository (Pte) Limited
<i>“CPF”</i>	:	The Central Provident Fund
<i>“GIA”</i>	:	Gemological Institute of America, an institute that acts as a resource of gem and jewellery information for the trade and the public, and which also provides educational and training programs in respect of gem identification and diamond grading
<i>“HDB”</i>	:	Housing and Development Board
<i>“IRAS”</i>	:	Inland Revenue Authority of Singapore
<i>“Participating Banks”</i>	:	DBS Bank Ltd. (including POSB) (“DBS Bank”), Oversea-Chinese Banking Corporation Limited (“OCBC Bank”), United Overseas Bank Limited and its subsidiary, Far Eastern Bank Limited (“UOB Group”)
<i>“SGX-ST”</i>	:	Singapore Exchange Securities Trading Limited
<i>“Share Registrar”</i>	:	B.A.C.S. Private Limited
<i>“World Class Land”</i>	:	World Class Land Pte Ltd
<i>“World Financial Property”</i>	:	World Financial Property Pte Ltd
General		
<i>“Application Forms”</i>	:	The printed application forms to be used for the purpose of the Invitation and which form part of this Offer Document
<i>“Application List”</i>	:	The list of applications for subscription of the New Shares
<i>“Articles” or “Articles of Association”</i>	:	The articles of association of our Company
<i>“Associate”</i>	:	(a) in relation to any director, chief executive officer, substantial shareholder or controlling shareholder (being an individual) means: (i) his immediate family; (ii) the trustees of any trust of which he or his immediate family is a beneficiary or, in the case of a discretionary trust, is a discretionary object; or (iii) any company in which he and his immediate family together (directly or indirectly) have an interest of 30.0% or more of the aggregate of the nominal amount of all the voting shares; or

DEFINITIONS

- (b) in relation to a substantial shareholder or a controlling shareholder (being a company) means any other company which is its subsidiary or holding company or is a subsidiary of such holding company or one in the equity of which it and/or such other company or companies taken together (directly or indirectly) have an interest of 30.0% or more

“associated company”

: In relation to a corporation, means:

- (a) any corporation in which the corporation or its subsidiary has, or the corporation and its subsidiary together have, a direct interest of not less than 20.0% but not more than 50.0% of the aggregate of the nominal amount of all the voting shares; or
- (b) any corporation, other than a subsidiary of the corporation or a corporation which is an associated company by virtue of paragraph (a), the policies of which the corporation or its subsidiary, or the corporation together with its subsidiary, is able to control or influence materially

“ATM”

: Automated teller machine

“Audit Committee”

: The audit committee of our Company as at the date of this Offer Document, unless otherwise stated

“Awards”

: The contingent award of Shares granted or to be granted under the Performance Share Plan

“Board” or “Board of Directors”

: The board of Directors of our Company as at the date of this Offer Document, unless otherwise stated

“business trust”

: Has the same meaning as in Section 2 of the Business Trusts Act (Chapter 31A) of Singapore

“Catalist”

: The Catalist Board of the SGX-ST

“CEO”

: Chief Executive Officer

“Companies Act”

: The Companies Act (Chapter 50) of Singapore, as amended, modified or supplemented from time to time

“Controlling Shareholder”

: In relation to a corporation,

- (a) a person who has an interest in the voting shares of a corporation and who exercises control over the corporation; or
- (b) a person who has an interest of 15.0% or more of the aggregate of the nominal amount of all the voting shares in a corporation, unless he does not exercise control over the corporation

“Directors”

: The directors of our Company as at the date of this Offer Document, unless otherwise stated

DEFINITIONS

<i>“Electronic Applications”</i>	: Applications for the Offer Shares made through an ATM or through the IB website of one of the relevant Participating Banks, subject to and on the terms and conditions of this Offer Document
<i>“Entity at Risk”</i>	: (a) our Company; (b) a subsidiary of our Company that is not listed on the SGX-ST or an approved exchange; or (c) an associated company that is not listed on the SGX-ST or an approved exchange, provided that our Group or our Group and our Interested Person(s), has control over the associated company
<i>“EPS”</i>	: Earnings per Share
<i>“Executive”</i>	: The Executive Director of our Company, being Koh Lee Hwee, who has entered into a Service Agreement
<i>“Executive Director”</i>	: The executive director of our Company as at the date of this Offer Document, unless otherwise stated
<i>“Executive Officers”</i>	: The executive officers of our Group as at the date of this Offer Document, unless otherwise stated
<i>“FRS”</i>	: Singapore Financial Reporting Standards
<i>“FY”</i>	: Financial year ended or ending 31 December, as the case may be
<i>“GST”</i>	: Goods and Services Tax
<i>“IB”</i>	: Internet banking
<i>“Independent Directors”</i>	: The non-executive independent Directors of our Company as at the date of this Offer Document, unless otherwise stated
<i>“Interested Person”</i>	: (a) A Director, Chief Executive Officer or Controlling Shareholder of the Company; or (b) An Associate of any such Director, Chief Executive Officer or Controlling Shareholder
<i>“Interested Person Transaction”</i>	: Means a transaction between an Entity at Risk and an Interested Person
<i>“Invitation”</i>	: The invitation by our Company to the public in Singapore to subscribe for the New Shares at the Issue Price, upon the terms and subject to the conditions set out in this Offer Document
<i>“Issue Price”</i>	: S\$0.30 for each New Share
<i>“Latest Practicable Date”</i>	: 16 May 2012, being the latest practicable date prior to the lodgment of this Offer Document with the SGX-ST acting as agent on behalf of the Authority

DEFINITIONS

<i>"Listing Manual"</i>	: The SGX-ST Listing Manual Section B: Rules of Catalist, as amended, modified or supplemented from time to time
<i>"Market Day"</i>	: A day on which the SGX-ST is open for trading in securities
<i>"MRT"</i>	: Mass Rapid Transit
<i>"New Shares"</i>	: The 56,000,000 new Shares for which our Company invites applications to subscribe for at the Issue Price pursuant to the Invitation, upon the terms and subject to the conditions set out in this Offer Document
<i>"Nominating Committee"</i>	: The nominating committee of our Company as at the date of this Offer Document, unless otherwise stated
<i>"Non-Executive Directors"</i>	: The non-executive Directors of our Company (including Independent Directors) as at the date of this Offer Document, unless otherwise stated
<i>"NRIC"</i>	: National Registration Identity Card
<i>"NTA"</i>	: Net tangible assets (after non-controlling interests)
<i>"Offer"</i>	: The offering by our Company to the public in Singapore for subscription of the Offer Shares at the Issue Price, subject to and on the terms and conditions set out in this Offer Document
<i>"Offer Document"</i>	: This offer document dated 12 June 2012 issued by our Company in respect of the Invitation
<i>"Offer Shares"</i>	: The 2,250,000 New Shares which are the subject of the Offer
<i>"PAT"</i>	: Profit attributable to owners of the parent
<i>"Pawnbrokers Act"</i>	: The Pawnbrokers Act (Chapter 222) of Singapore, as amended, modified or supplemented from time to time
<i>"PBT"</i>	: Profit before tax
<i>"PER"</i>	: Price earnings ratio
<i>"Performance Shares"</i>	: The Shares transferred or new Shares which may be allotted and issued from time to time pursuant to the vesting of Awards granted under the Plan
<i>"Period Under Review"</i>	: The period which comprises FY2009, FY2010 and FY2011
<i>"Placement"</i>	: The Placement of the Placement Shares by the Placement Agent on behalf of our Company for subscription at the Issue Price, subject to and on the terms and conditions set out in this Offer Document
<i>"Placement Shares"</i>	: The 53,750,000 New Shares which are the subject of the Placement

DEFINITIONS

<i>“Plan” or “Performance Share Plan”</i>	:	The Maxi-Cash Performance Share Plan, adopted by our Company on 11 April 2012, the terms of which are set out in the section entitled “Rules of the Maxi-Cash Performance Share Plan” as set out in Appendix F of this Offer Document
<i>“Redemption Period”</i>	:	The period of redemption as provided under the Pawnbrokers Act, details as described in the section entitled “Government Regulations” as set out in Appendix B of this Offer Document
<i>“Remuneration Committee”</i>	:	The remuneration committee of our Company as at the date of this Offer Document, unless otherwise stated
<i>“Secondhand Goods Dealers Act”</i>	:	The Secondhand Goods Dealers Act (Chapter 288A) of Singapore, as amended, modified or supplemented from time to time
<i>“Secondhand Goods Dealers Exemption Order”</i>	:	The Secondhand Goods Dealers Act (Chapter 288A, Section 20), Secondhand Goods Dealers (Exemption) Order of Singapore, as amended, modified or supplemented from time to time
<i>“Securities Account”</i>	:	The securities account maintained by a Depositor with CDP but does not include a securities sub-account
<i>“Service Agreement”</i>	:	The service agreement entered into between our Company and our Executive Director, being Koh Lee Hwee, as set out in the section entitled “Directors, Management and Staff — Service Agreement” of this Offer Document
<i>“SFA” or “Securities Futures Act”</i>	:	The Securities and Futures Act (Chapter 289) of Singapore, as amended, modified or supplemented from time to time
<i>“SGXNET”</i>	:	The corporate announcement system maintained by the SGX-ST for the submission of announcements by listed companies
<i>“Share(s)”</i>	:	Ordinary share(s) in the capital of our Company
<i>“Shareholder(s)”</i>	:	Registered holder(s) of Share(s), except where the registered holder is CDP, the term “Shareholders” shall, in relation to such Shares mean the depositors whose Securities Accounts are credited with Shares
<i>“Singapore”</i>	:	The Republic of Singapore
<i>“Singapore Police”</i>	:	The Singapore Police Force
<i>“Substantial Shareholder”</i>	:	A person who has an interest in the Share(s), the total votes attached to which is not less than 5.0% of the total votes attached to all the voting shares of a company
<i>“Work Injury Compensation Act”</i>	:	The Work Injury Compensation Act (Chapter 354) of Singapore which replaces the Workmen’s Compensation Act from 1 April 2008, as amended, modified or supplemented from time to time

DEFINITIONS

Currencies, Units and Others

<i>“S\$” and “cents”</i>	:	Singapore dollars and cents respectively, the lawful currency of Singapore
<i>“USD”</i>	:	United States dollars, the lawful currency of the United States of America
<i>“%” or “per cent”</i>	:	Per centum
<i>“sq ft”</i>	:	Square feet

The expressions “Depositor”, “Depository Agent” and “Depository Register” shall have the meanings ascribed to them respectively in Section 130A of the Companies Act.

Words importing the singular shall, where applicable, include the plural and *vice versa* and words importing the masculine gender shall, where applicable, include the feminine and neuter genders and *vice versa*. References to persons shall include corporations.

Any reference in this Offer Document, the Application Forms and/or the Electronic Applications to any statute or enactment is a reference to that statute or enactment as for the time being amended or re-enacted. Any word defined under the Companies Act, the SFA or any statutory modification thereof and used in this Offer Document, the Application Forms and/or the Electronic Applications shall, where applicable, have the meaning assigned to it under the Companies Act, the SFA or any statutory modification thereof, as the case may be.

Any reference in this Offer Document, the Application Forms and/or the Electronic Applications to Shares being allotted to an applicant includes allotment to CDP for the account of that Applicant.

Any reference to a time of day in this Offer Document, the Application Forms and/or the Electronic Applications shall be a reference to Singapore time, unless otherwise stated.

References in this Offer Document to “our Group”, “we”, “our”, and “us” or any other grammatical variations thereof shall unless otherwise stated, mean our Company, our Group or any member of our Group as the context requires.

Any discrepancies in the tables included herein between the listed amounts and the totals thereof are due to rounding. Accordingly, figures shown as totals in certain tables may not be an arithmetic aggregation of the figures that precede them.

CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS

All statements contained in this Offer Document, statements made in press releases and oral statements that may be made by us or our Directors, Executive Officers or employees acting on our behalf, that are not statements of historical fact, constitute “forward-looking statements”. You can identify some of these forward-looking statements by terms such as “expects”, “believes”, “plans”, “intends”, “estimates”, “anticipates”, “may”, “will”, “would” and “could” or similar words. However, you should note that these words are not the exclusive means of identifying forward-looking statements. All statements regarding our expected financial position, business strategies, plans and prospects are forward-looking statements.

These forward-looking statements, including without limitation, statements as to:

- (a) our revenue and profitability;
- (b) expected growth in demand;
- (c) expected industry trends and development;
- (d) anticipated expansion plans; and
- (e) other matters discussed in this Offer Document regarding matters that are not historical fact,

are only predictions. These forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause our actual results, performance or achievements to be materially different from any future results, performance or achievements expected, expressed or implied by these forward-looking statements. These risks, uncertainties and other factors include, among others:

- (i) changes in political, social, economic and stock or securities market conditions, and the regulatory environment in the countries in which we conduct business;
- (ii) the risk that we may be unable to execute or implement our business strategies and future plans;
- (iii) changes in currency exchange or interest rates;
- (iv) our anticipated growth strategies and expected internal growth;
- (v) changes in the availability and prices of goods which we require to operate our business;
- (vi) changes in customers’ preferences;
- (vii) changes in competitive conditions and our ability to compete under such conditions;
- (viii) changes in our future capital needs and the availability of financing and capital to fund such needs;
- (ix) other factors beyond our control; and
- (x) the factors described in the section entitled “Risk Factors” of this Offer Document.

All forward-looking statements made by or attributable to us, or persons acting on our behalf, contained in this Offer Document are expressly qualified in their entirety by such factors.

CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS

Given the risks and uncertainties that may cause our actual future results, performance or achievements to be materially different from that expected, expressed or implied by the forward-looking statements in this Offer Document, undue reliance must not be placed on these statements which apply only as at the date of this Offer Document. Neither our Company, the Sponsor, the Underwriter, the Placement Agent, nor any other person represents or warrants that our Group's actual future results, performance or achievements will be as discussed in those statements. Further, our Company, the Sponsor, the Underwriter and the Placement Agent disclaim any responsibility to update any of those forward-looking statements or publicly announce any revisions to those forward-looking statements to reflect future developments, events or circumstances for any reason, even if new information becomes available or other events occur in the future.

We are, however, subject to the provisions of the SFA and the Listing Manual regarding corporate disclosure. In particular, pursuant to Section 241 of the SFA, if after the registration of this Offer Document but before the close of the Invitation, our Company becomes aware of (a) a false or misleading statement or matter in this Offer Document; (b) an omission from this Offer Document of any information that should have been included in it under Section 243 of the SFA; or (c) a new circumstance that has arisen since this Offer Document was lodged with the SGX-ST acting as agent on behalf of the Authority and would have been required by Section 243 of the SFA to be included in this Offer Document, if it had arisen before this Offer Document was lodged and it is materially adverse from the point of view of an investor, we may, in consultation with the Sponsor, the Underwriter and the Placement Agent, lodge a supplementary or replacement offer document with the SGX-ST acting as agent on behalf of the Authority.

SELLING RESTRICTIONS

This Offer Document does not constitute an offer, solicitation or invitation to subscribe for the New Shares in any jurisdiction in which such offer, solicitation or invitation is unlawful or is not authorised or to any person to whom it is unlawful to make such offer, solicitation or invitation. No action has been or will be taken under the requirements of the legislation or regulations of, or of the legal or regulatory requirements of any jurisdiction, except for the lodgement and/or registration of this Offer Document in Singapore in order to permit a public offering of the New Shares and the public distribution of this Offer Document in Singapore. The distribution of this Offer Document and the offering of the New Shares in certain jurisdictions may be restricted by the relevant laws in such jurisdictions. Persons who may come into possession of this Offer Document are required by our Company, the Sponsor, the Underwriter and the Placement Agent to inform themselves about, and to observe and comply with, any such restrictions at their own expense and without liability to our Company, the Sponsor, the Underwriter and the Placement Agent.

Persons to whom a copy of this Offer Document has been issued shall not circulate to any other person, reproduce or otherwise distribute this Offer Document or any information herein for any purpose whatsoever nor permit or cause the same to occur.

DETAILS OF THE INVITATION

The Sponsor has made an application to the SGX-ST for permission to deal in, and for quotation of, all our Shares already issued, the New Shares which are the subject of the Invitation and the Performance Shares on Catalist. The dealing in, and quotation of, our Shares, the New Shares and the Performance Shares will be in Singapore dollars.

Companies listed on Catalist may carry higher investment risk when compared with larger or more established companies listed on the Main Board of the SGX-ST. In particular, companies may list on Catalist without a track record of profitability and there is no assurance that there will be a liquid market in the shares or units of shares traded on Catalist. You should be aware of the risks of investing in such companies and should make the decision to invest only after careful consideration and, if appropriate, consultation with your professional adviser(s).

The Invitation is made in or accompanied by this Offer Document that has been registered by the SGX-ST acting as agent on behalf of the Authority. We have not lodged or registered this Offer Document in any other jurisdiction.

Neither the Authority nor the SGX-ST has examined or approved the contents of this Offer Document. Neither the Authority nor the SGX-ST assumes any responsibility for the contents of this Offer Document, including the correctness of any of the statements or opinions made or reports contained in this Offer Document. The SGX-ST does not normally review the application for admission but relies on the Sponsor confirming that our Company is suitable to be listed on Catalist and complies with the rules of the Listing Manual. Neither the Authority nor the SGX-ST has in any way considered the merits of the New Shares being offered for investment.

The registration of this Offer Document by the SGX-ST acting as agent on behalf of the Authority, does not imply that the SFA, or any other legal or regulatory requirements, or requirements under the SGX-ST's listing rules, have been complied with.

Acceptance of applications will be conditional upon the issue of the New Shares and the listing and quotation of all our existing issued Shares, the New Shares and the Performance Shares. Monies paid in respect of any application accepted will be returned to you at your own risk, without interest or any share of revenue or other benefit arising therefrom, if the admission and listing do not proceed, and you will not have any claims against us, the Sponsor, the Underwriter or the Placement Agent.

After the expiration of six (6) months from the date of registration of this Offer Document, no person shall make an offer of securities, or allot, issue or sell any of our Shares, on the basis of this Offer Document; and no officer or equivalent person or promoter of our Company will authorise or permit the offer of any of our Shares or the allotment, issue or sale of any of our Shares, on the basis of this Offer Document.

We are subject to the provisions of the SFA and the Listing Manual regarding corporate disclosure. In particular, pursuant to Section 241 of the SFA, if after this Offer Document is registered but before the close of the Invitation, we become aware of:

- (a) a false or misleading statement in this Offer Document;
- (b) an omission from this Offer Document of any information that should have been included in it under Section 243 of the SFA; or
- (c) a new circumstance that has arisen since this Offer Document was lodged which would have been required by Section 243 of the SFA to be included in this Offer Document, if it had arisen before this Offer Document was lodged,

and that is materially adverse from the point of view of an investor, we may lodge a supplementary or replacement offer document pursuant to Section 241 of the SFA.

DETAILS OF THE INVITATION

Where prior to the lodgement of the supplementary or replacement offer document, applications have been made under this Offer Document to subscribe for the New Shares and:

- (a) where the New Shares have not been issued to the applicants, we shall either:
 - (i) within two (2) days (excluding any Saturday, Sunday or public holiday) from the date of lodgement of the supplementary or replacement offer document, give the applicants notice in writing of how to obtain, or arrange to receive, a copy of the same and provide the applicants with an option to withdraw their applications, and take all reasonable steps to make available within a reasonable period the supplementary or replacement offer document to the applicants who have indicated they wish to obtain, or who have arranged to receive, a copy of the supplementary or replacement offer document;
 - (ii) within seven (7) days from the date of lodgement of the supplementary or replacement offer document, give the applicants the supplementary or replacement offer document, as the case may be, and provide the applicants with an option to withdraw their applications; or
 - (iii) treat the applications as withdrawn and cancelled, in which case the applications shall be deemed to have been withdrawn and cancelled, and we shall, within seven (7) days from the date of lodgement of the supplementary or replacement offer document, pay the applicants all monies the applicants have paid on account of their applications for the New Shares; or
- (b) where the New Shares have been issued to the applicants, we shall either:
 - (i) within two (2) days (excluding any Saturday, Sunday or public holiday) from the date of lodgement of the supplementary or replacement offer document, give the applicants notice in writing of how to obtain, or arrange to receive, a copy of the same and provide the applicants with an option to return to us the New Shares which they do not wish to retain title in, and take all reasonable steps to make available within a reasonable period the supplementary or replacement offer document to the applicants who have indicated they wish to obtain, or who have arranged to receive, a copy of the supplementary or replacement offer document;
 - (ii) within seven (7) days from the date of lodgement of the supplementary or replacement offer document, give the applicants the supplementary or replacement offer document, as the case may be, and provide the applicants with an option to return to us the New Shares which they do not wish to retain title in; or
 - (iii) treat the issue of the New Shares as void, in which case the issue shall be deemed void and we shall within seven (7) days from the date of lodgement of the supplementary or replacement offer document, pay the applicants all monies the applicants have paid on account of their applications for the New Shares.

An applicant who wishes to exercise his option under paragraph (a)(i) or (ii) to withdraw his application shall, within 14 days from the date of lodgement of the supplementary or replacement offer document, notify us of this, whereupon we shall, within seven (7) days from the receipt of such notification, pay to him all monies paid by him on account of his application for the New Shares.

An applicant who wishes to exercise his option under paragraph (b)(i) or (ii) to return the New Shares issued to him shall, within 14 days from the date of lodgement of the supplementary or replacement offer document, notify us of this and return all documents, if any, purporting to be evidence of title to those New Shares, to us, whereupon we shall, within seven (7) days from the receipt of such notification and documents, if any, pay to him all monies paid by him for those New Shares, and the issue of those New Shares shall be deemed to be void.

DETAILS OF THE INVITATION

Pursuant to Section 242 of the SFA, the Authority may, in certain circumstances issue a stop order (the “Stop Order”) to our Company, directing that no Shares or no further Shares to which this Offer Document relates, be allotted or issued. Such circumstances will include a situation where this Offer Document contains any statement or matter which, in the Authority’s opinion, is (i) false or misleading, (ii) omits any information that should have been included in it under the SFA, or (iii) does not, in the Authority’s opinion, comply with the requirements of the SFA.

In the event that the Authority issues a Stop Order and applications to subscribe for the New Shares have been made prior to the Stop Order, then:

- (a) where the New Shares have not been issued to the applicants, the applications for the New Shares shall be deemed to have been withdrawn and cancelled and we shall, within 14 days from the date of the Stop Order, pay to the applicants all monies the applicants have paid on account of their applications for the New Shares; or
- (b) where the New Shares have been issued to the applicants, the issue of the New Shares shall be deemed to be void and we shall, within 14 days from the date of the Stop Order, pay to the applicants all monies paid by them for the New Shares.

Where monies are to be returned to applicants for the New Shares, they shall be paid to the applicants without any interest or share of revenue or benefit arising therefrom at the applicants’ own risk, and the applicants will not have any claim against our Company, the Sponsor, the Underwriter or the Placement Agent.

This Offer Document has been seen and approved by our Directors and they collectively and individually accept full responsibility for the accuracy of the information given in this Offer Document and confirm after making all reasonable enquiries, that to the best of their knowledge and belief, this Offer Document constitutes full and true disclosure of all material facts about the Invitation and our Group, and our Directors are not aware of any facts, the omission of which would make any statement in this Offer Document misleading. Where information in this Offer Document has been extracted from published or otherwise publicly available sources or obtained from a named source, the sole responsibility of our Directors has been to ensure that such information has been accurately and correctly extracted from those sources and/or reproduced in this Offer Document in its proper form and context.

Neither our Company, the Sponsor, the Underwriter, the Placement Agent nor any other parties involved in the Invitation is making any representation to any person regarding the legality of an investment in our Shares by such person under any investment or other laws or regulations. No information in this Offer Document should be considered as being business, legal or tax advice regarding an investment in our Shares. Each prospective investor should consult his own legal, financial, tax or other professional adviser regarding an investment in our Shares.

The New Shares are offered for subscription solely on the basis of the information contained and the representations made in this Offer Document.

No person has been or is authorised to give any information or to make any representation not contained in this Offer Document in connection with the Invitation and, if given or made, such information or representation must not be relied upon as having been authorised by us, the Sponsor, the Underwriter or the Placement Agent. Neither the delivery of this Offer Document, the Application Forms nor any document relating to the Invitation shall, under any circumstances, constitute a continuing representation or create any suggestion or implication that there has been no change in the affairs of our Company or our subsidiaries or in any statement of fact or information contained in this Offer Document since the date of this Offer Document. Where such changes occur and are material or are required to be disclosed by law, we will promptly make an announcement of the same to the SGX-ST and if required under the SFA, a supplementary or replacement offer document will be issued and made available to the public after a copy thereof has been lodged with the SGX-ST acting as agent on behalf of the Authority. All applicants should take note of any such announcement and/or supplementary or replacement offer document and, upon the release of such an announcement and/or supplementary or replacement offer document, shall be deemed to have notice of such changes.

DETAILS OF THE INVITATION

Save as expressly stated in this Offer Document, nothing herein is, or may be relied upon as, a promise or representation as to the future performance or policies of our Company or our subsidiaries.

This Offer Document has been prepared solely for the purpose of the Invitation and may not be relied upon by any persons other than the applicants in connection with their application for the New Shares or for any other purpose.

This Offer Document does not constitute an offer, solicitation or invitation to subscribe for the New Shares in any jurisdiction in which such offer, solicitation or invitation is unlawful or is not authorised or to any person to whom it is unlawful to make such offer, solicitation or invitation.

Copies of this Offer Document and the Application Forms and envelopes may be obtained on request, subject to availability, during office hours from:

Canaccord Genuity Singapore Pte. Ltd.
77 Robinson Road
#21-02
Singapore 068896

and where available, from members of the Association of Banks in Singapore, members of the SGX-ST and merchant banks in Singapore.

An electronic copy of this Offer Document is also available on the SGX-ST website at <http://www.sgx.com>.

The Application List will open at 10.00 a.m. on 20 June 2012 and will remain open until 12.00 noon on the same day or for such further period or periods as our Directors may, in consultation with the Sponsor, the Underwriter and the Placement Agent, in their absolute discretion decide, subject to any limitation under all applicable laws. In the event a supplementary or replacement offer document is lodged with the SGX-ST acting as agent on behalf of the Authority, the Application List will remain open for at least 14 days after the lodgement of the supplementary or replacement offer document.

Details of the procedures for applications to subscribe for the New Shares are described under the section entitled "Terms, Conditions and Procedures for Applications" as set out in Appendix G of this Offer Document.

INDICATIVE TIMETABLE FOR LISTING

An indicative timetable is set out below for your reference:

Indicative Date and Time	Event
20 June 2012, 12.00 noon	Close of Application List
22 June 2012, 9.00 a.m.	Commence trading on a “ready” basis
27 June 2012	Settlement date for all trades done on a “ready” basis

The above timetable is only indicative as it assumes that the date of closing of the Application List is 20 June 2012, the date of admission of our Company to Catalist is 22 June 2012, the SGX-ST’s shareholding spread requirement will be complied with and the New Shares will be issued and fully paid-up prior to 22 June 2012.

The above timetable and procedures may be subject to such modification as the SGX-ST may, in its absolute discretion, decide, including the commencement date of trading on a “ready” basis.

Investors should consult the SGX-ST announcement of the “ready” trading date on the internet (on the SGX-ST website at <http://www.sgx.com>) or newspapers, or check with their brokers on the date on which trading on a “ready” basis will commence.

In the event of any changes in the closure of the Application List or the time period during which the Invitation is open, we will publicly announce the same:

- (a) through an SGXNET announcement to be posted on the internet at the SGX-ST website at <http://www.sgx.com>; and
- (b) in a major English language newspaper in Singapore.

We will provide details of the results of the Invitation (including the level of subscription for the New Shares and the basis of allocation of the New Shares pursuant to the Invitation) as soon as practicable after the closure of the Application List through the channels described in (a) and (b) above.

PLAN OF DISTRIBUTION

The Issue Price is determined by us in consultation with the Sponsor, the Underwriter and the Placement Agent after taking into consideration, *inter alia*, prevailing market conditions and estimated market demand for the New Shares as determined through a book-building process. The Issue Price is the same for all New Shares and is payable in full on application.

Offer Shares

The Offer Shares are made available to members of the public in Singapore for subscription at the Issue Price. Applications for Offer Shares may be made by way of Offer Shares Application Forms or by way of Electronic Applications as described under the section entitled “Terms, Conditions and Procedures for Applications” as set out in Appendix G of this Offer Document.

In the event of an under-subscription for the Offer Shares as at the close of the Application List, that number of Offer Shares not subscribed for shall be made available to satisfy excess applications for the Placement Shares to the extent there is an over-subscription for the Placement Shares as at the close of the Application List.

In the event of an over-subscription for the Offer Shares as at the close of the Application List and/or the Placement Shares are fully subscribed or over-subscribed for as at the close of the Application List, the successful applications for the Offer Shares will be determined by ballot or otherwise as determined by our Directors after consultation with the Sponsor and approved by the SGX-ST.

Placement Shares

Application for the Placement Shares may only be made by way of Placement Shares Application Forms as described under the section entitled “Terms, Conditions and Procedures for Applications” as set out in Appendix G of this Offer Document.

In the event of an under-subscription for the Placement Shares as at the close of the Application List, that number of Placement Shares not subscribed for shall be made available to satisfy excess applications for the Offer Shares to the extent that there is an over-subscription for the Offer Shares as at the close of the Application List.

Subscribers of the Placement Shares may be required to pay a brokerage of up to 1.0% of the Issue Price (plus GST thereon, if applicable) to the Placement Agent or any sub-placement agent(s) that may be appointed by the Placement Agent.

We have received an expression of intent from our Independent Director, Lee Sai Sing, to subscribe for 200,000 New Shares (not amounting to more than 5.0% of the New Shares) in the Invitation. Save for the foregoing, none of our Directors or Substantial Shareholder intends to subscribe for the New Shares in the Invitation.

None of the members of our management or employees intends to subscribe for more than 5.0% of the New Shares pursuant to the Invitation.

To the best of our knowledge and belief, we are not aware of any person who intends to subscribe for more than 5.0% of the New Shares. However, through a book-building process to assess market demand for our Shares, there may be person(s) who may indicate an interest to subscribe for Shares amounting to more than 5.0% of the New Shares. If such person(s) were to make an application for Shares amounting to more than 5.0% of the New Shares and are subsequently allotted such number of Shares, we will make the necessary announcements at an appropriate time. The final allotment of Shares will be in accordance with the shareholding spread and distribution guidelines as set out in the Listing Manual.

No Shares shall be allotted on the basis of this Offer Document later than six (6) months after the date of registration of this Offer Document by the SGX-ST acting as agent on behalf of the Authority.

OFFER DOCUMENT SUMMARY

The following summary highlights certain information found in greater detail elsewhere in this Offer Document. Terms defined elsewhere in this Offer Document have the same meaning when used herein. In addition to this summary, we urge you to read the entire Offer Document carefully, especially the section entitled “Risk Factors” of this Offer Document, before deciding to invest in our Shares.

OVERVIEW OF OUR GROUP

Our Company

Our Company was incorporated in Singapore on 10 April 2008 under the Companies Act as a private limited company under the name of “Maxi-Cash Financial Services Corporation Pte Ltd”. On 13 April 2012, we converted into a public company and changed our name to “Maxi-Cash Financial Services Corporation Ltd”.

Our Business

We offer financial services in the form of pawnbroking and the retail and trading of pre-owned jewellery and watches through pawnshops and retail outlets in 24 locations in Singapore as at the Latest Practicable Date. Our business is carried out by three (3) wholly-owned subsidiaries:

- Maxi-Cash Group which owns 12 subsidiaries that in turn operate the pawnshops;
- Maxi-Cash Jewellery which carries out the retail and trading of pre-owned jewellery and watches; and
- Maxi-Cash Jewellery Group which manages the inventory of pre-owned jewellery and watches and carries out the trading of pre-owned jewellery and watches.

We provide pawnbroking services to consumers in a modern, professional and customer-centric service to meet their financial needs. We provide customers with “bank-like” pawning experiences where trust, transparency and reliability are the basic hallmarks of our services.

Please refer to the section entitled “General Information on Our Group — Business Overview” of this Offer Document for further details.

Our Competitive Strengths

Our Directors believe our competitive strengths are as follows:

- We have a well established market position
- We have an established brand name in the industry
- We have a skilled and qualified work force
- We have an experienced and committed Board of Directors and management team
- We have a strong system of risk management
- We provide convenient and quick access to short-term financings

Please refer to the section entitled “General Information on Our Group — Competitive Strengths” of this Offer Document for further details.

OFFER DOCUMENT SUMMARY

Our Business Strategies and Future Plans

Our business strategies and future plans are as follows:

- Expand our business operations
- Strengthen our brand recognition through our brand management and marketing strategies
- Expand our range of pre-owned jewellery and watches
- Expansion through acquisitions, joint ventures and/or strategic alliances

Please refer to the section entitled “Prospects, Business Strategies and Future Plans — Business Strategies and Future Plans” of this Offer Document for further details.

Where you can find us

Our registered office is located at 1 Finlayson Green #14-02 Singapore 049246. Our principal office is located at 55 Ubi Avenue 1 #07-10 and #07-14 Ubi 55 Singapore 408935. Our telephone number is +65 6840 7304 and our facsimile number is +65 6841 8741. Our Company Registration Number is 200806968Z. Our internet address is www.maxi-cash.com.sg. **Information contained in our website does not constitute part of this Offer Document.**

FINANCIAL HIGHLIGHTS

You should read the following summary financial information in conjunction with the full text of this Offer Document, including the “Audited Consolidated Financial Statements of Maxi-Cash Financial Services Corporation Ltd and its Subsidiaries for the Financial Years Ended 31 December 2009, 2010 and 2011” as set out in Appendix A of this Offer Document as well as the section entitled “Management’s Discussion and Analysis of Results of Operations and Financial Position” of this Offer Document.

Selected items from the Consolidated Statements of Comprehensive Income

(S\$'000)	Audited		
	FY2009	FY2010	FY2011
Revenue	10,036	54,864	87,738
(Loss)/profit before tax	(5,458)	(1,774)	3,530
(Loss)/profit attributable to owners of the parent	(4,697)	(1,256)	3,109
EPS (cents) ⁽¹⁾	(2.0)	(0.5)	1.3
EPS (fully diluted) (cents) ⁽²⁾	(1.6)	(0.4)	1.1

Selected items from the Consolidated Statement of Financial Position

(S\$'000)	Audited as at 31 December 2011
Non-current assets	5,245
Current assets	138,630
Non-current liabilities	484
Current liabilities	97,979
Shareholders’ equity	44,916
NTA	44,916
NTA per Share (cents) ⁽³⁾	18.7

Notes:

- (1) For comparative purposes, EPS for the Period Under Review have been computed based on the loss or profit attributable to owners of the parent and our pre-Invitation share capital of 240,000,000 Shares.
- (2) For comparative purposes, EPS (fully diluted) for the Period Under Review have been computed based on the loss or profit attributable to owners of the parent and our post-Invitation share capital of 296,000,000 Shares.
- (3) The NTA per Share as at 31 December 2011 has been computed based on our pre-Invitation share capital of 240,000,000 Shares.

THE INVITATION

Issue size	: 56,000,000 New Shares. The New Shares, upon issue and allotment, will rank <i>pari passu</i> in all respects with the existing issued Shares.
Issue Price	: S\$0.30 for each New Share.
The Offer	: The Offer comprises an offering by our Company of 2,250,000 Offer Shares to the public in Singapore for subscription at the Issue Price, subject to and on the terms and conditions of this Offer Document.
The Placement	: The Placement comprises an offering by the Placement Agent on behalf of our Company of 53,750,000 Placement Shares at the Issue Price, subject to and on the terms and conditions of this Offer Document.
Purpose of the Invitation	: Our Directors believe that the listing of our Company and the quotation of our Shares on Catalist will enhance our public image locally and internationally and enable us to tap the capital markets to fund our business growth. The Invitation will also provide members of the public, our employees, our business associates and others who have contributed to the success of our Group with an opportunity to participate in the equity of our Company. Please refer to the section entitled “Use of Proceeds from the Invitation and Expenses Incurred” of this Offer Document for more information.
Listing status	: Prior to the Invitation, there had been no public market for our Shares. Our Shares will be quoted on Catalist in Singapore dollars, subject to admission of our Company to Catalist and permission for dealing in, and for quotation of, our Shares being granted by the SGX-ST.
Risk factors	: Investing in our Shares involves risks which are described in the section entitled “Risk Factors” of this Offer Document.

RISK FACTORS

We are exposed to a number of possible risks that may arise from economic, business, market and financial factors and developments that may have an adverse impact on our future performance.

Prospective investors should carefully consider and evaluate each of the following risk factors and all other information contained in this Offer Document before deciding to invest in our Shares. To the best of our Directors' knowledge and belief, all risk factors which are material to investors for making an informed judgement of our Group have been set out below. If any of the following considerations, uncertainties or material risks develop into actual events, our business, financial condition and/or results of operations could be materially and adversely affected. In such cases, the trading price of our Shares could decline due to any of these considerations and uncertainties, and investors may lose all or part of their investment in our Shares.

You should also note that certain of the statements set forth below constitute "forward-looking statements" having direct and/or indirect implications on our future performance. Our actual results may differ materially from those anticipated by these forward-looking statements due to certain factors, including the risks and uncertainties faced by us, as described below and elsewhere in this Offer Document.

RISKS RELATING TO OUR INDUSTRY AND BUSINESS

We are subject to regulatory risks associated with pawnbroking and retail and trading of pre-owned jewellery and watches and may be adversely affected if we are unable to maintain our existing licences, registrations, permits, approvals or exemptions

Our pawnbroking business and retail and trading of pre-owned jewellery and watches business are subject to several laws and regulations in Singapore, including but not limited to the Pawnbrokers Act and Secondhand Goods Dealers Act respectively. Please refer to the section entitled "Government Regulations" as set out in Appendix B of this Offer Document for further details of these laws and regulations.

As at the Latest Practicable Date, our pawnshops and retail outlets have obtained the necessary licences and exemptions (as applicable) for the operation of these businesses respectively. Our ability to continue our pawnbroking and retail and trading of pre-owned jewellery and watches businesses is dependent, respectively, on the relevant licences and exemptions. The licenses for our pawnbroking business are valid for certain periods of time with their renewal based on our compliance with the requirements imposed by the relevant authorities. As for the exemptions granted to us in respect of our dealing in secondhand goods, our exempt status is subject to our continued compliance with the requirements imposed by the relevant authorities.

While there have been no previous instances of failure to obtain the licence renewals or maintain our exempt status as a secondhand goods dealer in the past, there is no assurance that our licences will be renewed when they expire in future or that our said exempt status will be maintained.

The revocation or suspension of the licences of any of our pawnshops, or the revocation or suspension of our exemption status as a secondhand goods dealer, or a failure by us to obtain the relevant exemptions as a secondhand goods dealer (in the event that our exempt status is revoked), or the imposition of any penalties, whether as a result of the infringement of regulatory requirements or otherwise, may have an adverse and material impact on our business and financial performance.

In addition, if there are any changes in legislation, regulations or policies governing the pawnbroking and/or retail and trading of pre-owned jewellery and watches businesses, such that more restrictions and/or additional compliance requirements are imposed by the regulatory authorities in Singapore on us which would restrict the conduct of our business and/or result in higher costs for us, our financial performance may be adversely affected. In the event that it would not be viable to build in such increased costs in our prices, we will have to absorb these cost increments and this would affect our profitability.

RISK FACTORS

Our business requires substantial capital and any disruption in funding sources would have a material adverse effect on our liquidity and financial condition

Our business requires substantial capital and our liquidity and profitability are, in large part, dependent upon our timely access to, and the costs associated with, raising capital. We have been financing our operations mainly through a combination of shareholders' equity (including retained profits), net cash generated from operating activities, borrowings from financial institutions and advances from Aspial, our Controlling Shareholder.

To finance our existing operations and future expansion plans, we are likely to rely on funding from financial institutions and/or Shareholders or other sources of funds. In the event that we are unable to obtain loans or other credit facilities or funds from financial institutions on reasonable terms or from Shareholders and other sources, we may not be able to implement our business and operational strategies. This would adversely affect our business growth and financial performance.

Gold price volatility may affect our profitability

The profitability of our operations is significantly affected by changes in gold price as we sell gold jewellery to individuals and jewellery and precious metals traders/dealers. Gold price can fluctuate widely and is affected by numerous factors beyond our control, including industrial and jewellery demand, inflation and expectations with respect to the rate of inflation, the strength of the USD and of other currencies, interest rates, gold sales by central banks and international institutions, forward sales by producers, global or regional political or economic events, and production and cost levels in major gold-producing regions such as South Africa and China. In addition, gold price is sometimes subject to rapid short-term changes because of speculative activities. The supply of gold consists of a combination of new production from mining and existing stocks of bullion and fabricated gold held by governments, public and private financial institutions, industrial organisations and private individuals. As the amounts produced in any single year constitute a small portion of the total potential supply of gold, typical variations in current production do not necessarily have a significant impact on the supply of gold or its price.

We extend loans secured by gold jewellery as collateral by the customer based on a certain loan-to-value ratio which factors in a buffer for potential fluctuations in gold prices and non-payment of interest. However, a significant prolonged downward movement in the price of gold will result in a fall in collateral values. If the customers do not repay their loans and the collateralised gold jewellery decrease significantly in value, our financial position and results of operations would be adversely and materially affected.

Our business may be affected by non-renewal of leases or increase in rental of our shops

All our pawnshops and retail outlets as at the Latest Practicable Date are located at strategic locations which are accessible to customers. A majority of these shops are leased from independent third parties. There is no assurance that each of the leases can be renewed upon expiry or can be renewed on favourable terms and conditions. Failure to renew the existing leases upon expiry or on favourable terms and conditions will adversely affect our performance and future development.

Should we fail to renew any leases upon expiry, those shops may need to be relocated. If the shops are required to be relocated to less favourable areas, our revenue may be adversely affected and we will have to incur costs for renovation and removal. Shops may face closure if the increase in rental is excessive or if we are unable to find alternative locations. In such case, our Group will face a decline in revenue and incur additional costs for closure.

Rental costs is one of the main costs of our business operations. Rental costs accounted for approximately S\$2.0 million, S\$3.6 million and S\$5.5 million for FY2009, FY2010 and FY2011, representing approximately 26.6%, 25.3% and 28.8% of our total operating expenses respectively. Any substantial increase in rental costs in the future will adversely impact our profitability.

RISK FACTORS

We are dependent on our continued ability to attract and retain skilled and qualified personnel

Our Directors consider that retaining skilled and qualified personnel is one of the key factors for the growth and future success of our Group. In particular, we require a large number of capable staff to fill the appraisal, sales and management positions for the existing pawnshops and retail outlets and any new pawnshops and/or retail outlets to be opened by our Group in future. Our Group may face difficulties in recruiting or retaining suitable personnel, in particular, those with extensive experience and knowledge of pawnbroking and retail and trading of pre-owned jewellery and watches. If our Group fails to maintain or expand the working team or replace any possible loss of such skilled and qualified personnel, our operations and financial performance may be adversely affected and our future expansion plan may not be implemented effectively.

We may not be able to recover the full loan amount and the value of the collateral may not be sufficient to cover the outstanding amounts due

Failure by our employees to properly appraise the value of the collaterals or pledged articles may result in us incurring losses on these loans as we have no recourse against the borrower. Any failure to recover the loan through the sale of unredeemed pledges could expose us to a potential loss if the loan extended based on the initial appraised value is higher than its realised value. Any such losses arising from significant differences in value of our loan portfolio will adversely affect our financial position and results of operations.

There is no assurance on the sustainability of our growth

During the Period Under Review, our revenue grew substantially from S\$10.0 million in FY2009 to S\$87.7 million in FY2011 while we recorded a PAT of S\$3.1 million in FY2011 from a loss position of S\$4.7 million in FY2009.

Apart from our development plans and business strategies, other factors, like intense market competition and customers' preferences, which are beyond our control, may also affect our growth. There is no assurance that we will be able to achieve or maintain similar levels of growth in revenue and profit in future. The results of our Group during the Period Under Review should not be used as an indicator of our future performance.

We may face uncertainties associated with the expansion of our business

The successful implementation of our growth strategies depends on our ability to identify suitable sites for new pawnshops and retail outlets as well as strengthen our brand recognition through our brand management and marketing strategies. There can be no assurance that we will be able to execute such growth strategies successfully. If we fail to manage our expansion plans and the related risks and costs, our business and financial performance would be adversely affected.

In addition, we are subject to regulations in Singapore regarding:

- The grant of new licences for new pawnshops - under the Pawnbrokers Act, a licence is required for each pawnshop. Any restriction in the issue of new licences will impede our business expansion.
- The grant of an exempt status or licences (as the case may be) for our new retail outlets dealing in secondhand goods - under the Secondhand Goods Dealers Act, a dealer in secondhand goods regulated thereunder is required to obtain a licence for each shop unless otherwise exempted. Any restriction in the issue of licences or the grant of an exemption status will similarly impede our business expansion.

We are reliant on our “Maxi-Cash” brand name

We market our business under our “Maxi-Cash” brand name and we believe that our business will depend in part on increasing brand recognition amongst consumers. Failure to maintain the image of our brand name and quality standards associated with our brand name may have an adverse impact on our business and financial performance.

RISK FACTORS

Competition in the pawnbroking and retail and trading of pre-owned jewellery and watches industries is intense and any failure by us to compete could result in us losing market share and revenues

The industries in which we operate are highly competitive. We compete with major pawnshops and retail chains such as ValueMax and MoneyMax, as well as other smaller players who operate individual pawnshops or retail outlets dealing in pre-owned jewellery and watches. If we do not successfully compete against our competitors, our results of operations may be materially and adversely affected.

Our insurance coverage may not adequately protect us against certain operational risks

We maintain general insurance policies where practicable covering both our assets and employees in line with general business practices in the pawnbroking and retail and trading of pre-owned jewellery and watches industries, with policy specifications and insured limits which we believe are reasonable.

The occurrence of certain incidents, including fraud or other misconduct committed by our employees or third parties, fire, severe weather conditions, earthquake, war, flooding and power outage, and the consequences resulting therefrom may not be covered adequately, if at all, by our insurance policies. If we incur substantial liabilities which are not covered by our insurance policies, or if our business operations are interrupted for more than a short period of time, we may incur expenses and losses that would materially and adversely affect our operating results. Please refer to the section entitled “General Information on Our Group – Insurance” of this Offer Document for further details.

We are dependent on our key personnel for our continued success

Our Directors, Koh Lee Hwee and Koh Wee Seng, have been instrumental in formulating our business strategies and spearheading the growth of our business operations. Our success to date has been largely attributable to their efforts for implementing our Group’s business strategies. Please refer to the section entitled “Directors, Management and Staff — Directors” of this Offer Document for details of their qualifications and working experience.

There is no assurance that we will be able to retain their services notwithstanding that Koh Lee Hwee has entered into a Service Agreement with our Company. For details of the Service Agreement, please refer to the section entitled “Directors, Management and Staff — Service Agreement” of this Offer Document. The loss of the services of our key management personnel without suitable and/or timely replacements, and an inability to attract or retain qualified and experienced management personnel may lead to the loss or deterioration of important business relations as well as management’s capability to implement plans and maintain operational effectiveness which will have an adverse impact on our business and financial performance.

We may require additional funding for our future growth

Although we have identified our future growth plans as set out in the section entitled “Prospects, Business Strategies and Future Plans — Business Strategies and Future Plans” of this Offer Document, the proceeds from the Invitation may not be sufficient to cover the estimated costs of implementing all these plans. We may also find future opportunities to grow through acquisitions which we have not identified at this juncture. Under such circumstances, we may need to obtain additional debt and/or equity financing to implement these growth opportunities.

Additional debt and/or equity financing may result in dilution to our Shareholders. Further, if such financing does not generate a commensurate increase in earnings, our EPS will be diluted and this could lead to a decline in our Share price.

Additional debt financing may, apart from increasing interest expense and gearing:

- limit our ability to pay dividends;
- increase our vulnerability to general adverse economic and industry conditions;

RISK FACTORS

- require us to dedicate a substantial portion of our cash flow from operations to payments on our debt, thereby reducing the availability of our cash flow to fund capital expenditure, working capital and other requirements; and/or
- limit our flexibility in planning for, or reacting to, changes in our business and our industry.

We are unable to assure you that we will be able to obtain the additional debt and/or equity financing on terms that are acceptable to us or at all. Any inability to secure additional debt and/or equity financing may materially and adversely affect our business, implementation of our business strategies and future plans and financial position.

Changes in the economic, political and social conditions of Singapore and policies adopted by the Singapore Government may adversely affect our Group's business, growth strategies, financial conditions and results of operations

For the Period Under Review, all of our revenue was derived from our operations in Singapore. As a result, our business is significantly subject to the economic, political and social developments of Singapore. Changes in the economic, political and social conditions or the relevant policies of the Singapore Government, such as changes in laws and regulations (or the interpretation thereof) or restrictive financial measures, could have adverse effects on the overall economic growth of Singapore and the pawnbroking and retail and trading of pre-owned jewellery and watches industries, which could subsequently hinder our current or future business, growth strategies, financial position and results of operations.

The outbreak of communicable diseases, if uncontrolled, could materially and adversely affect our business

An outbreak of influenza A (H1N1), bird flu, virus and/or other communicable diseases in Singapore could materially and adversely affect our business. In the event that an outbreak occurs at any of our pawnshops and retail outlets, we may be required to temporarily suspend part of our operations and quarantine all affected employees, which could materially and adversely affect our business, results of operations and financial position.

RISKS RELATING TO OUR RELATIONSHIP WITH ASPIAL GROUP

Controlling interest owned by Aspial may limit your ability to influence the outcome of decisions requiring the approval of Shareholders

Aspial will own approximately 81.1% of our enlarged issued and paid-up share capital following the completion of the Invitation and therefore will be able to significantly influence our Company's affairs and business which require Shareholders' approval, including the election of directors and the approval of certain transactions including mergers and acquisitions. Aspial holds sufficient Shares to pass a proposed resolution of Shareholders by their affirmative votes on a poll or to defeat a proposed resolution of Shareholders by their negative votes on a poll. This concentration of ownership could have the effect of delaying or preventing a change in control of our Company or may otherwise discourage a potential acquirer from attempting to obtain control of our Company at a premium over the then current market price of our Shares.

RISKS RELATING TO OWNERSHIP OF OUR SHARES

Investments in securities quoted on Catalist involve a higher degree of risk and can be less liquid than shares quoted on the Main Board of the SGX-ST

An application has been made for our Shares to be listed for quotation on Catalist, a listing platform designed primarily for fast-growing and emerging or smaller companies to which a higher investment risk tends to be attached as compared to larger or more established companies listed on the Main Board of the SGX-ST. An investment in shares quoted on Catalist may carry a higher risk than an investment in shares quoted on the Main Board of the SGX-ST and the future success and liquidity in the market of our Shares cannot be guaranteed.

RISK FACTORS

Investors in our Shares will face immediate and substantial dilution in our NTA per Share and may experience future dilution

Our Issue Price of 30.0 cents per Share is substantially higher than our NTA per Share of 20.3 cents based on the post-Invitation issued and paid-up share capital adjusted for the net proceeds from the issue of New Shares. If we were liquidated for NTA immediately following the Invitation, each Shareholder subscribing to the Invitation would receive less than the price they paid for their Shares. Details of the immediate dilution of our Shares incurred by new investors are described under the section entitled “Dilution” of this Offer Document.

Future sale or issuance of our Shares could materially and adversely affect our Share price

Any future sale or issuance or availability of a large number of our Shares in the public market or perception thereof may have a downward pressure on our Share price. These factors also affect our ability to sell additional equity securities in the future, at a time and price we deem appropriate. Save as disclosed under the section entitled “Shareholders — Moratorium” of this Offer Document, there will be no restriction on the ability of our Shareholders to sell their Shares either on the SGX-ST or otherwise.

Further, if we were to raise funds in the future by way of a rights issue, if any Shareholder is unwilling to participate in such fund raising, such Shareholder will suffer dilution in his shareholding.

In addition, our Share price may be under downward pressure if Aspial sells its Shares upon the expiry of its moratorium period.

There has been no prior market for our Shares and the Invitation may not result in an active or liquid market and there is a possibility that our Share price may be volatile

Prior to the Invitation, there had been no public market for our Shares. Although we have made an application to the SGX-ST for our Shares to be listed for quotation on Catalist, there is no assurance that an active trading market for our Shares will develop, or if it develops, be sustained. There is also no assurance that the market price for our Shares will not decline below the Issue Price. The market price of our Shares could be subject to significant fluctuations due to various external factors and events including the liquidity of our Shares in the market, differences between our actual financial or operating results and those expected by investors and analysts, the general market conditions and broad market fluctuations.

Our Share price may be volatile in future which could result in substantial losses for investors purchasing Shares pursuant to the Invitation

The trading price of our Shares may fluctuate significantly and rapidly after the Invitation as a result of, among others, the following factors, some of which are beyond our control:

- variations of our operating results;
- changes in securities analysts’ recommendations, perceptions or estimates of our financial performance;
- changes in market valuations and share prices of companies with business similar to that of our Company that may be listed in Singapore;
- additions or departures of our key management personnel;
- material changes or uncertainty in the political, economic and regulatory environment in the markets that we operate;
- fluctuations of stock markets’ prices and volume;
- announcements by us of significant acquisitions, strategic alliances or joint ventures;
- successes or failures of our efforts in implementing business and growth strategies;

RISK FACTORS

- our involvement in material litigation; and
- changes in conditions affecting the industry, the general economic conditions or stock market sentiments or other events or factors.

Investors may not be able to participate in future rights issues or certain other equity issues of our Shares

In the event that we issue new Shares, we will be under no obligation to offer those Shares to our existing Shareholders at the time of issue, except where we elect to conduct a rights issue. However, in electing to conduct a rights issue or certain other equity issues, we will have the discretion and may also be subject to certain regulations as to the procedures to be followed in making such rights available to Shareholders or in disposing of such rights for the benefit of such Shareholders and making the net proceeds available to them. In addition, we may not offer such rights to our existing Shareholders having an address in jurisdictions outside of Singapore. Accordingly, certain Shareholders may be unable to participate in future equity offerings by us and may experience dilution in their shareholdings as a result.

Certain transactions may dilute the ownership of holders of our Shares

As a result of adjustments from rights offerings, certain issuances of new Shares and certain other actions we may take to modify our capital structure, Shareholders may experience a dilution in their ownership of our Shares. There can be no assurance that we will not take any of the foregoing actions, and such actions in the future may adversely affect the market price of our Shares.

Negative publicity including those relating to any of our Directors, Executive Officers or Substantial Shareholders may materially and adversely affect our Share price

Negative publicity or announcements including those relating to any of our Directors, Executive Officers or Substantial Shareholders may materially and adversely affect the market perception of our Group or the performance of the price of our Shares, whether or not they are justified. Examples of negative publicity include publicity on our unsuccessful attempts in joint ventures, acquisitions or take-overs, or involvement in insolvency proceedings.

The actual performance of our Company may differ materially from the forward-looking statements in this Offer Document

This Offer Document contains forward-looking statements, which are based on a number of assumptions which are subject to significant uncertainties and contingencies, many of which are outside our control. Furthermore, our revenue and financial performance are dependent on a number of external factors, such as demand for our services which may decrease for various reasons, including increased competition within the industry or changes in applicable laws and regulations. We cannot assure you that these assumptions will be realised and our actual performance will be as projected.

We may not be able to pay dividends in the future

Our ability to declare dividends to our Shareholders will depend on our future financial performance and distributable reserves of our Company, which, in turn, depends on us successfully implementing our strategies and on financial, competitive, regulatory, technical and other factors, general economic conditions, demand for and selling prices of our products and services and other factors specific to our industry or specific projects, many of which are beyond our control. As such, there is no assurance that our Company will be able to pay dividends to our Shareholders. In the event that our Company enters into any loan agreements in the future, covenants therein may also limit when and how much dividends we can declare and pay.

USE OF PROCEEDS FROM THE INVITATION AND EXPENSES INCURRED

The estimated net proceeds to be raised by our Company from the Invitation (after deducting the estimated expenses incurred in connection with the Invitation to be borne by our Company of approximately S\$1.7 million) is approximately S\$15.1 million.

The allocation of each principal intended use of the proceeds from the Invitation and the estimated listing expenses is set out below:

Use of the proceeds from the Invitation	Amount (S\$'000)	As a percentage of gross proceeds from the Invitation (%)
To fund the expansion of our business operations	6,000	35.7
For our general corporate and working capital requirements	9,100	54.2
Net proceeds from the Invitation	15,100	89.9
Estimated listing expenses⁽¹⁾		
Listing and processing fees	43	0.3
Professional fees and expenses	880	5.2
Underwriting and placement commission	518	3.1
Miscellaneous expenses	259	1.5
Gross proceeds from the Invitation	16,800	100.0

Note:

- (1) Of the total estimated listing expenses to be borne by our Company of approximately of S\$1.7 million, approximately S\$0.7 million will be capitalised against share capital and the balance of the estimated listing expenses will be charged to profit or loss.

Please refer to the section entitled “Prospects, Business Strategies and Future Plans — Business Strategies and Future Plans” of this Offer Document for further details on our future plans. In particular, our future plans may be funded apart from the proceeds from the Invitation, either through internally generated funds and/or external borrowings.

In the reasonable opinion of our Directors, there is no minimum amount, which must be raised from the Invitation.

Pending the deployment of the net proceeds from the Invitation as aforesaid, the funds will be placed in short-term deposits with financial institutions, used to invest in short-term money market instruments and/or used for our working capital requirements as our Directors may deem appropriate.

We will make periodic announcements on the use of the net proceeds from the issue of the New Shares as and when the funds are materially disbursed, and provide a status report on the use of the proceeds in our annual report.

In the event that any part of our proposed uses of the net proceeds from the issue of the New Shares does not materialise or proceed as planned, our Directors will carefully evaluate the situation and may reallocate the intended funding to other purposes and/or hold such funds on short-term deposits for so long as our Directors deem it to be in the interest of our Company and our Shareholders, taken as a whole. Any change in the use of the net proceeds will be subject to the Listing Manual and appropriate announcements will be made by our Company on SGXNET.

MANAGEMENT, UNDERWRITING AND PLACEMENT ARRANGEMENTS

Pursuant to a management and underwriting agreement dated 12 June 2012 (the "Management and Underwriting Agreement") entered into between our Company and Canaccord Genuity, our Company appointed Canaccord Genuity to manage the Invitation and underwrite the Offer Shares. The Sponsor will receive a fee from our Company for its services rendered in connection with the Invitation.

Pursuant to the Management and Underwriting Agreement, the Underwriter agreed to underwrite the subscription of the Offer Shares on the terms and conditions therein, and our Company agreed to pay to the Underwriter an underwriting commission of 2.88% of the aggregate Issue Price for the total number of Offer Shares. Payment of the commission shall be made whether or not any allotment, issue or transfer of the Offer Shares is made to the Underwriter or its nominees, except that no underwriting commission shall be payable for any portion of the Offer Shares which have been applied to satisfy excess applications for Placement Shares. The Underwriter may, at its absolute discretion, appoint one or more sub-underwriters to underwrite the Offer Shares.

For Offer Shares, brokerage will be paid by our Company out of the underwriting commission (except the minimum brokerage fee levied by DBS Bank), to the members of the SGX-ST, merchant banks and members of the Association of Banks in Singapore (other than DBS Bank) in respect of successful applications made on Application Forms bearing their respective stamps, and to the Participating Banks (other than DBS Bank) in respect of successful applications made through Electronic Applications at their respective ATMs or IB websites, at the rate of 0.25%, and in the case of DBS Bank, 0.5%, of the Issue Price for each New Share. In addition, DBS Bank levies a minimum brokerage fee of S\$10,000 that will be paid by our Company.

Pursuant to the placement agreement dated 12 June 2012 (the "Placement Agreement") entered into between our Company and Canaccord Genuity as the Placement Agent, the Placement Agent agreed to subscribe for and/or procure subscribers for the Placement Shares at the Issue Price for a placement commission of 2.88% of the aggregate Issue Price for the total number of Placement Shares, payable by our Company. The Placement Agent may, at its absolute discretion, appoint one or more sub-placement agent(s) for the Placement Shares.

Subscribers of Placement Shares may be required to pay a brokerage of up to 1.0% of the Issue Price (plus the prevailing GST thereon, if applicable) to the Placement Agent or any sub-placement agent that may be appointed by the Placement Agent.

Save as aforesaid, no commission, discount or brokerage, has been paid or other special terms granted by our Company within the two (2) years preceding the date of this Offer Document or is payable to any Director, promoter, expert, proposed Director or any other person for subscribing or agreeing to subscribe or procuring or agreeing to procure subscriptions for any shares in, or debentures of, our Company or our subsidiaries.

If there shall have been, since the date of the Management and Underwriting Agreement and prior to the close of the Application List:

- (a) any breach of the warranties or undertakings by our Company in the Management and Underwriting Agreement which comes to the knowledge of Canaccord Genuity; or
- (b) any occurrence of certain specified events which comes to the knowledge of Canaccord Genuity; or
- (c) any adverse change, or any development involving a prospective adverse change, in the condition (financial or otherwise) of our Company or of our Group as a whole; or
- (d) any introduction or prospective introduction of or any change or prospective change in any legislation, regulation, order, policy, rule, guideline or directive in Singapore or elsewhere (whether or not having the force of law) and including, without limitation, any directive or request issued by the Authority, the Securities Industry Council or the SGX-ST or relevant authorities elsewhere, in the interpretation or application thereof by any court, government body, regulatory authority or other competent authority in Singapore or elsewhere; or

MANAGEMENT, UNDERWRITING AND PLACEMENT ARRANGEMENTS

- (e) any change, or any development involving a prospective change, in local, national or international financial (including stock market, foreign exchange market, inter-bank market or interest rates or money market), political, industrial, economic, legal or monetary conditions, taxation or exchange controls (including without limitation, the imposition of any moratorium, suspension or restriction on trading in securities generally on the SGX-ST due to exceptional financial circumstances or otherwise, adverse changes in foreign exchange controls in Singapore or overseas or any combination of any such changes or developments or crisis, or any deterioration of any such conditions); or
- (f) any imminent threat or occurrence of any local, national or international outbreak or escalation of hostilities, insurrection, terrorist attacks or armed conflict (whether or not involving financial markets) in any jurisdiction; or
- (g) any regional or local outbreak of disease that may have an adverse effect on the financial markets; or
- (h) any other occurrence of any nature whatsoever,

which has resulted or is in the reasonable opinion of the Sponsor likely to result in a material adverse fluctuation or material adverse conditions in the stock market in Singapore or overseas; or is likely to materially prejudice the success of the subscription or offer of the New Shares (whether in the primary market or in respect of dealings in the secondary market); or it becoming impracticable, inadvisable, inexpedient or uncommercial to proceed with any of the transactions contemplated under the Management and Underwriting Agreement or Placement Agreement; or the business, trading position, operations or prospects of our Company or our Group as a whole being materially and adversely affected; or is such that no reasonable underwriter would have entered into the underwriting obligations under the Management and Underwriting Agreement; or results or is likely to result in the issue of a notice of refusal to an admission of our Company to the Official List of Catalist by the SGX-ST to the Sponsor at any point prior to the listing of our Shares; or makes it uncommercial or otherwise contrary to or outside the usual commercial practices in Singapore for the Sponsor or the Underwriter to observe or perform or be obliged to observe or perform the terms of the Management and Underwriting Agreement, the Sponsor or Underwriter may at any time prior to the close of the Application List rescind or terminate the Management and Underwriting Agreement.

The Sponsor or the Underwriter may terminate the Management and Underwriting Agreement if:

- (a) at any time up to the close of the Application List, a notice of refusal to an admission to the Official List of Catalist is issued by the SGX-ST to the Sponsor; or
- (b) at any time after the lodgement of this Offer Document with the SGX-ST acting as agent on behalf of the Authority but before the close of the Application List, our Company fails and/or neglects to lodge a supplementary or replacement offer document (as the case may be) if we become aware of:
 - (i) a false or misleading statement in this Offer Document;
 - (ii) an omission from this Offer Document of any information that should have been included in it under the Listing Manual or the SFA; or
 - (iii) a new circumstance that has arisen since this Offer Document was lodged with the SGX-ST acting as agent on behalf of the Authority and would have been required by the Listing Manual or the SFA to be included in the Offer Document if it had arisen before this Offer Document was lodged,

MANAGEMENT, UNDERWRITING AND PLACEMENT ARRANGEMENTS

that is materially adverse from the point of view of an investor; or

- (c) the Shares have not been listed on Catalist on or before 22 June 2012 (or such other date as our Company, the Sponsor and the Underwriter may agree, subject to the approval of the SGX-ST); or
- (d) at any time our Company releases or discharges the Sponsor from its obligations under or pursuant to the mandate letter appointing the Sponsor in relation to preparing our Company for admission to the Official List of Catalist (the "Mandate Letter").

The obligations under the Placement Agreement are conditional upon the Management and Underwriting Agreement not being terminated or rescinded pursuant to the provisions of the Management and Underwriting Agreement. In the case of the non-fulfilment of any of the conditions in the Management and Underwriting Agreement or the release or discharge of the Sponsor and the Underwriter from its obligations under or pursuant to the Management and Underwriting Agreement, the Placement Agreement shall be terminated and the parties shall be released from their respective obligations under the Placement Agreement. The Placement Agent may by notice in writing to our Company terminate the Placement Agreement if at any time our Company releases or discharges the Sponsor from its obligations under or pursuant to the Mandate Letter.

Save as disclosed above, we do not have any material relationship with the Sponsor, the Underwriter and the Placement Agent.

DIVIDEND POLICY

Our Company has not distributed any dividends since its incorporation on 10 April 2008. None of our subsidiaries has declared or paid dividends during the Period Under Review.

We do not have a fixed dividend policy.

The form, frequency and amount of declaration and payment of future dividends on our Shares that our Directors may recommend or declare in respect of any particular financial year or period will be subject to the factors outlined below as well as other factors deemed relevant by our Directors:

- (a) the level of our cash and retained earnings;
- (b) our actual and projected financial performance;
- (c) our projected levels of capital expenditure and expansion plans;
- (d) our working capital requirements and general financing conditions; and
- (e) restrictions on payment of dividends imposed on us (if any).

Subject to the above, we intend to recommend and distribute dividends of at least 60.0% (including scrip dividends) of our net profits attributable to Shareholders for FY2012 (the “Proposed Dividend”). The Proposed Dividend will be tied to our profits in the relevant fiscal year, with due regard to the soundness of our Group and the requirement for funds needed for investment in the context of business development, without prejudice to the right of our Shareholders at a general meeting to decide otherwise in accordance with the provisions of the Articles of Association. However, investors should note that the foregoing statement on the Proposed Dividend is merely a statement of our present intention and shall not constitute a legally binding obligation on our Company or legally binding statement in respect of our future dividends which may be subject to modification (including reduction or non-declaration thereof) in our Directors’ sole and absolute discretion. Investors should not treat the Proposed Dividend as an indication of our Group’s future dividend policy. No reference or inference should or can be made from any of the foregoing statements as to our actual future profitability or ability to pay dividends.

We may declare dividends by way of an ordinary resolution of our Shareholders at a general meeting, but may not pay dividends in excess of the amount recommended by our Board of Directors. The declaration and payment of dividends will be determined at the sole discretion of our Directors, subject to the approval of our Shareholders. There can be no assurance that dividends will be paid in the future and the amount of dividends declared and paid by us in the past should not be taken as an indication of the dividends payable in the future.

Our Directors may also declare an interim dividend without the approval of our Shareholders. In making their recommendations, our Directors will consider, *inter alia*, our retained earnings and expected future earnings, operations, cash flow, capital requirements and general financing condition, as well as general business conditions and other factors which our Directors may deem appropriate. Future dividends will be paid by us as and when approved by our Shareholders (if necessary) and Board of Directors.

For information relating to taxes payable on dividends, please refer to the section entitled “Taxation” as set out in Appendix E of this Offer Document.

CAPITALISATION AND INDEBTEDNESS

The following table shows the cash and cash equivalents as well as capitalisation and indebtedness of our Group as at 31 March 2012:

- (i) based on our management accounts as at 31 March 2012; and
- (ii) as adjusted for the net proceeds from the Invitation.

You should read this table in conjunction with the “Audited Consolidated Financial Statements of Maxi-Cash Financial Services Corporation Ltd and its Subsidiaries for the Financial Years Ended 31 December 2009, 2010 and 2011” as set out in Appendix A of this Offer Document as well as the section entitled “Management’s Discussion and Analysis of Results of Operations and Financial Position” of this Offer Document.

(S\$'000)	As at 31 March 2012	As adjusted for the net proceeds from the Invitation
Cash and bank balances	4,530	19,630
Indebtedness		
Current		
- secured and guaranteed	91,013	91,013
- secured and non-guaranteed	47	47
- unsecured and guaranteed	—	—
- unsecured and non-guaranteed	—	—
Non-current		
- secured and guaranteed	258	258
- secured and non-guaranteed	14	14
- unsecured and guaranteed	—	—
- unsecured and non-guaranteed	—	—
Total indebtedness	91,332	91,332
Total shareholders’ equity	47,593	62,693
Total capitalisation and indebtedness	138,925	154,025

There were no material changes in our total capitalisation and indebtedness from 1 April 2012 to the date of this Offer Document, save for the scheduled monthly repayments on our bank borrowings and changes in our retained earnings arising from the day-to-day operations in the ordinary course of our business.

CAPITALISATION AND INDEBTEDNESS

Borrowings

Details of the borrowings and indebtedness of our Company and our subsidiaries as at the Latest Practicable Date are as follows:

Financial institution / Lender	Type of facilities	Amount of facilities granted (S\$)	Amount utilised (S\$)	Amount owing (S\$)	Amount guaranteed (S\$)	Securities ⁽¹⁾
United Overseas Bank Limited	Money market loan, overdraft facility	30,000,000 ⁽²⁾	26,842,622	26,842,622	30,000,000	Corporate guarantee by Aspial; deed of debenture incorporating a fixed and floating charge over all present and future undertakings, property assets, revenues and rights of Maxi-Cash Central
	Money market loan, overdraft facility	22,000,000	18,952,055	18,952,055	22,000,000	Corporate guarantee by Aspial; deed of debenture incorporating a fixed and floating charge over all present and future undertakings, property assets, revenues and rights of Maxi-Cash North
	Money market loan, overdraft facility	5,000,000 ⁽³⁾	3,900,000	3,900,000	5,000,000	Corporate guarantee by Aspial; deed of debenture incorporating a fixed and floating charge over all present and future undertakings, property assets, revenues and rights of Maxi-Cash Assets
Oversea-Chinese Banking Corporation Limited	Overdraft facility, specific advance facility, interest rate derivatives	26,000,000	18,162,852	18,162,852	26,000,000	Debenture with a fixed and floating charge over all present and future assets of Maxi-Cash East; deed of guarantee and indemnity for all monies from Aspial
	Overdraft facility, specific advance facility, interest rate derivatives	22,000,000	17,953,083	17,953,083	22,000,000	Debenture with a fixed and floating charge over all present and future assets of Maxi-Cash West; deed of guarantee and indemnity for all monies from Aspial
DBS Bank Ltd.	Overdraft facility, revolving credit facility	21,000,000	15,325,200	15,325,200	21,000,000	Corporate guarantee by Aspial; deed of debenture incorporating a fixed and floating charge over all present and future assets and undertakings, including goodwill and uncalled capital, of Maxi-Cash Ventures

CAPITALISATION AND INDEBTEDNESS

Financial institution / Lender	Type of facilities	Amount of facilities granted (S\$)	Amount utilised (S\$)	Amount owing (S\$)	Amount guaranteed (S\$)	Securities ⁽¹⁾
CIMB Bank Berhad	Revolving credit facility	10,000,000	–	–	10,000,000	Fixed and floating charge over all present and future assets of Maxi-Cash East 2 together with relevant insurances; corporate guarantee by Aspial
The Hong Kong and Shanghai Banking Corporation Limited	Overdraft facility, revolving credit facility	8,000,000	7,820,000	7,820,000	8,000,000	Fixed and floating charge over all present and future assets of Maxi-Cash Capital; corporate guarantee by Aspial
Malayan Banking Berhad	Revolving credit facility	5,000,000	4,050,000	4,050,000	5,000,000	Corporate guarantee by Aspial; first fixed charge over all fixed property and assets whatsoever and wheresoever situate, all stocks, shares, bonds and securities of any kind whatsoever, all book and other debts, uncalled capital and goodwill, both present and future and a floating charge over the whole of the undertaking and all the property and assets whatsoever, both present and future of Maxi-Cash Clementi; deed of subordination of all the shareholders'/ directors'/ related companies' loans for all monies up to the full retirement of the credit facilities of Maxi-Cash Clementi
Hong Leong Finance Limited	Working capital line	1,000,000	1,000,000	1,000,000	1,000,000	Corporate guarantee by Aspial for Maxi-Cash Jewellery
	Working capital line	1,000,000	1,000,000	1,000,000	1,000,000	Corporate guarantee by Aspial for Maxi-Cash Jewellery Group
Abwin Private Limited	Finance lease/ 12 months commencing on 3 January 2012	23,000	23,000	15,333	–	–
United Overseas Bank Limited	Finance lease/ 24 months commencing on 13 October 2011	58,950	58,950	41,750	–	–

CAPITALISATION AND INDEBTEDNESS

Financial institution / Lender	Type of facilities	Amount of facilities granted (\$)	Amount utilised (\$)	Amount owing (\$)	Amount guaranteed (\$)	Securities ⁽¹⁾
ETHOZ Capital Ltd	Finance lease/ 36 months commencing on 25 July 2011	56,744	56,744	42,143	56,744	Corporate guarantee by Aspal
	Finance lease/ 36 months commencing on 25 July 2011	42,992	42,992	31,931	42,992	Corporate guarantee by Aspal
	Finance lease/ 36 months commencing on 7 July 2011	75,168	75,168	55,829	75,168	Corporate guarantee by Aspal
	Finance lease/ 36 months commencing on 4 July 2011	80,972	80,972	60,140	80,972	Corporate guarantee by Aspal
	Finance lease/ 36 months commencing on 4 July 2011	39,697	39,697	29,483	39,697	Corporate guarantee by Aspal
	Finance lease/ 36 months commencing on 1 January 2011	50,611	50,611	29,391	50,611	Corporate guarantee by Aspal
	Finance lease/ 36 months commencing on 1 January 2011	33,687	33,687	19,565	33,687	Corporate guarantee by Aspal
	Finance lease/ 36 months commencing on 1 December 2010	118,235	118,235	65,412	118,235	Corporate guarantee by Aspal
	Finance lease/ 36 months commencing on 1 December 2010	42,800	42,800	23,678	42,800	Corporate guarantee by Aspal
	Finance lease/ 36 months commencing on 1 November 2010	64,200	64,200	33,740	64,200	Corporate guarantee by Aspal
	Finance lease/ 36 months commencing on 1 November 2010	32,742	32,742	17,208	32,742	Corporate guarantee by Aspal

CAPITALISATION AND INDEBTEDNESS

Financial institution / Lender	Type of facilities	Amount of facilities granted (\$)	Amount utilised (\$)	Amount owing (\$)	Amount guaranteed (\$)	Securities ⁽¹⁾
ETHOZ Capital Ltd	Finance lease/ 36 months commencing on 1 November 2010	17,495	17,495	9,194	17,495	Corporate guarantee by Aspal
	Finance lease/ 36 months commencing on 1 October 2010	47,205	47,205	23,492	47,205	Corporate guarantee by Aspal
	Finance lease/ 36 months commencing on 1 October 2010	33,742	33,742	16,794	33,742	Corporate guarantee by Aspal
	Finance lease/ 36 months commencing on 1 August 2010	106,786	106,786	47,145	106,786	Corporate guarantee by Aspal
	Finance lease/ 36 months commencing on 1 August 2010	32,742	32,742	14,457	32,742	Corporate guarantee by Aspal
	Finance lease/ 36 months commencing on 1 June 2010	95,005	95,005	36,546	95,005	Corporate guarantee by Aspal
	Finance lease/ 36 months commencing on 1 June 2010	78,156	78,156	30,065	78,156	Corporate guarantee by Aspal
	Finance lease/ 36 months commencing on 1 April 2010	160,220	160,220	52,428	160,220	Corporate guarantee by Aspal
	Finance lease/ 36 months commencing on 1 April 2010	129,421	129,421	42,351	129,421	Corporate guarantee by Aspal
	Finance lease/ 36 months commencing on 1 December 2009	201,580	201,580	42,422	201,580	Corporate guarantee by Aspal
	Finance lease/ 36 months commencing on 1 December 2009	134,178	134,178	28,237	134,178	Corporate guarantee by Aspal

CAPITALISATION AND INDEBTEDNESS

Financial institution / Lender	Type of facilities	Amount of facilities granted (\$)	Amount utilised (\$)	Amount owing (\$)	Amount guaranteed (\$)	Securities ⁽¹⁾
ETHOZ Capital Ltd	Finance lease/ 36 months commencing on 1 December 2009	59,545	59,545	12,531	59,545	Corporate guarantee by Aspial
	Finance lease/ 36 months commencing on 1 December 2009	49,274	49,274	10,370	49,274	Corporate guarantee by Aspial
	Finance lease/ 36 months commencing on 1 October 2009	428,407	428,407	64,736	428,407	Corporate guarantee by Aspial
	Finance lease/ 36 months commencing on 1 October 2009	306,013	306,013	46,240	306,013	Corporate guarantee by Aspial
	Finance lease/ 36 months commencing on 1 October 2009	149,527	149,527	22,595	149,527	Corporate guarantee by Aspial
	Finance lease/ 36 months commencing on 1 October 2009	115,568	115,568	17,464	115,568	Corporate guarantee by Aspial
Total		153,864,662	117,870,474	115,988,482	153,782,712	

Notes:

- (1) Please refer to the section entitled “Interested Person Transactions — Present and On-Going Interested Person Transactions” of this Offer Document for further details on the corporate guarantees provided by Aspial.
- (2) As at 29 May 2012, Maxi-Cash Central had revised its banking facility with United Overseas Bank Limited. The amount granted had been revised to S\$17,000,000. The securities provided in respect of this facility remain unchanged. In addition, on the same day, Maxi-Cash Central 2 had entered into a new banking facility for a credit line of S\$17,000,000 with United Overseas Bank Limited. The securities provided in respect of this facility are of the same type as those provided for Maxi-Cash Central.
- (3) As at 29 May 2012, Maxi-Cash Assets had revised its banking facility with United Overseas Bank Limited. The amount granted had been increased to S\$9,000,000. The securities provided in respect of this facility remain unchanged.

The weighted average effective interest rates charged by the relevant financial institutions for the above banking facilities ranged from 2.4% to 3.3% per annum. The effective interest rate charged by the relevant lenders for the above finance lease liabilities was 3.5% per annum.

To the best of our Directors’ knowledge, as at the Latest Practicable Date, we are not in breach of any of the terms and conditions or covenants associated with any credit arrangement or bank loan which could materially affect our financial position and results or business operations, or the investments by our Shareholders.

Save as aforesaid and as disclosed under the section entitled “Management’s Discussion and Analysis of Results of Operations and Financial Position — Liquidity and Capital Resources” of this Offer Document, our Group does not have any material unused sources of liquidity.

SHARE CAPITAL

Our Company (Company registration number 200806968Z) was incorporated in Singapore on 10 April 2008 under the Companies Act as a private limited company under the name of “Maxi-Cash Financial Services Corporation Pte Ltd”. On 13 April 2012, we converted into a public company and changed our name to “Maxi-Cash Financial Services Corporation Ltd”.

As at 31 December 2011, our issued and paid-up share capital was S\$48,000,000 comprising 48,000,000 Shares held by Aspiat.

Pursuant to the resolutions passed by our Shareholders at an extraordinary general meeting held on 11 April 2012, our Shareholders approved, *inter alia*, the following:

- (a) the sub-division of Shares in the issued and paid-up share capital of our Company, of which 48,000,000 Shares have been issued and fully paid, into 240,000,000 Shares (the “Sub-Division”);
- (b) the conversion of our Company into a public limited company and the consequential change of our name to “Maxi-Cash Financial Services Corporation Ltd”;
- (c) the listing and quotation of all the issued Shares (including the New Shares to be allotted and issued as part of the Invitation) and the Performance Shares to be issued (if any) on Catalist to be approved;
- (d) the adoption of a new set of Articles of Association;
- (e) the issue of the New Shares pursuant to the Invitation, which when allotted, issued and fully paid-up, will rank *pari passu* in all respects with the existing issued and fully paid-up Shares;
- (f) the authorisation of our Directors, pursuant to Section 161 of the Companies Act, to (i) allot and issue Shares in our Company; and (ii) issue convertible securities and any Shares in our Company pursuant to the convertible securities, whether by way of rights issue, bonus issue or otherwise, at any time and upon such terms and conditions, whether for cash or otherwise and for such purposes and to such persons as our Directors shall in their absolute discretion deem fit, provided that the aggregate number of Shares to be issued pursuant to such authority shall not exceed 100.0% of the issued and paid-up share capital of our Company immediately after the Invitation excluding treasury shares and that the aggregate number of Shares to be issued other than on a pro-rata basis to the then existing Shareholders of our Company shall not exceed 50.0% of the issued and paid-up share capital of our Company immediately after the Invitation excluding treasury shares. Unless revoked or varied by our Company in general meeting, such authority shall continue in full force until the conclusion of the next annual general meeting of our Company or the date by which the next annual general meeting is required by law or by our Articles to be held, whichever is earlier, except that our Directors shall be authorised to allot and issue new Shares pursuant to the convertible securities notwithstanding that such authority has ceased.

For the purposes of this resolution and pursuant to Rules 806(3) and 806(4) of the Listing Manual, “issued and paid-up share capital of our Company immediately after the Invitation excluding treasury shares” shall mean the enlarged issued and paid-up share capital of our Company after the Invitation excluding treasury shares after adjusting for (i) new Shares arising from the conversion or exercise of any convertible securities; (ii) new Shares arising from exercising share options or vesting of share awards outstanding or subsisting at the time such authority is given, provided that the options or awards were granted in compliance with the Listing Manual; and (iii) any subsequent consolidation or sub-division of shares; and

- (g) the adoption of the Plan, details of which are set out in the section entitled “Maxi-Cash Performance Share Plan” of this Offer Document, and “Rules of the Maxi-Cash Performance Share Plan” as set out in Appendix F of this Offer Document.

SHARE CAPITAL

As at the date of this Offer Document, our Company has only one class of shares, being ordinary shares. A summary of the Articles of Association of our Company relating to, among others, the voting rights of our Shareholders is set out in the section entitled “Summary of Selected Articles of Association of our Company” as set out in Appendix D of this Offer Document. There is no founder, management or deferred share.

Save for the Plan and as provided above, no person has been, or is permitted to be, given an option to subscribe for or purchase any securities of our Company or any of our subsidiaries. As at the Latest Practicable Date, no option to subscribe for Shares in our Company has been granted to, or was exercised by, any of our Directors.

As at the date of this Offer Document, the issued and paid-up share capital of our Company is S\$48,000,000 comprising 240,000,000 Shares. Upon the allotment and issue of the New Shares which are the subject of the Invitation, the resultant issued and paid-up share capital of our Company will be increased to S\$64,100,000 divided into 296,000,000 Shares.

Details of changes in our issued and paid-up share capital since 31 December 2011 and our issued and paid-up share capital immediately after the Invitation are as follows:

	Number of Shares	Resultant issued and paid-up share capital (S\$)
Issued and paid-up share capital as at 31 December 2011	48,000,000	48,000,000
Sub-Division	240,000,000	48,000,000
	Number of Shares	Issued and paid-up share capital (S\$)
Pre-Invitation issued and paid-up share capital	240,000,000	48,000,000
New Shares issued pursuant to the Invitation	56,000,000	16,100,000 ⁽¹⁾
Post-Invitation issued and paid-up share capital	296,000,000	64,100,000

Note:

- (1) After deducting expenses of approximately S\$0.7 million incurred in relation to the Invitation which is capitalised against share capital. Please refer to the section entitled “Use of Proceeds from the Invitation and Expenses Incurred” of this Offer Document for further details.

The shareholders’ equity of our Company as at 31 December 2011 and after the Invitation is set out below:

	As at 31 December 2011 (S\$)	After the Invitation (S\$)
Shareholders’ equity		
Share capital	48,000,000	64,100,000
Accumulated losses	(3,084,100)	(3,084,100)
Total shareholders’ equity	44,915,900	61,015,900

SHAREHOLDERS

OWNERSHIP STRUCTURE

Our Shareholders and their respective shareholdings immediately before and after the Invitation are set out below:

	Before the Invitation				After the Invitation			
	Direct Interest		Deemed Interest		Direct Interest		Deemed Interest	
	Number of Shares	%	Number of Shares	%	Number of Shares	%	Number of Shares	%
Directors								
Koh Wee Seng ^{(1),(2)}	—	—	—	—	—	—	—	—
Koh Lee Hwee ^{(1),(2)}	—	—	—	—	—	—	—	—
Ko Lee Meng ^{(1),(2)}	—	—	—	—	—	—	—	—
Tan Keh Yan, Peter	—	—	—	—	—	—	—	—
Ng Leok Cheng	—	—	—	—	—	—	—	—
Lee Sai Sing ⁽⁴⁾	—	—	—	—	—	—	—	—
Substantial Shareholder								
Aspial ^{(2),(3)}	240,000,000	100.0	—	—	240,000,000	81.1	—	—
Public	—	—	—	—	56,000,000 ⁽⁴⁾	18.9	—	—
Total	<u>240,000,000</u>	<u>100.0</u>			<u>296,000,000</u>	<u>100.0</u>		

Notes:

- (1) Koh Wee Seng, Koh Lee Hwee and Ko Lee Meng are siblings.
- (2) Koh Wee Seng, Koh Lee Hwee and Ko Lee Meng are directors and Substantial Shareholders of Aspial through their shareholdings in MLHS Holdings Pte Ltd ("MLHS"). In addition, Koh Wee Seng also has 14.1% direct interest in Aspial as at the Latest Practicable Date. Koh Wee Seng is the president and CEO of Aspial. Ko Lee Meng is the vice president (retail merchandising) of Aspial. Koh Lee Hwee is a non-executive director of Aspial.
- (3) MLHS is the Controlling Shareholder of Aspial holding approximately 59.8% of the shareholdings of Aspial as at the Latest Practicable Date. MLHS is a private limited company incorporated in Singapore on 14 January 1994. It is an investment holding company. The shareholders of MLHS are Koh Wee Seng (35.50%), Ko Lee Meng (25.75%), Koh Lee Hwee (20.25%), Tan Su Lan @ Tan Soo Lung (17.50%) and Koh Chong Him @ Ko Chong Sung (1.00%). Tan Su Lan @ Tan Soo Lung and Koh Chong Him @ Ko Chong Sung are the parents of Koh Wee Seng, Koh Lee Hwee and Ko Lee Meng.
- (4) Our Independent Director, Lee Sai Sing, intends to subscribe for 200,000 New Shares in the Invitation.

Saved as disclosed above, there are no other relationships between our Directors and Substantial Shareholder.

CONTROL OF OUR COMPANY

Our Company is currently controlled (as such term is defined in the Listing Manual) by Aspial which holds directly 100.0% of the total number of our issued Shares immediately prior to the Invitation and 81.1% of the total number of our issued Shares immediately after the completion of the Invitation. Aspial is currently listed on the Official List of the SGX-ST with its main business in jewellery, property and financial services.

Save as disclosed above, to the best of the knowledge of our Directors, our Company is not directly or indirectly owned or controlled, whether severally or jointly, by any other corporation, any government or other natural or legal person.

The Shares held by our Substantial Shareholder do not carry different voting rights from the New Shares which are the subject of the Invitation. Our Directors are not aware of any arrangement the operation of which may, at a subsequent date, result in a change in control of our Company.

There was no significant change in the percentage of ownership of our Substantial Shareholder in our Company from its incorporation until the Latest Practicable Date.

SHAREHOLDERS

There has not been any public take-over offer by a third party in respect of our Shares or by our Company in respect of the shares of another corporation which has occurred since the incorporation of our Company to the Latest Practicable Date.

SIGNIFICANT CHANGES IN PERCENTAGE OF OWNERSHIP

Save as disclosed above and under the sections entitled “Dilution” and “General and Statutory Information” of this Offer Document, there were no significant changes in the percentages of ownership of Shares in our Company during the Period Under Review up to the Latest Practicable Date.

MORATORIUM

Aspial which holds 240,000,000 Shares (representing 81.1% of our Company’s post-Invitation share capital) has undertaken not to, directly or indirectly, offer, sell, contract to sell, realise, transfer, assign, pledge, grant any option or right to purchase, grant any security over, encumber or otherwise dispose of, any part of its shareholdings in the share capital of our Company immediately after the Invitation (adjusted for any bonus issue or sub-division of Shares) for a period of six (6) months commencing from the date of admission of our Company to Catalist, and for a period of six (6) months thereafter, not to, directly or indirectly, offer, sell, contract to sell, realise, transfer, assign, pledge, grant any option or right to purchase, grant any security over, encumber or otherwise dispose of, more than 50.0% of its original shareholdings (adjusted for any bonus issue or sub-division of Shares) in our Company.

ISSUE STATISTICS

ISSUE PRICE 30.0 cents

NTA

NTA per Share based on the audited consolidated statement of financial position of our Group as at 31 December 2011:

- | | | |
|-----|---|------------|
| (a) | before adjusting for the estimated net proceeds from the Invitation and based on our Company's pre-Invitation share capital of 240,000,000 Shares | 18.7 cents |
| (b) | after adjusting for the estimated net proceeds from the Invitation and based on our Company's post-Invitation share capital of 296,000,000 Shares | 20.3 cents |

Premium of Issue Price over the NTA per Share based on the audited consolidated statement of financial position of our Group as at 31 December 2011:

- | | | |
|-----|---|-------|
| (a) | before adjusting for the estimated net proceeds from the Invitation and based on our Company's pre-Invitation share capital of 240,000,000 Shares | 60.4% |
| (b) | after adjusting for the estimated net proceeds from the Invitation and based on our Company's post-Invitation share capital of 296,000,000 Shares | 47.8% |

EPS

Historical EPS based on the adjusted ⁽¹⁾ PAT for FY2011 and our Company's pre-Invitation share capital of 240,000,000 Shares	1.2 cents
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Historical EPS based on the adjusted ⁽¹⁾ PAT for FY2011 and our Company's pre-Invitation share capital of 240,000,000 Shares, assuming that the Service Agreement had been in place from the beginning of FY2011	1.2 cents
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PER

Historical PER based on the historical EPS for FY2011	25.0 times
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Historical PER based on the historical EPS for FY2011, assuming that the Service Agreement had been in place from the beginning of FY2011	25.0 times
---	------------

Net Cash Flow from Operations⁽²⁾

Historical net cash flow from operations per Share for FY2011 based on our Company's pre-Invitation share capital of 240,000,000 Shares	1.7 cents
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Historical net cash flow from operations per Share for FY2011 based on our Company's pre-Invitation share capital of 240,000,000 Shares, assuming that the Service Agreement had been in place from the beginning of FY2011	1.6 cents
---	-----------

Price to Net Cash Flow from Operations Ratio

Issue Price to historical net cash flow from operations per Share for FY2011	17.6 times
--	------------

Issue Price to historical net cash flow from operations per Share for FY2011, assuming that the Service Agreement had been in place from the beginning of FY2011	18.8 times
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ISSUE STATISTICS

Market Capitalisation

Our market capitalisation based on the Issue Price and our Company's post- S\$88.8 million
Invitation share capital of 296,000,000 Shares

Notes:

- (1) Adjusted for the compensation paid to our CEO, Koh Lee Hwee, amounting to approximately S\$183,000 which was borne by a wholly-owned subsidiary of Aspiat. Please refer to the section entitled "Summary of Our Financial Information" of this Offer Document for further details.
- (2) Net cash flow from operations is defined as the PAT with depreciation and amortisation expenses added back.

DILUTION

Dilution is the amount by which the Issue Price to be paid by investors for our New Shares in the Invitation (“New Investors”) exceeds the NTA per Share immediately after the Invitation. Our audited NTA per Share as at 31 December 2011 before adjusting for the estimated net proceeds from the Invitation and based on our Company’s pre-Invitation share capital of 240,000,000 Shares, was 18.7 cents.

Pursuant to the Invitation in respect of 56,000,000 New Shares at the Issue Price, our NTA per Share after adjusting for the estimated net proceeds from the Invitation and based on our Company’s post-Invitation share capital of 296,000,000 Shares, would have been 20.3 cents. This represents an immediate increase in NTA per Share of 1.6 cents to our existing Shareholder and an immediate dilution in NTA per Share of 9.7 cents to our New Investors.

The following table illustrates such dilution on a per Share basis as at 31 December 2011:

	Cents
Issue Price	30.0
NTA per Share as at 31 December 2011	18.7
Increase in NTA per Share attributable to existing Shareholders	1.6
NTA per Share after the Invitation ⁽¹⁾	20.3
Dilution in NTA per Share to New Investors	9.7

Note:

- (1) The computed NTA per Share after the Invitation does not take into account our actual financial performance from 1 January 2012. Depending on our actual financial results, our NTA per Share after the Invitation may be higher or lower than the above computed NTA.

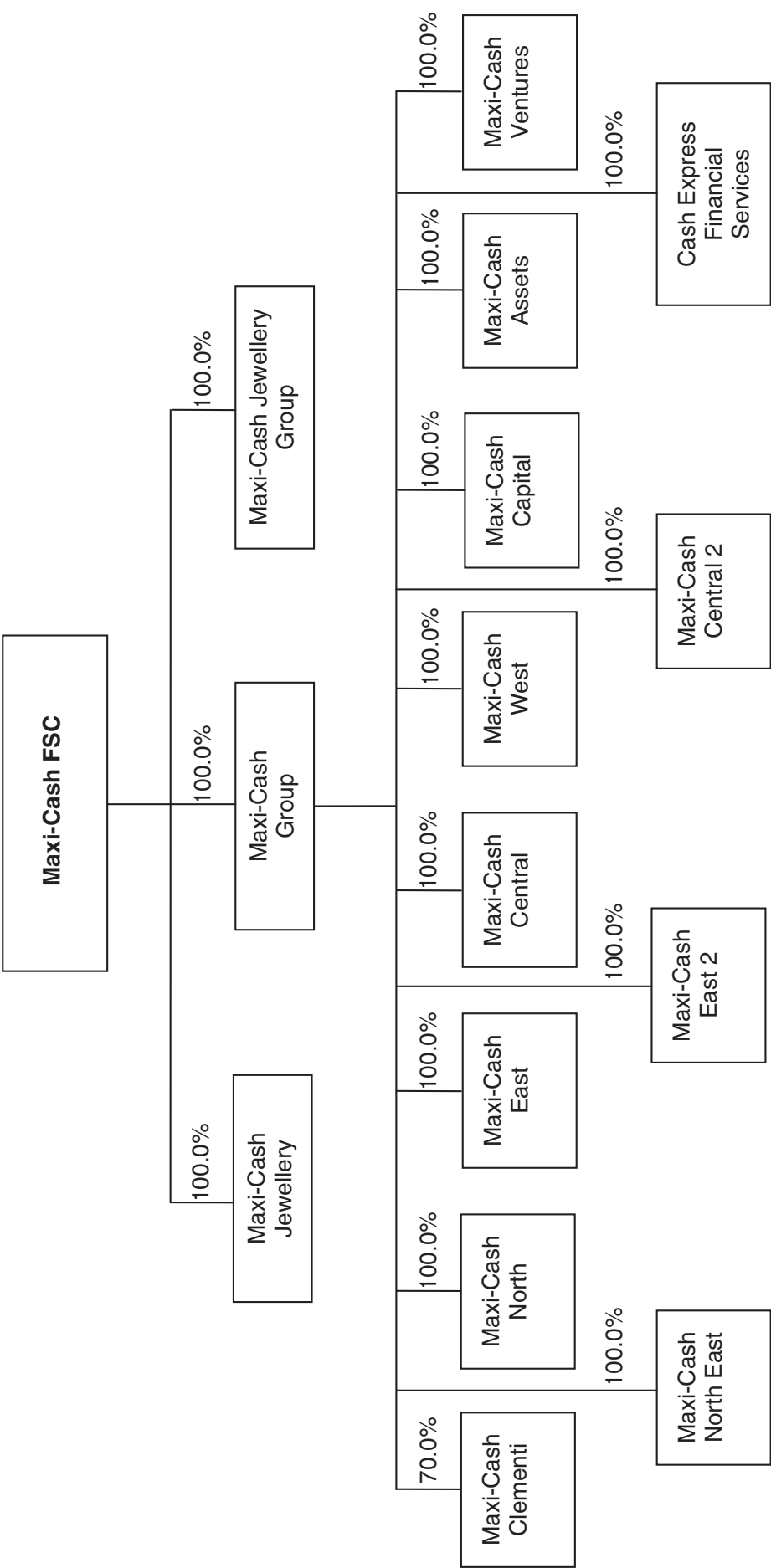
The following table shows the average effective cost per Share paid by our existing Shareholder prior to the Invitation for Shares acquired by it during the period of three (3) years prior to the date of lodgement of this Offer Document and the price per Share to be paid by New Investors pursuant to the Invitation:

	Number of Shares acquired	Total consideration (S\$)	Average effective cost per Share (S\$)
Existing Shareholder prior to the Invitation			
Aspial	240,000,000	48,000,000	20.0
New Investors pursuant to the Invitation	56,000,000	16,800,000	30.0

Save as disclosed above and in the section entitled “General and Statutory Information” of this Offer Document, none of our Directors or the Substantial Shareholder of our Company or their respective Associates have acquired any Shares during the period of three (3) years prior to the date of lodgement of this Offer Document.

GROUP STRUCTURE

Our Group structure as at the date of this Offer Document is as follows:



GROUP STRUCTURE

The details of each subsidiary of our Company as at the date of this Offer Document are as follows:

Subsidiaries	Date/Country of incorporation	Principal place of business	Principal commercial activities	Issued and paid-up share capital	Effective equity interest held by our Group
<u>Subsidiaries held by Maxi-Cash FSC</u>					
Maxi-Cash Group	15 April 2008 / Singapore	Singapore	Pawnbrokerage	S\$38,000,000	100.0%
Maxi-Cash Jewellery	7 January 2009 / Singapore	Singapore	Retail sale and trading of pre-owned jewellery and watches	S\$1,000,000	100.0%
Maxi-Cash Jewellery Group	2 March 2009 / Singapore	Singapore	Inventory management and trading of pre-owned jewellery and watches	S\$6,000,000	100.0%
<u>Subsidiaries held by Maxi-Cash Group</u>					
Cash Express Financial Services	18 January 2012 / Singapore	Singapore	Pawnbrokerage	S\$2	100.0%
Maxi-Cash Assets	6 December 2010 / Singapore	Singapore	Pawnbrokerage	S\$4,000,000	100.0%
Maxi-Cash Capital	19 April 2010 / Singapore	Singapore	Pawnbrokerage	S\$4,000,000	100.0%
Maxi-Cash Central	30 October 2008 / Singapore	Singapore	Pawnbrokerage	S\$10,000,000	100.0%
Maxi-Cash Central 2	2 September 2011 / Singapore	Singapore	Pawnbrokerage	S\$4,000,000	100.0%
Maxi-Cash Clementi	16 July 2009 / Singapore	Singapore	Pawnbrokerage	S\$2,000,000	70.0% ⁽¹⁾
Maxi-Cash East	23 July 2008 / Singapore	Singapore	Pawnbrokerage	S\$6,500,000	100.0%
Maxi-Cash East 2	21 December 2011 / Singapore	Singapore	Pawnbrokerage	S\$3,000,000	100.0%
Maxi-Cash North	18 April 2008 / Singapore	Singapore	Pawnbrokerage	S\$10,000,000	100.0%
Maxi-Cash North East	18 November 2011 / Singapore	Singapore	Pawnbrokerage	S\$2,000,000	100.0%
Maxi-Cash Ventures	20 January 2011 / Singapore	Singapore	Pawnbrokerage	S\$4,500,000	100.0%
Maxi-Cash West	15 October 2008 / Singapore	Singapore	Pawnbrokerage	S\$6,000,000	100.0%

Note:

- (1) The remaining 30.0% equity interest of Maxi-Cash Clementi is legally and beneficially held by Ong Zhen Yuan (15.0%) and Sia Li Wei, Jolie (15.0%). Sia Li Wei, Jolie is a cousin of Koh Wee Seng, Koh Lee Hwee and Ko Lee Meng, and Ong Zhen Yuan is the spouse of Sia Li Wei, Jolie.

None of our subsidiaries is listed on any stock exchange. We do not have any associated companies.

SUMMARY OF OUR FINANCIAL INFORMATION

The following selected financial information should be read in conjunction with the full text of this Offer Document, including the “Audited Consolidated Financial Statements of Maxi-Cash Financial Services Corporation Ltd and its Subsidiaries for the Financial Years Ended 31 December 2009, 2010 and 2011” as set out in Appendix A of this Offer Document.

Consolidated Statements of Comprehensive Income

(S\$'000)	← Audited →		
	FY2009	FY2010	FY2011
Revenue	10,036	54,864	87,738
Material costs	(8,375)	(42,553)	(65,244)
Employee benefits	(2,278)	(4,097)	(5,896)
Depreciation and amortisation	(224)	(842)	(1,035)
Finance costs	(40)	(953)	(1,816)
Other operating expenses	(4,667)	(8,240)	(10,595)
Operating (loss)/profit	(5,548)	(1,821)	3,152
Rental income	–	21	149
Other income	90	26	229
(Loss)/profit before tax	(5,458)	(1,774)	3,530⁽³⁾
Tax credit/(expense)	724	451	(421)
(Loss)/profit for the year	(4,734)	(1,323)	3,109
(Loss)/profit attributable to:			
Owners of the parent	(4,697)	(1,256)	3,109 ⁽³⁾⁽⁴⁾
Non-controlling interests	(37)	(67)	–
	(4,734)	(1,323)	3,109
(Loss)/profit for the year	(4,734)	(1,323)	3,109
Other comprehensive income for the year, net of tax	–	–	–
Total comprehensive income for the year	(4,734)	(1,323)	3,109
Total comprehensive income attributable to:			
Owners of the parent	(4,697)	(1,256)	3,109
Non-controlling interests	(37)	(67)	–
	(4,734)	(1,323)	3,109
EPS (cents) ⁽¹⁾	(2.0)	(0.5)	1.3 ⁽⁴⁾
EPS (fully diluted) (cents) ⁽²⁾	(1.6)	(0.4)	1.1 ⁽⁴⁾

Notes:

- (1) For comparative purposes, EPS for the Period Under Review have been computed based on the loss or profit attributable to owners of the parent and our pre-Invitation share capital of 240,000,000 Shares.
- (2) For comparative purposes, EPS (fully diluted) for the Period Under Review have been computed based on the loss or profit attributable to owners of the parent and our post-Invitation share capital of 296,000,000 Shares.
- (3) In FY2011, approximately S\$183,000 and S\$33,000 of the compensation paid to our CEO, Koh Lee Hwee, was borne by a wholly-owned subsidiary of Aspial (other than our Group) and our Group respectively. For illustrative purposes, the adjusted PBT and PAT would have been approximately S\$3,347,000 and S\$2,957,000 respectively.
- (4) Had the Service Agreement been in place with effect from 1 January 2011, the adjusted PAT (as per Note (3) above) for FY2011 would have been approximately S\$2,898,000, and the EPS and EPS (fully diluted) would have been 1.2 cents and 1.0 cents, respectively.

SUMMARY OF OUR FINANCIAL INFORMATION

Consolidated Statement of Financial Position

(S\$'000)	Audited as at 31 December 2011
Non-current assets	
Property, plant and equipment	3,371
Other receivables	983
Deferred tax assets	891
Total non-current assets	<u>5,245</u>
Current assets	
Inventories	9,301
Trade and other receivables	123,871
Prepaid rent	247
Prepayments	294
Due from a related company (non-trade)	11
Cash and bank balances	4,906
Total current assets	<u>138,630</u>
Total assets	<u>143,875</u>
Current liabilities	
Trade and other payables	3,383
Due to immediate holding company (non-trade)	2,752
Bank overdrafts	16,097
Provision for taxation	883
Interest-bearing loans and borrowings	74,864
Total current liabilities	<u>97,979</u>
Net current assets	<u>40,651</u>
Non-current liabilities	
Interest-bearing loans and borrowings	398
Deferred tax liabilities	86
Total non-current liabilities	<u>484</u>
Total liabilities	<u>98,463</u>
Net assets	<u>45,412</u>
Equity	
Share capital	48,000
Accumulated losses	(3,084)
Equity attributable to owners of the parent	<u>44,916</u>
Non-controlling interests	496
Total equity	<u>45,412</u>
NTA per Share (cents) ⁽¹⁾	18.7

Note:

- (1) The NTA per Share as at 31 December 2011 has been computed based on our pre-Invitation share capital of 240,000,000 Shares.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF RESULTS OF OPERATIONS AND FINANCIAL POSITION

The following discussion of our results of operations and financial position has been prepared by our management and should be read in conjunction with the "Audited Consolidated Financial Statements of Maxi-Cash Financial Services Corporation Ltd and its Subsidiaries for the Financial Years Ended 31 December 2009, 2010 and 2011" as set out in Appendix A of this Offer Document. This discussion contains forward-looking statements that involve risks and uncertainties. Our actual results may differ significantly from those projected in the forward-looking statements. Factors that might cause future results to differ significantly from those projected in the forward-looking statements include, but are not limited to, those discussed below and elsewhere in this Offer Document, particularly in the section entitled "Risk Factors" of this Offer Document. Under no circumstances should the inclusion of such forward-looking statements herein be regarded as a representation, warranty or prediction with respect to the accuracy of the underlying assumptions by our Company, the Sponsor, the Underwriter or the Placement Agent or any other person. Investors are cautioned not to place undue reliance on these forward-looking statements that speak only as at the date hereof. Please refer to the section entitled "Cautionary Note Regarding Forward-Looking Statements" of this Offer Document.

OVERVIEW

We offer financial services in the form of pawnbroking and the retail and trading of pre-owned jewellery and watches through pawnshops and retail outlets in 24 locations in Singapore as at the Latest Practicable Date. Our business is carried out by three (3) wholly-owned subsidiaries:

- Maxi-Cash Group which owns 12 subsidiaries that in turn operate the pawnshops;
- Maxi-Cash Jewellery which carries out the retail and trading of pre-owned jewellery and watches; and
- Maxi-Cash Jewellery Group which manages the inventory of pre-owned jewellery and watches and carries out the trading of pre-owned jewellery and watches.

We provide pawnbroking services to consumers in a modern, professional and customer-centric service to meet their financial needs. We provide customers with "bank-like" pawning experiences where trust, transparency and reliability are the basic hallmarks of our services.

Please refer to the section entitled "General Information on Our Group — Business Overview" of this Offer Document for further details.

Revenue

Our revenue is derived from two (2) business segments, namely, (i) pawnbroking; and (ii) retail and trading of pre-owned jewellery and watches.

The details of our revenue from each of our business segments are as follows:

(i) Pawnbroking

Revenue from our pawnbroking business is derived from interest income earned from providing collateral loan services. The interest chargeable on the amount loaned shall not exceed 1.5% per month presently, in accordance to the Pawnbrokers Act. Interest income is recognised on a time-proportion basis using the effective interest method.

Revenue from our pawnbroking business accounted for 6.5%, 12.3% and 16.3% of our revenue in FY2009, FY2010 and FY2011 respectively.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF RESULTS OF OPERATIONS AND FINANCIAL POSITION

(ii) Retail and Trading of Pre-Owned Jewellery and Watches

Revenue from the sales of pre-owned jewellery and watches business is recognised upon the transfer of significant risk and rewards of ownership of our products to customers, which generally coincides with delivery and acceptance of the goods sold, net of discounts, returns and applicable GST. Revenue is not recognised to the extent where there are significant uncertainties regarding recovery of the consideration due, recovery of the associated costs or the possible return of our goods.

Revenue from our retail and trading of pre-owned jewellery and watches business accounted for 93.5%, 87.7% and 83.7% of our revenue in FY2009, FY2010 and FY2011 respectively.

Our operations are carried out in Singapore. However, an average of approximately 58.3% of our revenue over the Period Under Review was denominated in USD, with the balance denominated in S\$, as the sales of pre-owned jewellery from our Group to Heraeus Ltd. were transacted in USD. Please refer to the section entitled "General Information on Our Group – Major Customers" of this Offer Document for further details of our transaction with Heraeus Ltd..

The major factors that affect our revenue include:

- (a) our ability to maintain our existing licences, registrations, permits, approvals or exemptions (as applicable) for our pawnshops and retail outlets;
- (b) our ability to secure financing for our existing operations and future expansion plans as our business is capital-intensive;
- (c) the price of gold;
- (d) our ability to expand our network of pawnshops and/or retail outlets;
- (e) our ability to remain competitive in the industry we operate, which is currently in Singapore; and
- (f) changes in economic, political and social conditions of Singapore and policies adopted by the Singapore Government which could affect the pawnbroking and retail and trading of pre-owned jewellery and watches industries.

Material Costs

Material costs relate mainly to our retail and trading of pre-owned jewellery and watches business. These pre-owned jewellery and watches are acquired from walk-in individuals who sell their personal articles to us at our retail outlets, and secondhand traders/dealers, and unredeemed pledged articles (mainly jewellery and watches) from the Maxi-Cash Group's subsidiaries which operate our pawnbroking business. The value of such pre-owned jewellery and watches is recorded at acquisition cost.

The major factors that affect our material costs include:

- (a) the price of gold which affects the purchase costs of pre-owned jewellery; and
- (b) our ability to purchase pre-owned jewellery and watches from walk-in individuals who sell their personal articles to us at our retail outlets, and secondhand traders/dealers, at competitive prices.

Employee Benefits

Employee benefits expenses comprise salaries, bonuses and CPF contributions.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF RESULTS OF OPERATIONS AND FINANCIAL POSITION

Depreciation and Amortisation

Depreciation and amortisation expenses relate to the depreciation of property, plant and equipment and amortisation of prepaid rent.

Finance Costs

Finance costs relate to interests incurred on (i) bank borrowings to fund our business operations and (ii) finance lease obligations.

Other Operating Expenses

Other operating expenses comprise mainly rental costs, selling and marketing expenses, general and administrative expenses, corporate charges and loss on disposal of property, plant and equipment. Rental costs incurred are in relation to leases of properties for the purposes of our business operations. Selling and marketing expenses comprise mainly branding costs, sales support costs, costs relating to value-added services and packaging materials. General and administrative expenses comprise mainly insurance, utilities, general repair and maintenance expenses and professional fees. Corporate charges relate to the provision of corporate support services by Aspial to our Group such as human resource, information technology and internal audit support services.

Rental Income

Rental income relates to rental derived from certain of our leased properties which were temporarily sub-let to (i) Aspial for use as Aspial Group's information technology facility and (ii) unrelated third parties. Please refer to the section entitled "Interested Person Transactions – Past Interested Person Transactions" of this Offer Document for further details on the transaction with Aspial. Temporarily sub-letting of certain of our leased properties to unrelated third parties typically happens when there is a waiting period for the approval of the pawnbroker's licence from the Registry of Pawnbrokers for the relevant pawnshop or when there is an unutilised portion of a vacated property after shifting to the new shop.

Other Income

Other income relates mainly to government grants arising from the Jobs Credit Scheme, net foreign exchange loss or gain and other miscellaneous income. The Jobs Credit Scheme was introduced by the government in the Singapore Budget 2009 to encourage businesses to preserve jobs in the economic downturn in 2009. This scheme ceased in 2010.

Tax Credit/(Expense)

Our Company and subsidiaries are subject to income tax at the applicable statutory tax rates in Singapore.

(S\$'000)	FY2009	FY2010	FY2011
Current income tax	(29)	(255)	(623)
Deferred income tax	753	706	202
Tax credit/(expense)	724	451	(421)
(Loss)/profit before tax	(5,458)	(1,774)	3,530

During the Period Under Review, provisions for taxation were made on income derived from our operations in Singapore. The prevailing statutory income tax rate in Singapore was 17.0% during the Period Under Review.

Over the Period Under Review, the current income tax is derived from our profitable operations in Singapore net of non-deductible expenses and partial tax exemption and tax relief.

INFLATION

Over the Period Under Review, inflation did not have a material impact on our performance.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF RESULTS OF OPERATIONS AND FINANCIAL POSITION

REVIEW OF RESULTS OF OPERATIONS

For the purpose of discussion, we have segmented our revenue and loss or profit before tax by business segments for the Period Under Review. Currently, our Group operates solely in Singapore and hence we have only one geographical segment (being Singapore) for the Period Under Review. The analysis provided below should be read in conjunction with the "Audited Consolidated Financial Statements of Maxi-Cash Financial Services Corporation Ltd and its Subsidiaries for the Financial Years Ended 31 December 2009, 2010 and 2011" as set out in Appendix A of this Offer Document.

Review of Past Performance by Business Segments

Revenue

	FY2009		FY2010		FY2011	
	S\$'000	%	S\$'000	%	S\$'000	%
Pawnbroking	651	6.5	6,773	12.3	14,262	16.3
Retail and trading of pre-owned jewellery and watches	9,385	93.5	48,091	87.7	73,476	83.7
Total	10,036	100.0	54,864	100.0	87,738	100.0

(Loss)/Profit Before Tax

	FY2009	FY2010	FY2011
	S\$'000	S\$'000	S\$'000
Pawnbroking ⁽¹⁾	(5,552)	(2,538)	1,466
Retail and trading of pre-owned jewellery and watches	94	764	2,064
Total	(5,458)	(1,774)	3,530

Note:

- (1) Our pawnbroking business was loss-making in FY2009 and FY2010 due mainly to the high start-up costs (comprising mainly staff costs, rental costs, branding costs, depreciation of property, plant and equipment, and amortisation of prepaid rent for operations of our pawnshops) incurred and low interest income earned during the commencement of our pawnbroking business in February 2009.

FY2010 vs FY2009

Revenue

Revenue increased by S\$44.8 million or 446.7%, from S\$10.0 million in FY2009 to S\$54.8 million in FY2010 due to an increase in revenue contribution of S\$6.1 million from our pawnbroking business and S\$38.7 million from our retail and trading of pre-owned jewellery and watches business.

Revenue increased in both our business segments as our "Maxi-Cash" brand name gained wider acceptance amongst the public in Singapore as well as contribution from the additional pawnshops and retail outlets in six (6) new locations which were operational in FY2010. Revenue from the new pawnshops and retail outlets contributed S\$0.4 million and S\$5.2 million to the increase in revenue for our pawnbroking business and our retail and trading of pre-owned jewellery and watches business respectively in FY2010. Revenue from the existing pawnshops and retail outlets contributed S\$5.7 million and S\$33.5 million to the increase in revenue for our pawnbroking business and our retail and trading of pre-owned jewellery and watches business respectively in FY2010.

Material Costs

Material costs increased by S\$34.2 million or 408.1%, from S\$8.4 million in FY2009 to S\$42.6 million in FY2010 which was in line with the increase in revenue from our retail and trading of pre-owned jewellery and watches business as we acquired the bulk of our pre-owned jewellery and watches from walk-in individuals who sell their personal articles to us at our retail outlets.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF RESULTS OF OPERATIONS AND FINANCIAL POSITION

Employee Benefits

Employee benefits expenses increased by S\$1.8 million or 79.9%, from S\$2.3 million in FY2009 to S\$4.1 million in FY2010 due to the increase in salaries and bonuses of S\$1.6 million and CPF contributions of S\$0.2 million as a result of a headcount increase of 32 staff in the retail operations department and five (5) staff in the merchandising department to support the increase in our business activities.

Depreciation and Amortisation

Depreciation and amortisation expenses increased by S\$0.6 million or 275.9%, from S\$0.2 million in FY2009 to S\$0.8 million in FY2010 due to the increase in depreciation of property, plant and equipment of S\$0.3 million and amortisation of prepaid rent of S\$0.3 million.

Finance Costs

Finance costs increased by S\$0.9 million from approximately S\$40,000 in FY2009 to S\$0.9 million in FY2010 due mainly to the increase in utilisation of bank borrowings as we increased our business activities.

Other Operating Expenses

Other operating expenses increased by S\$3.6 million or 76.6%, from S\$4.6 million in FY2009 to S\$8.2 million in FY2010 due to the increase in (i) rental costs of S\$1.7 million and general and administrative expenses of S\$0.3 million as we opened additional pawnshops and retail outlets in six (6) new locations in FY2010, (ii) selling and marketing expenses of S\$1.2 million as we increased our advertising activities mainly through the television and print media, and (iii) corporate charges of S\$0.4 million.

Rental Income

Rental income of approximately S\$21,000 recorded in FY2010 comprised rental income derived from one of our leased properties which was temporarily sub-let to Aspial for use as Aspial Group's information technology facility. Please refer to the section entitled "Interested Person Transactions – Past Interested Person Transactions" of this Offer Document for further details on the transaction with Aspial.

Other Income

Other income decreased by approximately S\$64,000 from approximately S\$90,000 in FY2009 to approximately S\$26,000 in FY2010 due mainly to the decrease in government grants arising from the Jobs Credit Scheme.

(Loss)/Profit Before Tax

Our loss before tax improved by S\$3.7 million or 67.5%, from S\$5.5 million in FY2009 to S\$1.8 million in FY2010 due mainly to higher revenue, partly offset by higher operating expenses.

FY2011 vs FY2010

Revenue

Revenue increased by S\$32.9 million or 59.9%, from S\$54.8 million in FY2010 to S\$87.7 million in FY2011 due to an increase in revenue contribution of S\$7.5 million from our pawnbroking business and S\$25.4 million from our retail and trading of pre-owned jewellery and watches business.

Revenue from our pawnbroking business increased by 110.6% as we gained more market share (in terms of number of licenced pawnbrokers in Singapore) in the pawnbroking industry due to the prime locations of our pawnshops, increased awareness of our "Maxi-Cash" brand name as a result of our increased branding and marketing efforts, and the opening of additional pawnshops in five (5) new locations in FY2011. Revenue from our new and existing pawnshops contributed S\$0.5 million and S\$7.0 million respectively to the increase in our pawnbroking business in FY2011.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF RESULTS OF OPERATIONS AND FINANCIAL POSITION

Revenue from our retail and trading of pre-owned jewellery and watches business increased by 52.8% contributed by the increased retail and trading activities at our retail outlets and the general increase in the price of gold (from USD1,121.50 on 4 January 2010 to USD1,531.00 on 29 December 2011⁽¹⁾). Revenue from our new and existing retail outlets contributed S\$3.5 million and S\$21.9 million respectively to the increase in our retail and trading of pre-owned jewellery and watches business in FY2011.

Material Costs

Material costs increased by S\$22.7 million or 53.3%, from S\$42.6 million in FY2010 to S\$65.3 million in FY2011 which was in line with the increase in revenue from our retail and trading of pre-owned jewellery and watches business as we acquired bulk of our pre-owned jewellery and watches from walk-in individuals who sell their personal articles to us at our retail outlets.

Employee Benefits

Employee benefits expenses increased by approximately S\$1.8 million or 43.9%, from S\$4.1 million in FY2010 to S\$5.9 million in FY2011 due to the increase in salaries and bonuses of S\$1.6 million and CPF contributions of S\$0.2 million as a result of a headcount increase of 38 staff in the retail operations department to support the increase in our business activities.

Depreciation and Amortisation

Depreciation and amortisation expenses increased by S\$0.2 million or 22.9%, from S\$0.8 million in FY2010 to S\$1.0 million in FY2011 due to the increase in depreciation of property, plant and equipment.

Finance Costs

Finance costs increased by S\$0.9 million or 90.6%, from S\$0.9 million in FY2010 to S\$1.8 million in FY2011 due mainly to the increase in utilisation of bank borrowings as we increased our business activities.

Other Operating Expenses

Other operating expenses increased by S\$2.4 million or 28.6%, from S\$8.2 million in FY2010 to S\$10.6 million in FY2011 due mainly to the (i) increase in rental costs of S\$2.0 million and general and administrative expenses of S\$0.7 million as we opened additional pawnshops and retail outlets in five (5) new locations in FY2011, and (ii) loss on disposal of renovations, electrical fittings, furniture and fittings, air-conditioner, security equipment and office equipment, machinery, tools and equipment, computers and motor vehicles of S\$0.2 million. This is partly offset by a decrease in selling and marketing expenses of S\$0.5 million as we decreased our marketing activities as our "Maxi-Cash" brand name gained acceptance among our customers.

Rental Income

Rental income increased by approximately S\$128,000, from approximately S\$21,000 in FY2010 to approximately S\$149,000 in FY2011 due mainly to the rental income derived from three (3) of our leased properties to unrelated third parties.

Other Income

Other income increased by approximately S\$203,000, from approximately S\$26,000 in FY2010 to approximately S\$229,000 in FY2011 due mainly to net foreign exchange gain of approximately S\$210,000.

Note:

- (1) The price of gold is extracted from information published by Bloomberg L.P.. Bloomberg L.P. has not consented to the inclusion of the price of gold quoted under this section and is therefore not liable for those statements under Sections 253 and 254 of the SFA. While we have taken reasonable actions to ensure that the information attributed to Bloomberg L.P. in this Offer Document is reproduced in its proper form and context and that such information is accurately and correctly extracted, we have not conducted an independent review of the information extracted or verified the accuracy of such information.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF RESULTS OF OPERATIONS AND FINANCIAL POSITION

(Loss)/Profit Before Tax

Our profit before tax improved by S\$5.3 million or 299.0%, from a loss of S\$1.8 million in FY2010 to a profit of S\$3.5 million in FY2011 due mainly to higher revenue, partly offset by higher operating expenses.

REVIEW OF FINANCIAL POSITION

Non-Current Assets

Non-current assets comprise property, plant and equipment, other receivables and deferred tax assets.

As at 31 December 2011, the net carrying value of our property, plant and equipment amounted to S\$3.4 million or 2.3% of our total assets, comprising renovations, electrical fittings, furniture and fittings, air-conditioner, security equipment and office equipment, renovation-in-progress, machinery, tools and equipment, computers and motor vehicles. Other receivables of S\$1.0 million comprised deposits for rental of our premises. Deferred tax assets amounted to S\$0.9 million.

Current Assets

Current assets comprise inventories, trade and other receivables, prepaid rent, prepayments, amount due from a related company (non-trade) and cash and bank balances.

As at 31 December 2011, current assets amounted to S\$138.6 million or 96.4% of our total assets. Trade and other receivables was the largest component of our current assets, accounting for 89.4%. Trade and other receivables of S\$123.9 million comprised mainly loans extended to our customers for pawning of personal articles at our pawnshops and deposits for rental of our premises of S\$122.5 million and S\$1.2 million respectively. Inventories of S\$9.3 million comprised pre-owned jewellery and watches for our retail and trading of pre-owned jewellery and watches business, which were kept at our retail outlets and back office. Prepayments of S\$0.3 million relate to advance payments to suppliers and other prepaid operating expenses. Prepaid rent of S\$0.2 million relates to assignment fees paid to unrelated third parties. The remaining balance of current assets comprises cash and bank balances and amount due from a related company (non-trade), which relates to payment made on behalf of World Financial Property, of S\$4.9 million and approximately S\$11,000 respectively. The amount due from World Financial Property is unsecured, interest free and receivable on demand. Please refer to the section entitled "Interested Person Transactions – Past Interested Person Transactions" of this Offer Document for further details of the amount due from World Financial Property.

Non-Current Liabilities

Non-current liabilities comprise interest-bearing loans and borrowings and deferred tax liabilities.

As at 31 December 2011, our non-current liabilities amounted to S\$0.5 million or 0.5% of our total liabilities. Interest-bearing loans and borrowings of S\$0.4 million comprised obligation under finance leases for renovations, electrical fittings, furniture and fittings, air-conditioner, security equipment and office equipment and motor vehicles purchased in FY2010 and FY2011. Deferred tax liabilities amounted to S\$0.1 million.

Current Liabilities

Current liabilities comprise trade and other payables, amount due to immediate holding company (non-trade), bank overdrafts, provision for taxation and interest-bearing loans and borrowings.

As at 31 December 2011, our current liabilities amounted to S\$98.0 million or 99.5% of our total liabilities. Interest-bearing loans and borrowings was the largest component of our current liabilities, accounting for 76.4% and relate to credit facilities from financial institutions due within the next financial year. Bank overdrafts amounting to S\$16.1 million or 16.4% of our current liabilities, was utilised by our Group for working capital purpose. Trade and other payables accounted for 3.5% of our current liabilities. Trade

MANAGEMENT'S DISCUSSION AND ANALYSIS OF RESULTS OF OPERATIONS AND FINANCIAL POSITION

payables of S\$0.7 million related to purchases of materials from third parties. Other payables of S\$2.7 million comprised mainly S\$1.3 million of other payables, S\$1.3 million of accrued operating expenses and S\$0.1 million of deposits received from our lessees. Amount due to immediate holding company (non-trade) accounting to S\$2.8 million or 2.8% of our current liabilities, relate to advances from Aspial, our Controlling Shareholder. Please refer to the section entitled "Interested Person Transactions – Present and On-Going Interested Person Transactions" of this Offer Document for further details of the amounts due to Aspial. The remaining balance of current liabilities comprises provision for taxation of S\$0.9 million.

Equity Attributable to Owners of the Parent

As at 31 December 2011, equity attributable to owners of the parent amounted to S\$44.9 million.

LIQUIDITY AND CAPITAL RESOURCES

We financed our growth and operations through a combination of shareholders' equity (including retained profits), net cash generated from operating activities, borrowings from financial institutions and advances from Aspial, our Controlling Shareholder. Our principal uses of cash have been for working capital requirements and capital expenditures.

Based on the audited consolidated statement of financial position as at 31 December 2011, our shareholders' equity amounted to S\$44.9 million and indebtedness amounted to S\$91.4 million (comprising bank borrowings and finance lease obligations). Our gearing ratio (defined as the sum of indebtedness divided by shareholders' equity) was 2.0 times. Taking into account the advances from Aspial of S\$2.8 million as at 31 December 2011, our gearing ratio was 2.1 times. Our net current assets amounted to S\$40.7 million and our working capital ratio (defined by current assets divided by current liabilities) was 1.4 times.

As at 31 December 2011, we had an aggregate net cash deficit position of S\$11.2 million and available credit facilities granted of S\$117.9 million, of which S\$92.9 million were utilised and S\$25.0 million were unutilised. These available credit facilities comprise short-term credit facilities of S\$96.0 million, overdraft facilities of S\$19.0 million and finance lease obligations of S\$2.9 million. For the short-term credit facilities, overdraft facilities and finance lease obligations, S\$74.0 million, S\$16.1 million and S\$1.3 million respectively remained outstanding.

As at the Latest Practicable Date, we had an aggregate net cash deficit position of S\$13.2 million and available credit facilities granted of S\$153.9 million, of which S\$117.9 million were utilised and S\$36.0 million were unutilised. These available credit facilities comprise short-term credit facilities of S\$128.0 million, overdraft facilities of S\$23.0 million and finance lease obligations of S\$2.9 million. For the short-term credit facilities, overdraft facilities and finance lease obligations, S\$99.2 million, S\$15.8 million and S\$1.0 million respectively remained outstanding.

Our Directors are of the reasonable opinion that, after taking into account the cash flows generated from our operations, our banking facilities and our existing cash and cash equivalents, the working capital available to us as at the date of lodgement of this Offer Document is sufficient for present requirements and for at least 12 months after the listing of our Company on Catalist.

The Sponsor is of the reasonable opinion that, after having made due and careful enquiry and after taking into account the cash flows generated from the Group's operations, the Group's banking facilities and the Group's existing cash and cash equivalents, the working capital available to the Group as at the date of lodgement of this Offer Document is sufficient for present requirements and for at least 12 months after the listing of the Company on Catalist.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF RESULTS OF OPERATIONS AND FINANCIAL POSITION

We set out below a summary of our consolidated statements of cash flows for the Period Under Review. The following net cash flow summary should be read in conjunction with the full text of this Offer Document, including the "Audited Consolidated Financial Statements of Maxi-Cash Financial Services Corporation Ltd and its Subsidiaries for the Financial Years Ended 31 December 2009, 2010 and 2011" as set out in Appendix A of this Offer Document.

(S\$'000)	← Audited →		
	FY2009	FY2010	FY2011
Net cash used in operating activities	(22,627)	(52,528)	(56,899)
Net cash used in investing activities	(1,172)	(742)	(1,131)
Net cash generated from financing activities	25,140	42,984	55,727
Net increase/(decrease) in cash and cash equivalents	1,341	(10,286)	(2,303)
Cash and cash equivalents at beginning of year	57	1,398	(8,888)
Cash and cash equivalents at end of year	1,398	(8,888)	(11,191)
Cash and cash equivalents comprise:			
Cash and bank balances	1,935	2,862	4,906
Bank overdrafts	(537)	(11,750)	(16,097)
Net cash surplus/(deficit) at end of year	1,398	(8,888)	(11,191)

We provide collateralised loan services in our pawnbroking business. Our loans extended to customers are classified as trade and other receivables as working capital cash flow while the source of funds for the loans are capital injections by our Shareholders, advances from Aspial and bank borrowings (excluding bank overdrafts) which are classified as financing activities. The classification of capital injection by our Shareholders, advances from Aspial and bank borrowings (excluding bank overdrafts) as financing activities is in accordance with the disclosure requirements of FRS 7. Hence, we recorded negative operating cash flows of S\$22.6 million, S\$52.5 million and S\$56.9 million in FY2009, FY2010 and FY2011 respectively.

Due to the nature of our pawnbroking business, the amount of bank overdrafts utilised by our Group has increased in line with the expansion of our business activities as our pawnbroking business is working capital intensive. As a result of our bank overdrafts, we recorded a net cash deficit position of S\$8.9 million and S\$11.2 million as at 31 December 2010 and 31 December 2011 respectively.

FOR ILLUSTRATIVE PURPOSES, after adjusting the capital injection by our Shareholders, advances from Aspial and bank borrowings (including bank overdrafts) to working capital cash flow, net of repayment to Aspial, we would have recorded positive operating cash flows of S\$2.4 million, S\$2.3 million and S\$3.3 million in FY2009, FY2010 and FY2011 respectively as set out below.

(S\$'000)	FY2009	FY2010	FY2011
Net cash used in operating activities	(22,627)	(52,528)	(56,899)
Adjusted for:			
Capital injection by our Shareholders	–	25,000	18,000
Advances from Aspial	17,600	–	–
Bank borrowings (including bank overdrafts)	7,397	35,819	46,826
	2,370	8,291	7,927
Repayment to Aspial	–	(6,008)	(4,595)
Adjusted net cash generated from operating activities	2,370	2,283	3,332

MANAGEMENT'S DISCUSSION AND ANALYSIS OF RESULTS OF OPERATIONS AND FINANCIAL POSITION

FY2009

In FY2009, we used net cash from operating activities before changes in working capital of S\$5.1 million. Net cash used in working capital amounted to S\$17.5 million. This was due mainly to an increase in trade and other receivables and inventories of S\$16.5 million and S\$3.4 million respectively, partially offset by an increase in trade and other payables of S\$2.4 million. In FY2009, we paid interest of approximately S\$40,000. The net cash used in operating activities amounted to S\$22.6 million.

Net cash used in investing activities of S\$1.2 million was due mainly to the purchase of (i) renovations, electrical fittings, furniture and fittings; (ii) air-conditioner, security equipment and office equipment; (iii) renovation-in-progress; (iv) machinery, tools and equipment; (v) computers, and (vi) motor vehicles of S\$0.8 million, and increase in prepaid rent of S\$0.4 million.

Net cash generated from financing activities of S\$25.1 million was due mainly to the advances from Aspial of S\$17.6 million, proceeds from short-term bank borrowings of S\$6.8 million, proceeds from issuance of shares to non-controlling interests of S\$0.6 million and net proceeds from finance lease obligations of S\$0.1 million.

As a result of the above, there was a net increase of S\$1.3 million in our cash and cash equivalents, from approximately S\$57,000 as at 1 January 2009 to S\$1.4 million as at 31 December 2009.

FY2010

In FY2010, we generated net cash from operating activities before changes in working capital of approximately S\$31,000. Net cash used in working capital amounted to S\$51.5 million. This was due mainly to an increase in trade and other receivables, inventories and prepayments of S\$48.3 million, S\$2.7 million and S\$0.2 million respectively and a decrease in trade and other payables of S\$0.3 million. In FY2010, we paid interest of S\$1.0 million and income tax of approximately S\$19,000. The net cash used in operating activities amounted to S\$52.5 million.

Net cash used in investing activities of S\$0.8 million was due to the increase in prepaid rent of S\$0.5 million and purchase of (i) renovations, electrical fittings, furniture and fittings; (ii) air-conditioner, security equipment and office equipment; (iii) renovation-in-progress; (iv) machinery, tools and equipment; (v) computers, and (vi) motor vehicles of S\$0.3 million.

Net cash generated from financing activities of S\$43.0 million was due to the proceeds from issuance of ordinary shares of S\$25.0 million and net proceeds from short-term bank borrowings of S\$24.6 million, partially offset by the repayment to Aspial of S\$6.0 million and net repayments of finance lease obligations of S\$0.6 million.

As a result of the above, there was a net decrease of S\$10.3 million in our cash and cash equivalents, from positive S\$1.4 million as at 1 January 2010 to negative S\$8.9 million as at 31 December 2010.

FY2011

In FY2011, we generated net cash from operating activities before changes in working capital of S\$6.6 million. Net cash used in working capital amounted to S\$61.7 million. This was due mainly to an increase in trade and other receivables, inventories and prepayments of S\$59.7 million, S\$3.2 million and S\$0.1 million respectively, partially offset by an increase in trade and other payables of S\$1.3 million. In FY2011, we paid interest of S\$1.8 million and income tax of approximately S\$5,000. The net cash used in operating activities amounted to S\$56.9 million.

Net cash used in investing activities of S\$1.1 million was due mainly to the purchase of (i) renovations, electrical fittings, furniture and fittings; (ii) air-conditioner, security equipment and office equipment; (iii) renovation-in-progress; (iv) machinery, tools and equipment; (v) computers, and (vi) motor vehicles of S\$1.1 million.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF RESULTS OF OPERATIONS AND FINANCIAL POSITION

Net cash generated from financing activities of S\$55.7 million was due to the net proceeds from short-term bank borrowings of S\$42.5 million, proceeds from issuance of ordinary shares of S\$18.0 million and advances from related companies of S\$0.8 million, partially offset by the repayment to Aspial of S\$4.6 million and net repayments of finance lease obligations of S\$1.0 million.

As a result of the above, there was a net decrease of S\$2.3 million in our cash and cash equivalents, from negative S\$8.9 million as at 1 January 2011 to negative S\$11.2 million as at 31 December 2011.

CAPITAL EXPENDITURES, DIVESTMENTS, COMMITMENTS AND CONTINGENT LIABILITIES

Capital Expenditures and Divestments

Capital expenditures and divestments made by us during the Period Under Review and for the period from 1 January 2012 up to the Latest Practicable Date are as follows:

(S\$'000)	FY2009	FY2010	FY2011	1 January 2012 up to the Latest Practicable Date
Expenditures				
Renovations, electrical fittings, furniture and fittings	1,105	290	387	42
Air-conditioner, security equipment and office equipment	812	415	416	113
Renovation-in-progress	74	369	650	160
Machinery, tools and equipment	101	55	47	10
Computers	111	81	71	32
Motor vehicles	19	27	95	–
Total expenditures	2,222	1,237	1,666	357
Divestments				
Renovations, electrical fittings, furniture and fittings	–	8	252	4
Air-conditioner, security equipment and office equipment	86	–	23	1
Machinery, tools and equipment	–	1	6	–
Computers	2	1	16	2
Motor vehicles	–	–	19	–
Total divestments	88	10	316	7

The above capital expenditures were financed by finance leases and internally generated funds.

Commitments

Capital Commitments

As at the Latest Practicable Date, we do not have any material capital commitments.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF RESULTS OF OPERATIONS AND FINANCIAL POSITION

Operating Lease Commitments

As at the Latest Practicable Date, we have non-cancellable operating lease commitments for rental payable as follows:

	(S\$'000)
Not later than one (1) year	6,929
Later than one (1) year but not later than five (5) years	8,507
	15,436

Our non-cancellable operating lease commitments for rental payable relate to the leased premises as disclosed under the section entitled "General Information on Our Group – Properties and Fixed Assets" of this Offer Document.

We intend to finance the above non-cancellable operating lease commitments by internally generated funds.

As at the Latest Practicable Date, we have operating lease commitments for rental of premises receivable as follows:

	(S\$'000)
Not later than one (1) year	511
Later than one (1) year but not later than five (5) years	577
	1,088

Contingent Liabilities

As at the Latest Practicable Date, we do not have any material contingent liabilities.

FOREIGN EXCHANGE MANAGEMENT

Accounting Treatment of Foreign Currencies

The accounting records for the companies in our Group are maintained in S\$.

Transactions in foreign currencies during the year are recorded in S\$ using exchange rates approximating those ruling at the transaction dates. Foreign currency monetary assets and liabilities at the end of the reporting period are translated into S\$ at exchange rates approximating those prevailing at that date. All resultant exchange differences are dealt with through profit or loss.

Foreign Exchange Exposure

Our reporting currency is in S\$ and our operations are primarily carried out in Singapore. Other than S\$, we also transact in USD as the sales of pre-owned jewellery from our Group to Heraeus Ltd. were transacted in USD. The percentage of our purchases and expenses are only denominated in S\$ for the Period Under Review. The percentage of our revenue denominated in S\$ and USD for the Period Under Review are as shown below.

	FY2009	FY2010	FY2011	Average
Percentage of revenue denominated in				
S\$	23.3	29.7	51.3	41.7
USD	76.7	70.3	48.7	58.3
	100.0	100.0	100.0	100.0

MANAGEMENT'S DISCUSSION AND ANALYSIS OF RESULTS OF OPERATIONS AND FINANCIAL POSITION

To the extent that (i) our revenue, purchases and expenses are not naturally matched in the same currency; and (ii) there are timing differences between invoicing and collection/payment, we will be exposed to adverse fluctuations of the various currencies against the Singapore dollars, which would adversely affect our earnings.

At present, we do not have any formal policy for hedging against foreign exchange exposure. We will continue to monitor our foreign exchange exposure and may employ forward currency contracts to manage our foreign exchange exposure should the need arise. Prior to implementing any formal hedging policies, we will seek the approval of our Board on the policy and put in place adequate procedures which shall be reviewed and approved by our Audit Committee. Thereafter, all hedging transactions entered into by our Group will be in accordance with set policies and procedures.

Our net foreign exchange (loss)/gain for the Period Under Review are as follows:

	FY2009	FY2010	FY2011
Net foreign exchange (loss)/gain (S\$'000)	(63)	(79)	210
As a percentage of revenue (%)	(0.6)	(0.1)	0.2
As a percentage of (loss)/profit before tax (%)	(1.2)	(4.5)	5.9

INDUSTRY OVERVIEW

Background of Pawnbrokers

Pawnbrokers principally provide collateral-backed short-term financing with a short repayment period. A pawn loan is commonly defined or understood to mean a micro-loan provided against the security of the pledge or deposit of personal property such as jewels and other personal chattels. In many jurisdictions around the world, the pawnbroking industry is therefore categorised as the business of lending small amounts of money in exchange for personal property that is deposited as security by the borrower.

The significant differences between pawnbrokers and commercial banks and other lending financial institutions in relation to consumer or retail financing are:

- (a) pawnbrokers do not grant loans based solely on credit conditions nor review the creditworthiness of borrowers alone but rather focus their attention to the legitimacy and value of the collateral held by the borrowers. On the other hand, commercial banks and other lending financial institutions only grant loans after relatively lengthy considerations on the credit conditions and creditworthiness of their clients, including quality of their assets and their income levels, and also by prescribing qualification conditions;
- (b) pawnbrokers do not restrict the use of loans, and the full discretion of usage is with the borrower. Commercial banks and other lending financial institutions may restrict the use of loans and certain loans are tailored for specific uses, such as housing loans, automobile loans and education loans; and
- (c) the loan application procedures of pawnbrokers are relatively simple, fast and convenient which are suitable for urgent or emergency financial needs, whereas the loan application procedures of commercial banks and other lending financial institutions are comparatively slower.

In general, commercial banks and other lending financial institutions do not focus on the provision of micro-loans, provided by pawnbrokers, which are secured against personal articles of certain value.

Estimated Singapore Pawnbroking Industry Size

The pawnbroking industry in Singapore has experienced significant growth in recent years. According to information obtained from the Insolvency and Public Trustee's Office website (www.ip.to.gov.sg), accessed on 16 May 2012, the number of licenced pawnbrokers in Singapore has increased from 127 licenced pawnbrokers as at 31 July 2009 to 184 licenced pawnbrokers as at 1 May 2012. According to the Yearbook of Statistics Singapore, 2011, the number of pledges received at pawnshops has also grown from 2,696,900 in 2000 to 2,977,100 in 2010. This figure has increased further from 2,977,100 in 2010 to 3,498,100 in 2011 according to the Monthly Digest of Statistics Singapore, May 2012.

GENERAL INFORMATION ON OUR GROUP

OUR HISTORY

Our Company was incorporated in Singapore under the Companies Act as a private company limited by shares wholly-owned by Aspial under the name “World Class Financial Services Pte Ltd” on 10 April 2008 which was changed to “Maxi-Cash Financial Services Corporation Pte Ltd” on 3 May 2011. On 13 April 2012, our Company was converted into a public company limited by shares and our name was changed to “Maxi-Cash Financial Services Corporation Ltd”.

Our Group’s history can be traced back to April 2008 when the financial services business division of Aspial Group was set up through the incorporation of our Company. Upon receiving the relevant pawnbroker’s licence from the Registry of Pawnbrokers, we started our first pawnshop under Maxi-Cash North in Ang Mo Kio Central with the financial support from Aspial Group in February 2009. In August 2009, we opened the first pawnshop in Orchard Road. We added nine (9) more pawnshops throughout the year. In 2010, we further expanded by setting up another six (6) pawnshops.

Complementing our pawnbroking business is the retail and trading of pre-owned jewellery and watches business, carried on through Maxi-Cash Jewellery and Maxi-Cash Jewellery Group, which commenced operations together with our pawnbroking business in February 2009.

As at the Latest Practicable Date, we have pawnshops and retail outlets in 24 strategic locations in Singapore further cementing our leadership position in the pawnbroking industry, supported with a staff strength of approximately 165 personnel.

Our Directors believe that as the leader and innovator in the pawnbroking industry, our modern, professional and friendly store concept has been well received by consumers in Singapore. Together with the growth in our retail and trading of pre-owned jewellery and watches business, our revenue has increased from S\$10.0 million in FY2009 to S\$87.7 million in FY2011.

BUSINESS OVERVIEW

We offer financial services in the form of pawnbroking and the retail and trading of pre-owned jewellery and watches through pawnshops and retail outlets in 24 locations in Singapore as at the Latest Practicable Date. Our business is carried out by three (3) wholly-owned subsidiaries:

- Maxi-Cash Group which owns 12 subsidiaries that in turn operate the pawnshops;
- Maxi-Cash Jewellery which carries out the retail and trading of pre-owned jewellery and watches; and
- Maxi-Cash Jewellery Group which manages the inventory of pre-owned jewellery and watches and carries out the trading of pre-owned jewellery and watches.

We provide pawnbroking services to consumers in a modern, professional and customer-centric service to meet their financial needs. We provide customers with “bank-like” pawning experiences where trust, transparency and reliability are the basic hallmarks of our services.

Pawnbroking

Pawnbroking, carried out by Maxi-Cash Group and its subsidiaries, is essentially a form of collateralised micro-loan and is an activity regulated by and licensed under the Pawnbrokers Act.

As licensed pawnbrokers, we are an alternative and play a complementary role to Singapore’s banking system. We provide our customers with convenient and quick access to short-term finance with a Redemption Period of six (6) months (for each pledge transaction which may be renewed).

GENERAL INFORMATION ON OUR GROUP

Our customers are walk-in individuals who pledge personal articles with our pawnshops. As collateral for the loans extended, we typically accept jewellery such as yellow gold, white gold, diamond jewellery and branded timepieces.

The rate of interest on the loans we can charge is regulated by the Pawnbrokers Act.

Each personal article pawned is redeemable for a period of not more than six (6) months unless renewed. After the Redemption Period, all unredeemed pledged articles which exceed S\$50 in pawn amount will be put up for public auction, typically within the second or third week of the following month of the expiration of the Redemption Period, in accordance with the yearly auction schedule set by the Registry of Pawnbrokers. Auction sales are a monthly affair and are conducted by licensed auctioneers appointed by the Registrar of Pawnbrokers in strict compliance with the Pawnbrokers Act.

Retail and Trading of Pre-Owned Jewellery and Watches

We acquire pre-owned jewellery and watches through Maxi-Cash Jewellery and Maxi-Cash Jewellery Group from two sources:

- (i) walk-in individuals who sell their personal articles to us at our retail outlets and secondhand traders/dealers; and
- (ii) unredeemed pledged articles (mainly jewellery and watches) from the Maxi-Cash Group's subsidiaries which operate our pawnbroking business. All unredeemed pledged articles are required under the Pawnbrokers Act to be auctioned off by licensed auctioneers. At the auctions, we are allowed to bid for the unredeemed pledged articles. In addition, in the event that there is no bid for a pledged article, the said pledged article will belong to the respective Maxi-Cash Group's subsidiary.

We sell these pre-owned jewellery and watches from the above sources in our retail outlets. Our customers are walk-in individuals who purchase pre-owned jewellery and watches from our retail outlets. We also sell our pre-owned jewellery and watches to jewellery, precious metals and watch traders/dealers.

We are currently exempted under the Secondhand Goods Dealers Exemption Order from having to obtain any licences under the Secondhand Goods Dealers Act.

Please refer to the section entitled "General Information on Our Group — Properties and Fixed Assets" of this Offer Document for the locations of our operations.

GENERAL INFORMATION ON OUR GROUP

OUR BUSINESS PROCESS

Pawnbroking

Granting of loans process

The principal stages in our granting of loans process for our pawnbroking business are as follows:

No.	Process	Description
1.	Customer brings items for pawning	A customer presents personal article(s) for pawning, together with his or her NRIC for verification purposes.
2.	Assessment and valuation	Our appraiser examines, authenticates, weighs and assesses each article presented by the customer. We cannot and do not accept an article for pawning before 8.00 a.m. or after 8.00 p.m. or if the customer appears to be intoxicated or apparently below the age of 16.
3.	Offer and acceptance of loan amount	Once the assessment and valuation is completed, a loan will be offered to the customer. Where the pawn value exceeds S\$200, the name, NRIC number and address of a guarantor, who shall vouch for the customer that the article presented for pledging is not a stolen property, shall be required.
4.	Recording customer information and issue of pawn ticket	Upon the loan amount being agreed between us and the customer and all requisite particulars being recorded, we will issue a pawn ticket to the customer and disburse the loan.
5.	Store items in strong room/safe	Pawned personal articles are stored in our strong room/safe.

Redemption process

The principal stages in our redemption process for our pawnbroking business are as follows:

No.	Process	Description
1.	Presentation of pawn ticket	All pledged articles are redeemable within the Redemption Period of six (6) months from the date of pawning (exclusive of that day), unless renewed. To redeem a pledged article, the customer brings the relevant pawn ticket to the pawnshop, together with proof of his or her identity.
2.	Checks and confirmation of loan repayment and interest amounts	We will check the pawn ticket and calculate the applicable interest to be charged. In accordance with the Pawnbrokers Act, we charge an interest at a rate of not more than 1.5% per month on the amount of the loan. We offer different redemption and repayment modes to our customers as follows: (i) Full redemption, where loan and interest due is paid in full and the customer gets his or her personal article(s) back. (ii) Partial redemption, where a customer who had pawned a number of articles redeems only some of the pledged articles. Here, the customer repays only part of the loan and the interest due. A new pawn ticket will be issued for the customer's remaining pledged articles, which may be redeemed within the next six (6) months.

GENERAL INFORMATION ON OUR GROUP

No.	Process	Description
		(iii) Renewal, where there is no physical redemption of any pledged articles by the customer. The customer pays only the interest due and renews the loan for another six (6) months. There is no limit to the number of renewals that can be made on a pledged article, subject to the payment of the interest due and payable. (iv) Partial repayment of loan, where the customer at any time during the Redemption Period opts to make partial repayment of the loan. A new pawn ticket will be issued reflecting the reduced loan amount.
3.	Receipt of cash and return of pledged article(s)	Once the repayment of the loan is received from the customer, the pledged article(s) is returned to the customer.

Auction sales of unredeemed pledged articles

Under the Pawnbrokers Act, customers whose personal articles have not been redeemed or the loan renewed after six (6) months will be auctioned off by licensed auctioneers.

- Auction sales are conducted monthly by licensed auctioneers in compliance with the Pawnbrokers Act.
- Advertisement of notice of auction is placed in the four (4) main newspapers in Singapore in the English, Malay, Chinese and Tamil languages.
- Any person including a pawnbroker may bid for and purchase a pledged article at a sale by auction and on such purchase shall be deemed to be the owner of the pledged article purchased.
- Where a pledged article pawned for a sum exceeding S\$50 is sold for more than its reserve price (being the aggregate amount of the loan, interest due and auctioneer fee), the surplus shall be payable to the customer and the customer will be informed by registered post of the surplus within ten (10) days after the auction sale.
- The customer has to claim the surplus within four (4) months from the date of the auction sale. Otherwise, the unclaimed surplus will be forwarded to the Accountant General of Singapore for safe keeping for six (6) years, after which, it will be paid into the Singapore's Consolidated Fund if still unclaimed.

Retail and Trading of Pre-Owned Jewellery and Watches

The principal stages in the process of our retail and trading of pre-owned jewellery and watches business carried out by Maxi-Cash Jewellery and Maxi-Cash Jewellery Group are as follows:

No.	Process	Description
1.	Customer brings items for trade-in	A customer presents personal article(s) for trade-in, together with his or her NRIC for verification purposes.
2.	Assessment and valuation	Our appraiser examines, authenticates, weighs and assesses each article presented by the customer for trade-in.
3.	Offer and acceptance of trade-in amount	Once the assessment and valuation is completed, an offer will be made to the customer for acceptance.
4.	Recording customer information and issue of receipt	Upon acceptance of the offer, cash will be disbursed to the customer and his or her particulars are recorded and the personal article accepted for trade-in.

GENERAL INFORMATION ON OUR GROUP

No.	Process	Description
5.	Sorting of the items	The articles are then sent to our head office for categorisation according to their quality, design and other relevant factors.
6.	Sale of pre-owned jewellery and watches selected for sale at our retail outlets	Sale of pre-owned jewellery and watches not selected for sale at our retail outlets
	Pre-owned jewellery and watches selected for sale at our retail outlets will be sent for refurbishing to restore the pre-owned jewellery and watches. After refurbishment, these pre-owned jewellery and watches are sent to our retail outlets for sale to walk-in customers.	Pre-owned jewellery and watches not selected for sale at our retail outlets will be sold to jewellery, precious metals and watch traders/dealers.

SEASONALITY

We do not experience any significant seasonality patterns in our business except for fluctuations during festive periods. In particular, we experience more redemptions prior to a festive period followed by a higher level of loans after the same festive period.

BRANDING AND MARKETING

Our branding and marketing strategies are spearheaded by our CEO, Koh Lee Hwee. She is supported by the branding and marketing department which comprises two (2) personnel. The objective of our branding and marketing is to develop strategies to enhance the public image of our operations and improve customers' awareness of our services.

Potential customers are serviced by us through our network of pawnshops and retail outlets in Singapore.

We advertise our services through a number of platforms in Singapore, including the media (print, television and radio) and the distribution of brochures and flyers.

We position ourselves as an attractive alternative source of financing by providing our services to customers via a modern, professional and customer-centric store concept. Our customers will be provided "bank-like" pawning experiences where trust, transparency and reliability are the basic hallmarks of our services.

RESEARCH AND DEVELOPMENT

We currently do not engage in any research and development activities as it is not in the nature of our business to engage in such activities.

STAFF TRAINING AND DEVELOPMENT

We believe that employees need to continually learn and upgrade their skills for their own benefit and for the long-term growth of our Group. Our staff undergo both internal and external training programmes.

We have established a training system to ensure that our employees are competent and equipped with the necessary knowledge and skills to perform their work. We train our staff to enhance their services and product knowledge as well as knowledge of the industry, especially the ability to appraise products and identify counterfeit products.

GENERAL INFORMATION ON OUR GROUP

Our internal training programmes include:

- (a) orientation training for new employees to educate them on industry knowledge, company policies and basic skills and knowledge that are relevant to their respective job functions; and
- (b) operational training to equip them with the relevant skills and knowledge necessary for their respective job functions. In particular, we have a training department comprising two (2) trainers who each have more than 15 years of experience in the jewellery industry. All our service personnel are trained in all basic aspects of pawnbroking and retail and trading services.

Our external training programmes involve sending our staff for gemological courses.

We have not experienced any significant difficulties with our employees or disruption to our operations due to labour disputes, nor have we experienced any difficulties in the recruitment and retention of experienced staff.

During the Period Under Review, expenses incurred in relation to staff training and development were not significant.

INTELLECTUAL PROPERTY

As at the Latest Practicable Date, our Group owns the following trademarks:

Trademark	Registered owner	Place of registration	Class	Trademark number	Validity period
	Maxi-Cash FSC	Singapore	16 ⁽¹⁾ 35 ⁽²⁾ 36 ⁽³⁾	T0818135A	Ten (10) years commencing from 30 December 2008
	Maxi-Cash FSC	Singapore	16 ⁽¹⁾ 35 ⁽²⁾ 36 ⁽³⁾	T0818138F	Ten (10) years commencing from 30 December 2008

Notes:

- (1) Class 16 refers to printed matter; advertisement boards of cards or cardboard; paper, cardboard and goods made from these materials; photographs; stationery; instructional and teaching material (except apparatus).
- (2) Class 35 refers to advertising; direct mail advertising; online advertising; outdoor advertising; radio advertising; TV advertising; public relations; publicity; market research.
- (3) Class 36 refers to pawnbrokerage; pawnbroking business; antique appraisal; art appraisal; credit bureau; deposits of valuables; electronic funds transfer; financial affairs; financial services; financing services; fiscal valuations; hire-purchase financing; jewellery appraisal; lease-purchase financing; lending against security; loans (financing); numismatic appraisal; stamp appraisal; trusteeship.

No patents have been registered by our Group.

To the best of our Directors' knowledge and belief, our Company is not aware of any third party that is currently using a trademark similar to the foregoing trademarks in the country in which such trademark is registered or for which registration has been applied.

Save as disclosed above, we do not own or use any other patents, trademarks or intellectual property on which our business or profitability is materially dependent. We have not paid or received any royalties for the use of any intellectual property.

GENERAL INFORMATION ON OUR GROUP

INSURANCE

As at the Latest Practicable Date, we have taken out insurance policies in respect of the following:

- (a) policies for loss and damage to pledged articles held in our pawnshop premises as required under the Pawnbrokers Act;
- (b) work injury compensation policies as may be required under the Work Injury Compensation Act;
- (c) motor vehicle insurances for transport vehicles used by our Group;
- (d) all risks insurance for our assets;
- (e) group hospital and surgical policies; and
- (f) group personal accident policies.

Our Directors are of the view that the above insurance policies are adequate for our existing operations. However, significant damage to our operations due to unanticipated events may still have a material adverse effect on our results of operations or financial position. We are not insured against loss of key personnel and business interruption. If such events were to occur, our business may be materially and adversely affected. Our Directors will review our insurance coverage annually to ensure that our Group has sufficient insurance coverage.

PROPERTIES AND FIXED ASSETS

As at the date of this Offer Document, we do not own any properties but we lease the following properties for our business operations:

Location	Approximate floor area (sq ft)	Lessor/owner of the property
<u>Head Office</u>		
55 Ubi Avenue 1 #07-10 and #07-14 Ubi 55 Singapore 408935	2,906	NTUC Income Insurance Co-operative Ltd
<u>Pawnshops and Retail Outlets</u>		
Central District		
237 Victoria Street Singapore 188028	1,227	CapitaLand Commercial Management Pte Ltd for HSBC Institutional Trust Services (Singapore) Limited as trustee of CapitaCommercial Trust
304 Orchard Road #01-06 Lucky Plaza Singapore 238863 ⁽¹⁾	344	Mira Salim
1 Park Road People's Park Complex #01-23 Singapore 059108	350	Tan See Swan & Sons Holdings Pte Ltd
61 Serangoon Road Singapore 217966	500	Synerlink Pte Ltd
Block 165 Bukit Merah Central #01-3661 Singapore 150165	400	8G Investment ⁽²⁾
23 Serangoon Central #01-56 nex Singapore 556083 ⁽³⁾	434	Gold Ridge Pte Ltd
23 Serangoon Central #B2-26 nex Singapore 556083 ⁽³⁾	313	Gold Ridge Pte Ltd

GENERAL INFORMATION ON OUR GROUP

Location	Approximate floor area (sq ft)	Lessor/owner of the property
81 Telok Blangah Road Harbourfront MRT station Exit E #CD-2 Singapore 098867	875	SMRT Trains Ltd
North District		
Block 702 Ang Mo Kio Avenue 8 #01-2515 Singapore 560702	700	8G Investment ⁽²⁾
Block 520 Toa Payoh Lorong 6 #01-61 Singapore 310520	850	Lim Seng Thai
930 Yishun Avenue 2 #01-33 Northpoint Singapore 769098	403	Yishun Development Pte Ltd
Block 1A Woodlands Centre Road #01-100 Singapore 731001	700	HDB
West District		
10 Jurong East Street 12 Jurong East MRT station #01-04 Singapore 609690	275	SMRT Trains Ltd
301 Boon Lay Way Boon Lay MRT station #01-31 Singapore 649846	352	SMRT Trains Ltd
Block 442 Clementi Avenue 3 #01-97 Singapore 120442	700	Ng Ah Teck, Lim Eng Khin and Lim Li Koon
10 Choa Chu Kang Avenue 4 Choa Chu Kang MRT station #01-02 Singapore 689810	226	SMRT Trains Ltd
10 Bukit Batok Central Bukit Batok MRT station #01-12 Singapore 659958	298	SMRT Trains Ltd
Block 502 Jurong West Avenue 1 #01-831 Singapore 640502	400	C K Holdings (2003) Pte Ltd
61 Choa Chu Kang Drive Yew Tee MRT station #01-03 Singapore 689715	710	SMRT Trains Ltd
East District		
Block 83 Marine Parade Central #01-590 Singapore 440083	680	Cake History Pte Ltd
Block 205 Bedok North Street 1 #01-387 Singapore 460205	700	World Financial Property ⁽²⁾
Block 1 Joo Chiat Road #01-1035 Joo Chiat Complex Singapore 420001	300	HDB
30 Paya Lebar Road Paya Lebar MRT station #01-16 Singapore 409006	312	SMRT Trains Ltd
224 Geylang Road Singapore 389284	1,300	Tian Kwek Onn

GENERAL INFORMATION ON OUR GROUP

Location	Approximate floor area (sq ft)	Lessor/owner of the property
81 Lorong 25 Geylang Aljunied MRT station #01-02 Singapore 388310	456	SMRT Trains Ltd

Shops Which Are Sub-leased

77 Serangoon Road Singapore 217982	700	Kader Sultan Ibrahim Abdul Alim
705 Ang Mo Kio Avenue 8 #01-2573 Singapore 560705	1,647	DBS Bank Ltd.

New Leases

Block 809 Hougang Central #01-172 Singapore 530809 ⁽⁴⁾	2,174	HDB
20 Tampines Central 1 ("Tampines") Tampines MRT station #01-15/16 Singapore 529538	684	SMRT Trains Ltd
840 Hougang Central ("Hougang") Hougang Central Bus Interchange #01-01 Singapore 538757	206	SBS Transit Ltd
920 Tiong Bahru Road ("Redhill") Redhill MRT station #01-07 Singapore 158792	291	SMRT Trains Ltd
10 Pasir Ris Central ("Pasir Ris") Pasir Ris MRT station #01-15/16 Singapore 519634	382	SMRT Trains Ltd

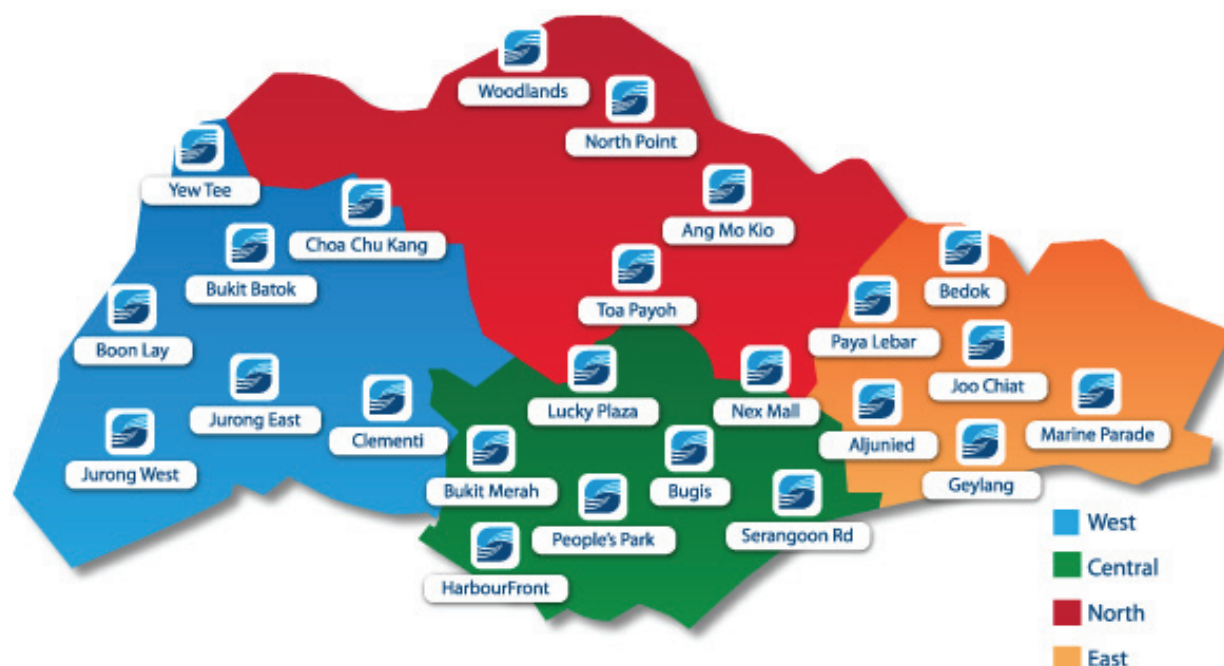
Notes:

- (1) As at the date of this Offer Document, World Financial Property has exercised an option to purchase the premises located at 304 Orchard Road #01-06 Lucky Plaza Singapore 238863 from Mira Salim, subject to the current lease originally entered into between us and Mira Salim. As at the Latest Practicable Date, the outstanding term of this lease is approximately 30 months. If the current lease is renewed with World Financial Property upon expiry, it will be on commercial terms and on an arm's length basis such that the terms will not be less favourable compared to what we would obtain from third party tenants/operators. Such terms will also be subject to the review and approval of our Audit Committee. As stated in the section entitled "Interested Person Transactions – Present and On-Going Interested Person Transactions", after our admission to Catalist, all such transactions with World Financial Property will be conducted in accordance with such guidelines as described in the section entitled "Interested Person Transactions — Guidelines and Review Procedures for Future Interested Person Transactions" of this Offer Document and Chapter 9 of the Listing Manual. If required under the Listing Manual, the Companies Act or the Securities Futures Act, we will seek Shareholders' approval for such transactions.
- (2) Please refer to the section entitled "Interested Person Transactions – Present and On-Going Interested Person Transactions" of this Offer Document for further details.
- (3) As at the date of this Offer Document, business operations located at 23 Serangoon Central #01-56 nex Singapore 556083 (which is currently vacant) have been relocated to 23 Serangoon Central #B2-26 nex Singapore 556083.
- (4) As at the date of this Offer Document, our Company has sub-leased approximately 1,012 sq ft of this lease to three (3) unrelated third parties.

GENERAL INFORMATION ON OUR GROUP

In FY2011, we paid rental of S\$5.5 million in aggregate.

A map showing the locations of our pawnshops and retail outlets is set out below:



As at 31 December 2011, the net carrying value of our property, plant and equipment comprising renovations, electrical fittings, furniture and fittings, air-conditioner, security equipment, office equipment, renovation-in-progress, machinery, tools and equipment, computers and motor vehicles was S\$3.4 million.

To the best of our Directors' knowledge, there are no regulatory requirements or environmental issues that may materially affect our utilisation of the above properties and fixed assets, save as disclosed under the section entitled "Government Regulations" as set out in Appendix B of this Offer Document.

As at the date of this Offer Document, our Directors are not aware of any existing breach of any obligations under the abovementioned lease agreements that would result in their termination by the lessor or non-renewal, if required, when they expire.

GENERAL INFORMATION ON OUR GROUP

LICENCES AND PERMITS

We have obtained the necessary business licences for our day-to-day operations. Save as disclosed under the section entitled “Risk Factors” of this Offer Document and below, we are not subject to any government regulations in Singapore (where we operate), other than those generally applicable to companies and businesses, which will have a material effect on our business operations.

We are subject to all relevant laws and regulations of Singapore where our business operations are based. As at the Latest Practicable Date, to the best of our Directors’ knowledge, we have not had any violations amounting to fines imposed with regard to all our relevant permits, licences and exemptions issued from the Singapore Government for our operations.

Apart from business licences that are of general application, as at the date of this Offer Document, we have obtained the following specific licences for our business:

Licences⁽¹⁾

No.	Entity/Pawnshop location	Country	Type of licence	Validity period	Issuing authority	Licence number
<u>Maxi-Cash North</u>						
1.	Block 520 Toa Payoh Lorong 6 #01-61 Singapore 310520	Singapore	Pawnbroker’s Licence	Expires on 31 December 2012	Registry of Pawnbrokers	03462
2.	Block 702 Ang Mo Kio Avenue 8 #01-2515 Singapore 560702	Singapore	Pawnbroker’s Licence	Expires on 31 December 2012	Registry of Pawnbrokers	03537
<u>Maxi-Cash East</u>						
3.	Block 1 Joo Chiat Road #01-1035 Joo Chiat Complex Singapore 420001	Singapore	Pawnbroker’s Licence	Expires on 31 December 2012	Registry of Pawnbrokers	03431
4.	Block 83 Marine Parade Central #01-590 Singapore 440083	Singapore	Pawnbroker’s Licence	Expires on 31 December 2012	Registry of Pawnbrokers	03430
5.	23 Serangoon Central #B2-26 nex Singapore 556083	Singapore	Pawnbroker’s Licence	Expires on 31 December 2012	Registry of Pawnbrokers	03432
6.	Block 205 Bedok North Street 1 #01-387 Singapore 460205	Singapore	Pawnbroker’s Licence	Expires on 31 December 2012	Registry of Pawnbrokers	03536

GENERAL INFORMATION ON OUR GROUP

No.	Entity/Pawnshop location	Country	Type of licence	Validity period	Issuing authority	Licence number
	<u>Maxi-Cash West</u>					
7.	301 Boon Lay Way Boon Lay MRT station #01-31 Singapore 649846	Singapore	Pawnbroker's Licence	Expires on 31 December 2012	Registry of Pawnbrokers	03529
8.	10 Choa Chu Kang Avenue 4 Choa Chu Kang MRT station #01-02 Singapore 689810	Singapore	Pawnbroker's Licence	Expires on 31 December 2012	Registry of Pawnbrokers	03528
9.	10 Jurong East Street 12 Jurong East MRT station #01-04 Singapore 609690	Singapore	Pawnbroker's Licence	Expires on 31 December 2012	Registry of Pawnbrokers	03530
10.	61 Choa Chu Kang Drive #01-03 Yew Tee MRT station Singapore 689715	Singapore	Pawnbroker's Licence	Expires on 31 December 2012	Registry of Pawnbrokers	03549
	<u>Maxi-Cash Central</u>					
11.	1 Park Road People's Park Complex #01-23 Singapore 059108	Singapore	Pawnbroker's Licence	Expires on 31 December 2012	Registry of Pawnbrokers	03427
12.	237 Victoria Street Singapore 188028	Singapore	Pawnbroker's Licence	Expires on 31 December 2012	Registry of Pawnbrokers	03424
13.	304 Orchard Road #01-06 Lucky Plaza Singapore 238863	Singapore	Pawnbroker's Licence	Expires on 31 December 2012	Registry of Pawnbrokers	03426
	<u>Maxi-Cash Central 2</u>					
14.	61 Serangoon Road Singapore 217966	Singapore	Pawnbroker's Licence	Expires on 31 December 2012	Registry of Pawnbrokers	03553
15.	Block 165 Bukit Merah Central #01-3661 Singapore 150165	Singapore	Pawnbroker's Licence	Expires on 31 December 2012	Registry of Pawnbrokers	03554

GENERAL INFORMATION ON OUR GROUP

No.	Entity/Pawnshop location	Country	Type of licence	Validity period	Issuing authority	Licence number
<u>Maxi-Cash Capital</u>						
16.	30 Paya Lebar Road Paya Lebar MRT station #01-16 Singapore 409006	Singapore	Pawnbroker's Licence	Expires on 31 December 2012	Registry of Pawnbrokers	03510
17.	10 Bukit Batok Central Bukit Batok MRT station #01-12 Singapore 659958	Singapore	Pawnbroker's Licence	Expires on 31 December 2012	Registry of Pawnbrokers	03509
18.	Block 502 Jurong West Avenue 1 #01-831 Singapore 640502	Singapore	Pawnbroker's Licence	Expires on 31 December 2012	Registry of Pawnbrokers	03433
<u>Maxi-Cash Clementi</u>						
19.	Block 442 Clementi Avenue 3 #01-97 Singapore 120442	Singapore	Pawnbroker's Licence	Expires on 31 December 2012	Registry of Pawnbrokers	03429
<u>Maxi-Cash Assets</u>						
20.	81 Telok Blangah Road Harboursfront MRT station Exit E #CD-2 Singapore 098867	Singapore	Pawnbroker's Licence	Expires on 31 December 2012	Registry of Pawnbrokers	03423
21.	81 Lorong 25 Geylang Aljunied MRT station #01-02 Singapore 388310	Singapore	Pawnbroker's Licence	Expires on 31 December 2012	Registry of Pawnbrokers	03544
22.	224 Geylang Road Singapore 389284	Singapore	Pawnbroker's Licence	Expires on 31 December 2012	Registry of Pawnbrokers	03543
<u>Maxi-Cash Ventures</u>						
23.	Block 1A Woodlands Centre Road #01-100 Singapore 731001	Singapore	Pawnbroker's Licence	Expires on 31 December 2012	Registry of Pawnbrokers	03508
24.	930 Yishun Avenue 2 #01-33 Northpoint Singapore 769098	Singapore	Pawnbroker's Licence	Expires on 31 December 2012	Registry of Pawnbrokers	03507

Note:

(1) Applications for pawnbroker's licences have been made for the properties located at "Tampines", "Hougang", "Redhill" and "Pasir Ris", as fully described in the section entitled "General Information on Our Group – Properties and Fixed Assets" of this Offer Document.

GENERAL INFORMATION ON OUR GROUP

Exemptions

Maxi-Cash Jewellery and Maxi-Cash Jewellery Group are exempted under the Secondhand Goods Dealers Exemption Order issued by the Police Licensing Division of the Singapore Police. The exemption orders are valid unless revoked.

Please refer to the section entitled “Government Regulations” as set out in Appendix B of this Offer Document for a summary of a license requirement under the Pawnbrokers Act or exemption under the Secondhand Goods Dealers Act.

As at the Latest Practicable Date, none of the aforesaid permits, approvals, licences, certificates and exemptions have been suspended, revoked or cancelled and to the best of our Directors’ knowledge and belief, we are not aware of any facts or circumstances which would cause such permits, approvals, licences, certificates and exemptions to be suspended, revoked or cancelled, as the case may be, or any applications for, or renewal of, or maintenance of, any of these permits, approvals, licences, certificates and exemptions to be rejected by the relevant authorities. Save as disclosed above and in the section entitled “Risk Factors” of this Offer Document, there are no other government regulations that have a material impact on our business operations.

To the best of our Directors’ knowledge, save as disclosed above, we have complied with all relevant laws and regulations that would materially affect our business operations. Save as disclosed above, we do not require any other permits, approvals, licences, certificates and exemptions in respect of our operations apart from those pertaining to the general business registration requirements.

MAJOR CUSTOMERS

Our customers are primarily walk-in individuals and jewellery, precious metals and watch traders/dealers. The table below sets forth customers which accounted for 5.0% or more of our revenue for FY2009, FY2010 and FY2011:

Major customers	Geographical location	As a percentage of our revenue (%)		
		FY2009	FY2010	FY2011
Aspial-Lee Hwa	Singapore	6.9	4.8	4.1
Heraeus Ltd.	Hong Kong	76.7	70.3	48.7
Jin Heng Goldsmiths Pte. Ltd.	Singapore	–	–	8.6

Save for Aspial-Lee Hwa which is a manufacturer and retailer of jewellery, the above major customers are jewellery and precious metals traders/dealers. Revenue generated by each major customer varies from each financial year, depending on the volume of pre-owned jewellery sold to each major customer and the selling price of the pre-owned jewellery which is determined based on daily gold spot rate at the time of the relevant transactions. We commenced business with Jin Heng Goldsmiths Pte. Ltd. in FY2011 as an additional avenue for our sale of pre-owned jewellery.

As we expanded the number of retail outlets, we acquired more pre-owned jewellery and watches from walk-in individuals who sold their personal articles to us. Accordingly, sales to the above major customers increased. However, as a percentage of our revenue, there was a decrease because of the higher growth rate of our pawnbroking business, which derives interest income from customers.

GENERAL INFORMATION ON OUR GROUP

Generally, we do not enter into long-term agreements or arrangements with our customers. We have, however, entered into a “Precious Metal Dealing Agreement” with Heraeus Ltd. on 16 June 2011; and the salient terms of the agreement are:

- (i) the term is a period of 360 days and deemed extended for further periods of 360 days unless terminated by either party via prior notice;
- (ii) the amount of the uncommitted precious metal dealing facility offered by Heraeus Ltd.; and
- (iii) the advance drawdown amount upon delivery of the precious metal.

As at the date of this Offer Document, our Directors are of the view that we are not materially dependent on the above major customers. To the best of our Directors’ knowledge, as at the Latest Practicable Date, we are not aware of any information or arrangement which would lead to a cessation or termination of our present relationships with any of our major customers.

Save as disclosed above, there is no other customer whose revenue contribution to us accounted for more than 5.0% of our revenue in the Period Under Review.

Save for Aspial-Lee Hwa, none of our Directors, Substantial Shareholder or any of their Associates is related or has any interest, direct or indirect, in any of the above major customers. Please refer to the section entitled “Interested Person Transactions” of this Offer Document for details of the relationship with Aspial-Lee Hwa.

To the best of our knowledge and belief, there are no arrangements or understanding with any major customer pursuant to which any of our Directors and Executive Officers was appointed.

MAJOR SUPPLIERS

Our suppliers are predominantly walk-in individuals who sell their personal articles to us at our retail outlets. Each individual sale does not constitute a significant percentage of our purchases and no such single supplier contributed 5.0% or more of our purchases for the Period Under Review.

In addition, we purchase jewellery from Aspial-Lee Hwa for sale at our retail outlets during our initial start-up. The table below sets out the value of our purchases from Aspial-Lee Hwa:

Major supplier	Nature of supply	As a percentage of our purchases (%)		
		FY2009	FY2010	FY2011
Aspial-Lee Hwa	Jewellery	5.0	0.5	0.1

Please refer to the section entitled “Interested Person Transactions” of this Offer Document for details of the purchases from Aspial-Lee Hwa. For the Period Under Review, the purchases from Aspial-Lee Hwa decreased from 5.0% in FY2009 to 0.1% in FY2011 due mainly to the decrease in jewellery purchases from Aspial-Lee Hwa for sale at our retail outlets as we were able to obtain greater supply of pre-owned jewellery and watches as a result of our expanded network of pawnshops and retail outlets as compared to our initial start-up period.

Save for Aspial-Lee Hwa, none of our Directors, Substantial Shareholder or any of their Associates is related or has any interest, direct or indirect, in any of our major suppliers. Please refer to the section entitled “Interested Person Transactions” of this Offer Document for details of the relationship with Aspial-Lee Hwa.

To the best of our knowledge and belief, there are no arrangements or understanding with any major supplier pursuant to which any of our Directors and Executive Officers was appointed.

GENERAL INFORMATION ON OUR GROUP

INTERNAL CONTROL AND RISK MANAGEMENT

We recognise the importance of internal control and risk assessment for the smooth running of our business. In order to better manage our external and internal risks, such as fraud and human error by our employees, we have implemented a set of operations and compliance procedures for various operational instructions, guidelines, policies and risk control measures. We have detailed control procedures on human resource management, finance management and business operations (including security measures). Please refer to the section entitled “General Information on Our Group — Staff Training and Development” of this Offer Document for details of our staff training programs. In particular, we have a group of three (3) internal auditors who carry out regular and random checks on all our pawnshops and retail outlets. Our internal auditors will:

- (i) countercheck the existence of the physical pledged articles against the records in our systems;
- (ii) verify valuation of pledged articles and ensure that the valuation procedures were carried out in accordance with our internal valuation guidelines; and
- (iii) verify cash balances against the records in our systems.

In assessing personal articles presented for pawning or sale, we focus on the accuracy of the valuations of the personal articles in order to minimise price risks and determine the appropriate value or loans to be given. We have different approval levels for different loan amounts. Depending on the loan quantum, approvals for loans may escalate to the level of our assistant director of operations, who is based in our head office. In accordance with our risk management guidelines, we also set a single customer loan amount limit in our computer system.

INVENTORY MANAGEMENT

Our inventory, which is managed by Maxi-Cash Jewellery Group, consists mainly of pre-owned jewellery.

We have a computerised inventory management system in place which tracks the movement of our inventory on a real time basis. The inventory level of each retail outlet is determined by the management depending on factors including the inventory turnover of each retail outlet, recent buying patterns of the customers patronising the retail outlets and the sales forecasts of pre-owned jewellery and watches for each retail outlet.

Full inventory counts are conducted by our staff at each location on a daily basis by verifying our inventory with the reports generated from our computerised inventory management system at the end of each business day, under the supervision of the store supervisor. Any discrepancies are investigated and reported to the retail operations department. Our internal auditors conduct weekly random inventory checks.

The management reviews slow moving and obsolete inventories on a regular basis. Such inventory may be transferred to other retail outlets where there is a demand, or sold to jewellery, precious metals and watch traders/dealers. Our Group has not, since its establishment, made any provision for slow moving and obsolete inventories.

Our average inventory turnover days during the Period Under Review were as follows:

	FY2009	FY2010	FY2011
Average inventory turnover days ⁽¹⁾	73	41	43

Note:

- (1) The average inventory turnover days is calculated based on the average inventory balance divided by material costs for the financial year.

GENERAL INFORMATION ON OUR GROUP

Average inventory turnover days was higher in FY2009 as we acquired inventory when we commenced business in February 2009. In addition, as most of our retail outlets were established in the second half of FY2009, we did not have a full financial year to sell our inventory.

Our write-downs for inventories for FY2009, FY2010 and FY2011 were approximately S\$7,000, S\$11,000 and S\$2,000 respectively due to the loss in valuation of the pre-owned jewellery from our retail and trading of pre-owned jewellery and watches business.

The security measures taken to safeguard our Group's inventories include:

- (i) a security system as required by the insurance company to be installed in the premises of our Group including an alarm system, a strong room/safe and 24 hours surveillance system;
- (ii) full inventory counts are conducted by our staff at each retail outlet on a daily basis by verifying our inventory with the reports generated from our computerised inventory management system at the end of each business day, under the supervision of the store supervisor; any discrepancies are investigated and reported to the retail operations department; and
- (iii) carrying out of weekly random inventory checks by our internal auditors.

CREDIT MANAGEMENT

To Our Customers

For our pawnbroking business, we provide loans based on pledged articles. These loan amounts are for a period of six (6) months until the pledged articles are redeemed or auctioned.

Under our retail and trading of pre-owned jewellery and watches business, our accepted mode of payment is cash (including electronic payments) and credit cards for walk-in individuals. For jewellery, precious metals and watch traders/dealers under our retail and trading of pre-owned jewellery and watches business, we typically grant credit terms of up to 30 days depending on their reputation, reliability and payment history, the geographic region within which they are located, as well as the volume of pre-owned jewellery sold.

Outstanding payments are closely monitored by our finance department. Specific allowance or write-off will be made when we are of the view that any outstanding debt may be impaired or the debt may be uncollectible. Our Group has not, since its establishment, experienced any material trade bad debts. We have not provided for any doubtful debts during the Period Under Review.

Our average trade receivables' turnover days for the Period Under Review were as follows:

	FY2009	FY2010	FY2011
Average trade receivables' turnover days ⁽¹⁾	14	4	1

Note:

- (1) The average trade receivables' turnover days is calculated based on the average trade receivables divided by average daily revenue for our retail and trading of pre-owned jewellery and watches business for the financial year.

Average trade receivables' turnover days was relatively high in FY2009 as we commenced operations in February 2009 and therefore recorded lower revenue.

From Our Suppliers

Our suppliers are predominantly walk-in individuals who sell their personal articles to us at our retail outlets. We do not have any credit terms with them.

During the Period Under Review, we purchased jewellery from Aspial-Lee Hwa for sale at our retail outlets. Generally, Aspial-Lee Hwa grants us credit terms of 30 days.

GENERAL INFORMATION ON OUR GROUP

Our average trade payables' turnover days for the Period Under Review were as follows:

	FY2009	FY2010	FY2011
Average trade payables' turnover days ⁽¹⁾	10	4	3

Note:

- (1) The average trade payables' turnover days is calculated based on the average trade payables divided by average daily purchases for the financial year.

COMPETITION

We operate in a competitive industry. Our Directors believe that the barriers to entry are relatively high as our business is capital intensive and subject to the Pawnbrokers Act. Our Group competes with major pawnshops and retail chains like ValueMax (nine (9) shops)⁽¹⁾ and MoneyMax (21 shops)⁽¹⁾, as well as other smaller players who operate individual pawnshops or retail outlets dealing in pre-owned jewellery and watches.

Nonetheless, we believe that our competitive strengths will allow us to compete effectively with our competitors.

To the best of our Directors' knowledge, our Directors are not aware of any published statistics that can provide an accurate measure of our market share. However, according to information obtained from the Insolvency and Public Trustee's Office website (www.ip.to.gov.sg), accessed on 16 May 2012, our market share of the pawnbroking business in terms of number of licenced pawnbrokers is approximately 13.0% as at 1 May 2012.

To the best of our Directors' knowledge, none of our Directors, Substantial Shareholder or their Associates has any interest, direct or indirect, in any of our competitors listed above.

COMPETITIVE STRENGTHS

We believe our competitive strengths are as follows:

We have a well established market position

We currently have the largest network of pawnshops and retail outlets in 24 strategic locations in Singapore.

Our pawnshops and retail outlets are predominantly strategically and conveniently located near amenities like bus interchanges and MRT stations. Our pawnshops and retail outlets are also open for 11.5 hours a day from 8.30 a.m. to 8.00 p.m. daily (including public holidays) for the convenience of our customers.

As at 1 May 2012, our market share of the pawnbroking business in terms of number of licenced pawnbrokers is approximately 13.0%⁽¹⁾. We have been providing financial services in Singapore for more than three (3) years when we first commenced our operations in February 2009. As a result of our dedication, understanding and experience in serving the needs of our customers, our business has grown in scale, as evident in the growth of our revenue, from S\$10.0 million in FY2009 to S\$87.7 million in FY2011.

We have an established brand name in the industry

Since our incorporation, we have established a strong track record and reputation under our "Maxi-Cash" brand name. Our Group places high priority in building good rapport and relationships with our customers. We position ourselves as an acceptable and attractive source of financing, via a modern, professional and customer-centric store concept. Our customers are provided "bank-like" pawning experiences where trust, transparency and reliability are the basic hallmarks of our services.

Note:

- (1) Statistics obtained from a report issued in 2012 entitled "List of pawnshops as at 01/05/2012" published on the website of the Insolvency and Public Trustee's Office (www.ip.to.gov.sg).

GENERAL INFORMATION ON OUR GROUP

We advertise our services through a number of platforms in Singapore, including the media (print, television and radio) and the distribution of brochures and flyers. We believe that we were the first to engage television celebrities in our marketing campaigns. Our Directors believe that public awareness of our Group has been enhanced through our marketing campaigns, and customers have gained a deeper understanding of our Group and the benefits of our services. For the Period Under Review, we have incurred selling and marketing expenses of S\$6.6 million.

We have a skilled and qualified work force

The provision of a skilled and qualified work force is one of the key growth factors of our business to date. We recruit candidates with potential for future development, and train and motivate our employees to deliver quality services that will enhance client satisfaction.

We have professional and attentive staff who possess the relevant knowledge to appraise pledged articles and disburse loans expeditiously. We believe that our high quality customer service and short response time differentiate our services. We train all our employees in appraisal skills in addition to the usual customer relations and communication skills in-house. Our in-house training has built up a talent pool that enables us to staff our pawnshops and retail outlets with skilled and qualified personnel as well as to staff new pawnshops and retail outlets as we grow our network.

We have an experienced and committed Board of Directors and management team

We have a committed Board of Directors and management team who are experienced in their respective fields of expertise.

The growth and success of our business is largely attributed to our experienced and dedicated management team. Our management team is led by our CEO, Koh Lee Hwee, who has over 20 years of experience in the jewellery industry, together with a dedicated and dynamic management team who assists her in the daily management of our business. Please refer to the section entitled “Directors, Management and Staff — Executive Officers” of this Offer Document for further details. We believe the extensive experience of our management team, together with their industry knowledge and in-depth understanding of the market, will enable us to continue to take advantage of future market opportunities.

We have a strong system of risk management

Risk management is integral to the success of our business. Our focus on accuracy in valuation and assessment of authenticity of pledged articles and acquisition of pre-owned jewellery and watches enables us to maintain our risk at minimum levels.

In assessing personal articles presented for pawning or sale, our focus on the accuracy of the valuations of the personal articles enables us to minimise price risks and determine the appropriate value or loans to be given. We have different approval levels for different loan amounts. Depending on the loan quantum, approvals for loans may escalate to the level of our assistant director of operations, who is based in our head office. In accordance with our risk management guidelines, we have also set a single customer loan amount limit in our computer system. Accordingly, this strong risk management system allows us to effectively manage our risks as we expand our business.

We provide convenient and quick access to short-term financings

We aim to provide short-term secured financing services to our customers in an expeditious manner and in certain circumstances, where securing loans from commercial banks and other lending financial institutions may be difficult or require a longer time. We thus complement the role played by commercial banks and other lending financial institutions by providing speedy, convenient and efficient services for customers who need cash on short notice. We normally provide finance as long as the collateral provided by our customers meets our loan application requirements.

As at the Latest Practicable Date, we have pawnshops and retail outlets in 24 strategic and convenient locations in Singapore, including locations near amenities like bus interchanges and MRT stations. This large network facilitates customer outreach, thereby providing customers with convenient access to our financing services. As our staff possess the relevant knowledge to appraise pledged articles and disburse loans promptly, we are in a position to ensure our services are provided expeditiously.

PROSPECTS, BUSINESS STRATEGIES AND FUTURE PLANS

PROSPECTS

Our Directors believe that our long-term prospects are encouraging for the following reasons:

Population Growth in Singapore

Singapore's population (comprising Singapore residents and non-residents) has been increasing at a steady rate over the past ten (10) years, from 4,027,900 in year 2000 to 5,183,700 in year 2011⁽¹⁾. In particular, population aged between 25 years and 64 years (comprising Singapore residents) increased from 1,896,900 in 2000⁽²⁾ to 2,284,000 in June 2011⁽¹⁾.

Our Directors believe the growth in the Singapore's population and in particular, growth in the population aged between 25 years and 64 years over the past ten (10) years, bodes well for our business operations in Singapore as our customers generally fall within this population age group.

Growth in the Pawnbroking Industry

The number of pawnbrokers in Singapore has increased in number in the last two (2) years from 127 pawnbrokers as at 31 July 2009 to 184 pawnbrokers as at 1 May 2012⁽³⁾. Over the past ten (10) years, the number of pledges received at pawnshops has increased from 2,696,900 in 2000 to 2,977,100 in 2010⁽²⁾. This figure has increased further from 2,977,100 in 2010 to 3,498,100 in 2011⁽¹⁾. In addition, the amount of loans disbursed at pawnshops has increased from S\$1.1 billion in 2000 to S\$2.7 billion in 2010⁽²⁾. This amount has increased further from S\$2.7 billion in 2010 to S\$4.9 billion in 2011⁽¹⁾.

Growing Acceptance of Pawnbroking

Our Directors believe that there is potential growth in the pawnbroking business as more customers are likely to gradually regard pawning as a viable alternative source of financing to banks. Our Group provides pawnbroking services to consumers in a modern, professional and customer-centric store concept to meet their financial needs. We strive to provide customers with "bank-like" pawning experiences where trust, transparency and reliability are the basic hallmarks of our services.

Notes:

- (1) Statistics obtained from a report issued in 2012 entitled "Monthly Digest of Statistics Singapore, May 2012".
- (2) Statistics obtained from a report issued in 2011 entitled "Yearbook of Statistics Singapore, 2011".
- (3) Statistics obtained from two (2) reports issued in 2009 entitled "List of pawnshops as at 31 Jul 2009" and in 2012 entitled "List of pawnshops as at 01/05/2012" published on the website of the Insolvency and Public Trustee's Office (www.ipto.gov.sg).
- (4) The parties mentioned in the notes above have not consented to the inclusion of the above information in this Offer Document for the purposes of Section 249 of the SFA and are therefore not liable for the relevant information under Sections 253 and 254 of the SFA. While our Directors have taken reasonable action to ensure that the information has been accurately and correctly extracted from the sources above and reproduced in this Offer Document in its proper form and context, they have not independently verified the accuracy of the relevant information.

PROSPECTS, BUSINESS STRATEGIES AND FUTURE PLANS

TREND INFORMATION

For FY2012 and barring unforeseen circumstances, our Directors have observed the following trends:

- (1) We expect the revenue generated from our business to increase as we expand our business by setting up more pawnshops and/or retail outlets.
- (2) We expect the material costs for our retail and trading of pre-owned jewellery and watches business to increase as we acquire more pre-owned jewellery and watches to meet the expected growth in our business.
- (3) We expect our operating expenses to increase due mainly to (i) the increase in employee benefits expenses as a result of higher headcount and increments in salaries and wages as we expand our business; (ii) the increase in rental costs as we set up new pawnshops and/or retail outlets; (iii) the increase in finance costs as we increase our utilisation of borrowings as our business activities increase; (iv) the Service Agreement with our Executive Director (further details of which are set out in the section entitled “Directors, Management and Staff — Service Agreement” of this Offer Document), and (v) professional fees and expenses in relation to the Invitation and the costs of maintaining a listing on Catalist.
- (4) We expect to increase our inventories as we intend to develop and expand our retail outlets as well as expand our range of pre-owned jewellery and watches.

Save as disclosed above and in the sections entitled “Risk Factors”, “Management’s Discussion and Analysis of Results of Operations and Financial Position” and “Prospects, Business Strategies and Future Plans” of this Offer Document and barring any unforeseen circumstances, our Directors believe that there are no other significant recent known trends in our revenue, costs and prices of our products, or any other known uncertainties, demands, commitments or events that are reasonably likely to have a material effect on our revenue, profitability, liquidity and capital resources. They are also not aware of any such trends that would cause the financial information disclosed in this Offer Document to be not necessarily indicative of our future operating results or financial position. Please also refer to the section entitled “Cautionary Note Regarding Forward-Looking Statements” of this Offer Document.

ORDER BOOK

We do not have an order book for our pawnbroking business as our customers are walk-in individuals who pledge articles with our pawnshops.

Similarly, we do not have an order book for our retail and trading of pre-owned jewellery and watches business since most of our pre-owned jewellery and watches are retailed through our retail outlets.

PROSPECTS, BUSINESS STRATEGIES AND FUTURE PLANS

BUSINESS STRATEGIES AND FUTURE PLANS

Expand our business operations

We plan to develop and expand our business operations in Singapore by increasing the number of pawnshops and/or retail outlets, in particular, in locations where we are not well represented. In order to optimise our expansion, we carefully assess potential markets by analysing demographic, competitive and regulatory factors, site selection and growth potential. Our strategy for expansion includes providing higher accessibility to customers as well as leveraging our expertise and presence. We have increased the number of our shop locations from 11 in 2009 when we first commenced business to 24 as at the Latest Practicable Date.

We intend to utilise S\$6.0 million from the proceeds of the Invitation for the above mentioned expansion.

Strengthen our brand recognition through our brand management and marketing strategies

We believe that a key factor in the future growth of our business is consumer recognition and loyalty towards our brand. We intend to strengthen our “Maxi-Cash” brand name and maintain our brand leadership (in terms of number of shops in Singapore) so as to further distinguish ourselves from our competitors. We intend to achieve this through our branding and marketing strategies, which include brand management and positioning, advertising and promotional activities to highlight our modern, professional and customer-centric store concept, providing customers with “bank-like” pawning experiences where trust, transparency and reliability are the basic hallmarks of our services.

Expand our range of pre-owned jewellery and watches

We believe that in order to keep up with the rapid changes in market trends and consumer preferences, we need to carry a wider range of pre-owned jewellery and watches. We intend to achieve this by acquiring more pre-owned jewellery and watches. This will serve to increase our range of pre-owned jewellery and watches whilst leveraging on our existing sales and distribution networks.

Expansion through acquisitions, joint ventures and/or strategic alliances

In addition to growing organically, we may consider expanding our business through acquisitions, joint ventures or strategic alliances with parties who create synergistic values with our existing business. Through such acquisitions, joint ventures or strategic alliances, we will look to strengthen our market position, expand our network, as well as expand into new businesses complementary to our current business. We believe that our status as a listed company will allow us to be better placed for expansion. Should such opportunities arise, we will seek approval, where necessary, from our Shareholders, Sponsor and/or the relevant authorities in accordance with the requirements of the applicable laws and regulations.

INTERESTED PERSON TRANSACTIONS

In general, transactions between our Group and any of its interested persons (namely, our Directors, Chief Executive Officer or Controlling Shareholders of our Company or the Associates of such Directors, Chief Executive Officer or Controlling Shareholders) would constitute interested person transactions for the purposes of Chapter 9 of the Listing Manual. Details of interested person transactions for the Period Under Review and the period from 1 January 2012 up to the Latest Practicable Date (the “Relevant Period”) are discussed below.

Save as disclosed below, our Group does not have any other material transactions with any of its interested persons during the Relevant Period.

INTERESTED PERSONS

Interested Person	Relationship with our Group
Koh Wee Seng	Our Non-Executive Chairman
Koh Lee Hwee	Our CEO and Executive Director
Ko Lee Meng	Our Non-Executive Director
Tan Su Lan @ Tan Soo Lung	Mother of Koh Wee Seng, Koh Lee Hwee and Ko Lee Meng
Aspial	An entity listed on the Official List of the SGX-ST with its main business in jewellery, property and financial services, and our Controlling Shareholder. MLHS is the Controlling Shareholder of Aspial holding, directly, approximately 59.8% of the shareholdings of Aspial as the Latest Practicable Date. Please refer to the section entitled “Shareholders — Ownership Structure” of this Offer Document for further details on the directors and shareholders of MLHS. Our Directors, Messrs Koh Wee Seng, Koh Lee Hwee and Ko Lee Meng, are directors and Substantial Shareholders of Aspial, holding, directly, approximately 14.1%, 1.9% and 1.8% respectively of the shareholdings of Aspial as at the Latest Practicable Date.
Aspial-Lee Hwa	A wholly-owned subsidiary of Aspial. Its principal activities are jewellery retailing and manufacturing.
World Class Land	Aspial owns 90.0% of the issued and paid-up share capital of World Class Land. The remaining 10.0% is owned by our Non-Executive Chairman, Koh Wee Seng, and Ng Sheng Tiong, spouse of our CEO, Koh Lee Hwee, equally. World Class Land is principally engaged in property development.
World Financial Property	A wholly-owned subsidiary of Aspial. It is principally engaged in real estate activities.
8G Investment	Our Non-Executive Chairman, Koh Wee Seng, owns 40.0% of the issued and paid-up share capital of 8G Investment. The remaining 60.0% is owned by his spouse, Lim Kwee Hua, and his mother, Tan Su Lan, in the proportion of 20.0% : 40.0%. The principal activities of 8G Investment are in real estate investments.

INTERESTED PERSON TRANSACTIONS

PAST INTERESTED PERSON TRANSACTIONS

Lease of premises to Aspial

Since FY2010, our Company has been sub-leasing level two (2) of the shop with a floor area of approximately 870 sq ft located at Block 205 Bedok North Street 1 #01-387 Singapore 460205 to Aspial for use as Aspial Group's information technology facility.

Under the existing lease agreement dated 1 June 2010, the lease is for a period of three (3) years commencing 1 June 2010 at a monthly rental of S\$3,000. The current monthly rental was determined based on the prevailing market rental at the time the lease agreement was entered into. Save for the lease area and rental amount which have been disclosed above, there are no other material terms and conditions in the lease agreement.

The aggregate rental and related charges received during the Relevant Period for the shop space above are as follows:

(S\$'000)	FY2009	FY2010	FY2011	1 January 2012 up to the Latest Practicable Date
Rental and related charges received by our Group	—	21	33	—

The above transaction is carried out on an arm's length basis as the rental was based on the then indicative market rate. The above mentioned lease was terminated on 30 November 2011.

Transactions with Tan Su Lan @ Tan Soo Lung

In FY2010, we had sold and acquired pre-owned watches to and from Tan Su Lan @ Tan Soo Lung. The value of each transaction is approximately S\$71,000. The transactions were carried out on an arm's length basis and on normal commercial terms which we transact with other unrelated third parties. We do not intend to enter into similar transactions with Tan Su Lan @ Tan Soo Lung in the future.

Advances to World Financial Property

In FY2008 and FY2009, our Group had advanced an aggregate of approximately S\$11,000 to World Financial Property for its general working capital purposes. These advances were made on a preferential basis as they were interest-free, unsecured and had no fixed terms of repayment. The amount remained outstanding as at the end of each of the last three (3) financial years ended 31 December 2011. The said amount was repaid by World Financial Property in March 2012.

Transfer of tax reliefs to World Class Land

Under the group relief for Singapore companies as provided for under Section 37C of the Income Tax Act, Chapter 134 of Singapore ("Group Relief System"), a company belonging to a group may transfer its current year unabsorbed capital allowances, current year unabsorbed trade losses and current year unabsorbed donations (collectively referred to herein as "current year tax losses") to another company belonging to the same group. There are certain conditions and requirements to be met in order to come within the Group Relief System.

In FY2011, our Group transferred its current year tax losses of approximately S\$856,000 to World Class Land for the year of assessment 2010 pursuant to the Group Relief System. The said amount was repaid by World Class Land to our Group within the same financial year. As at 31 December 2011, there was no outstanding amount due from World Class Land to our Group.

The above transfer was carried out on an arm's length basis. After our admission to Catalist, we do not expect such a transaction to occur.

INTERESTED PERSON TRANSACTIONS

PRESENT AND ON-GOING INTERESTED PERSON TRANSACTIONS

Transactions with our Directors and their Associates

Purchases of pre-owned jewellery and watches at our retail outlets by our Directors are at a fixed discount, which also applies to all employees based on our staff benefits policy. For the Relevant Period, our Directors and their Associates did not make any such purchases.

In the event that our Directors and/or their Associates purchase pre-owned jewellery or watches at our retail outlets, all such transactions will be entered into in accordance with such guidelines as described in the section entitled “Interested Person Transactions — Guidelines and Review Procedures for Future Interested Person Transactions” of this Offer Document and Chapter 9 of the Listing Manual. If required under the Listing Manual, the Companies Act or the Securities Futures Act, we will seek Shareholders’ approval for such transactions.

Transactions with Aspial Group

In the last three (3) financial years ended 31 December 2011, we transacted with Aspial, Aspial-Lee Hwa and World Financial Property.

(i) Sale of pre-owned jewellery to Aspial-Lee Hwa

Maxi-Cash Jewellery Group sells pre-owned jewellery to Aspial-Lee Hwa. The aggregate values of the sale of pre-owned jewellery to Aspial-Lee Hwa for the Relevant Period are as follows:

(\$'000)	FY2009	FY2010	FY2011	1 January 2012 up to the Latest Practicable Date
Amount	694	2,608	3,630	880

The above transactions were conducted on an arm’s length basis and on normal commercial terms which we transact with other unrelated third parties. The selling price of the pre-owned jewellery is determined based on the daily gold spot rate at the time of the relevant transaction.

After our admission to Catalist, we intend to continue selling pre-owned jewellery to Aspial-Lee Hwa. All such transactions made between Maxi-Cash Jewellery Group and Aspial-Lee Hwa will be entered into in accordance with such guidelines as described in the section entitled “Interested Person Transactions — Guidelines and Review Procedures for Future Interested Person Transactions” of this Offer Document and Chapter 9 of the Listing Manual. If required under the Listing Manual, the Companies Act or the Securities Futures Act, we will seek Shareholders’ approval for such transactions.

(ii) Purchase of jewellery from Aspial-Lee Hwa

Maxi-Cash Jewellery Group purchases jewellery from Aspial-Lee Hwa for sale at our retail outlets. The aggregate values of the purchases of jewellery from Aspial-Lee Hwa for the Relevant Period are as follows:

(\$'000)	FY2009	FY2010	FY2011	1 January 2012 up to the Latest Practicable Date
Amount	585	207	89	30

The above transactions were conducted on an arm’s length basis and on normal commercial terms. The purchase price of jewellery from Aspial-Lee Hwa is based on cost. As part of Aspial Group, we had acquired jewellery particularly in our initial start-up period for sale at our retail outlets so that customers would have a wider range of products to choose. The amount of jewellery purchased from Aspial-Lee Hwa decreased over the Relevant Period as we were able to obtain greater supply of pre-owned jewellery and watches as a result of our expanded network of pawnshops and retail outlets.

INTERESTED PERSON TRANSACTIONS

After our admission to Catalist, all such transactions made between Maxi-Cash Jewellery Group and Aspial-Lee Hwa, if any, will be entered into in accordance with such guidelines as described in the section entitled “Interested Person Transactions — Guidelines and Review Procedures for Future Interested Person Transactions” of this Offer Document and Chapter 9 of the Listing Manual. If required under the Listing Manual, the Companies Act or the Securities Futures Act, we will seek Shareholders’ approval for such transactions.

(iii) Lease of premises from World Financial Property

Since FY2010, our Company has been leasing a property with a floor area of approximately 700 sq ft located at Block 205 Bedok North Street 1 #01-387 Singapore 460205 from World Financial Property for use as a pawnshop and retail outlet.

Under the existing lease agreement dated 21 December 2011, the lease is for a period of three (3) years commencing 1 December 2011 at a monthly rental of S\$21,000. The current monthly rental was determined based on the prevailing market rental at the time the lease agreement was entered into. Save for the lease area and rental amount which have been disclosed above, there are no other material terms and conditions in the lease agreement.

The aggregate rental and related charges incurred and paid during the Relevant Period for the property as disclosed above are as follows:

(\$'000)	FY2009	FY2010	FY2011	1 January 2012 up to the Latest Practicable Date
Rental and related charges incurred and paid by our Group	—	216	285	105

The above transaction is carried out on an arm’s length basis as the rental was based on the then indicative market rate. As at the Latest Practicable Date, the outstanding term of this lease is approximately 30 months. We intend to renew the current lease upon expiry on commercial terms and on an arm’s length basis such that the terms will not be less favourable compared to what we would obtain from third party tenants/operators. Such terms will also be subject to the review and approval of our Audit Committee. After our admission to Catalist, all such transactions with World Financial Property will be conducted in accordance with such guidelines as described in the section entitled “Interested Person Transactions — Guidelines and Review Procedures for Future Interested Person Transactions” of this Offer Document and Chapter 9 of the Listing Manual. If required under the Listing Manual, the Companies Act or the Securities Futures Act, we will seek Shareholders’ approval for such transactions.

(iv) Provision of corporate support services by Aspial

Pursuant to a corporate and operation support services agreement entered into on 2 January 2009 (the “Support Services Agreement”), Aspial provides, *inter alia*, human resource, information technology, finance and internal audit support services to our Group. Our Group entered into the Support Services Agreement with Aspial, taking into consideration cost savings in the operating expenses and to minimise duplication of the functions across Aspial Group. The Support Services Agreement shall remain in force unless terminated by either party giving one (1) month’s notice. The Support Services Agreement is subject to annual review by the Audit Committee. The aggregate values of the amounts paid by us to Aspial for the Relevant Period are as follows:

(\$'000)	FY2009	FY2010	FY2011	1 January 2012 up to the Latest Practicable Date
Amount	300	720	720	200

The above transactions were conducted on an arm’s length basis as the amounts paid to Aspial were based on a cost allocation basis for the different business segments of Aspial Group.

INTERESTED PERSON TRANSACTIONS

After our admission to Catalist, we intend to continue with such services from Aspial save for the finance and internal audit support services as the existing finance and internal audit teams supporting our Group under Aspial have been transferred to our employment in January 2012 and April 2012, respectively. All such transactions made between our Group and Aspial will be entered into in accordance with such guidelines as described in the section entitled “Interested Person Transactions — Guidelines and Review Procedures for Future Interested Person Transactions” of this Offer Document and Chapter 9 of the Listing Manual. If required under the Listing Manual, the Companies Act or the Securities Futures Act, we will seek Shareholders’ approval for such transactions.

(v) Provision of guarantees and/or indemnities by Aspial

As at the Latest Practicable Date, Aspial had provided corporate guarantees to secure our Group’s obligations under certain credit facilities, details of which are set out in the section entitled “Capitalisation and Indebtedness — Borrowings” of this Offer Document.

The weighted average effective interest rates on these banking facilities ranged between 2.4% and 3.3% per annum.

The largest outstanding amount guaranteed by Aspial during the Relevant Period, based on month-end balances, was approximately S\$153.8 million.

As no fee was paid to the above guarantor for the provision of the above guarantees and/or indemnities, the above arrangements were not carried out on an arm’s length basis but are beneficial to our Group.

After our admission to Catalist, we intend to request for the discharge of the above corporate guarantees and/or indemnities by the above guarantor and replace them with corporate guarantees and/or indemnities provided by our Group. Our Directors do not expect any material change in the terms and conditions of the relevant credit facilities arising from the discharge of the corporate guarantees and/or indemnities. Nevertheless, on 11 June 2012, Aspial has given an undertaking that in the event that the relevant financial institution does not agree to the release of its corporate guarantees and/or indemnities or to provide financing on comparable or better terms, Aspial will not withdraw or revoke such guarantees and/or indemnities and that such guarantees and/or indemnities will remain in full force and effect. Aspial has not received any benefit in kind, commission or interest from our Group in relation to these corporate guarantees. Aspial has further confirmed that it will not receive any consideration (monetary or otherwise) for the provision of the above guarantees and/or indemnities in the future.

(vi) Advances from Aspial

We received advances from Aspial to finance our business activities. These advances were made on a preferential basis as they were interest-free, unsecured and had no fixed terms of repayment.

The outstanding amounts due from our Group to Aspial as at 31 December 2009, 2010 and 2011 and the Latest Practicable Date were as follows:

As at 31 December 2009 (S\$’000)	As at 31 December 2010 (S\$’000)	As at 31 December 2011 (S\$’000)	As at the Latest Practicable Date (S\$’000)
13,355	7,347	2,752	6,842

The highest amount owed to Aspial during the Relevant Period, based on month-end balances, was approximately S\$20.2 million.

S\$6.8 million owed to Aspial as at the Latest Practicable Date will be repaid in five (5) equal yearly instalments of approximately S\$1,368,000 each on 30 June of each year.

INTERESTED PERSON TRANSACTIONS

Transactions with 8G Investment

Since FY2010, our Group has been leasing two (2) properties from 8G Investment for use as pawnshops and retail outlets. Details of the two (2) properties are as follows:

Location	Approximate built-in area (sq ft)	Monthly rental (S\$ before GST)	Tenure
Block 702 Ang Mo Kio Avenue 8 #01-2515 Singapore 560702	700	22,000 (from 1 September 2011 to 30 June 2012)	Three (3) years
		24,500 (from 1 July 2012 to 30 June 2014)	
Block 165 Bukit Merah Central #01-3661 Singapore 150165	400	8,000 (from 1 September 2010 to 31 August 2013)	Three (3) years

The current monthly rentals were determined based on the prevailing market rentals at the time the lease agreements were entered into. Save for the lease area and rental amounts which have been disclosed above, there are no other material terms and conditions in the lease agreements.

The aggregate rental and related charges incurred and paid during the Relevant Period for the two (2) properties as disclosed above are as follows:

(S\$'000)	FY2009	FY2010	FY2011	1 January 2012 up to the Latest Practicable Date
Rental and related charges incurred and paid by our Group	—	32	184	150

The above transactions were carried out on an arm's length basis as the rentals were based on the then indicative market rates. We intend to renew the current leases upon expiry on commercial terms and on an arm's length basis such that the terms will not be less favourable compared to what we would obtain from third party tenants/operators. Such terms will also be subject to the review and approval of our Audit Committee. After our admission to Catalist, all future transactions with 8G Investment will be conducted in accordance with such guidelines as described in the section entitled "Interested Person Transactions — Guidelines and Review Procedures for Future Interested Person Transactions" of this Offer Document and Chapter 9 of the Listing Manual.

GUIDELINES AND REVIEW PROCEDURES FOR FUTURE INTERESTED PERSON TRANSACTIONS

All future transactions with Interested Persons shall comply with the requirements of the Listing Manual. As stated in the Listing Manual, our Articles require a Director to abstain from voting in any contract or arrangement in which he has a personal material interest.

The Audit Committee will ensure that all future Interested Person Transactions, including the aforementioned Interested Person Transactions involving companies related to our Group, are conducted on normal commercial terms and not prejudicial to the interests of our Company and its minority Shareholders. Such procedures will include the following:

- (a) for all sales of pre-owned jewellery which sale price can be determined based on daily gold spot rate, such rate will apply;

INTERESTED PERSON TRANSACTIONS

- (b) subject to (a) above, when purchasing items from or engaging the services of Interested Persons, our Directors shall take into account the prices and terms of at least two (2) other comparative offers (where appropriate) from non-Interested Persons. The purchase price or fee for services shall not be higher than the most competitive price or fee of the two (2) comparative offers (where appropriate) from non-Interested Persons. In determining the most competitive price or fee, all pertinent factors, including but not limited to quantity, quality, delivery time and track record will be taken into consideration;
- (c) subject to (a) above, when selling items or providing services to Interested Persons which are not in the ordinary course of business, our Directors shall take into account the prices and terms of at least two (2) other successful transactions of similar nature and size to non-Interested Persons. The sale price or fee for the supply of services shall not be lower than the lowest sale price or fee of the other two (2) successful transactions to non-Interested Persons;
- (d) when renting from or to Interested Persons, our Directors shall take appropriate steps to ensure that such rent is commensurate with the prevailing market rates, including adopting measures such as making relevant enquiries with landlords of similar location and size, or obtaining necessary reports or reviews published by property agents (including an independent valuation report by a property valuer, where appropriate). The rent payable shall be based on the most competitive market rental rate of similar properties in terms of size and location, based on the results of the relevant enquiries;
- (e) where it is not possible to compare against the terms of other transactions with non-Interested Persons and given that the products and/or services may be purchased only from an Interested Person, the Interested Person Transaction will be approved by our Group's CEO and the Chief Financial Officer or an officer of equivalent rank of the relevant company in our Group, who has no interest in the transaction, in accordance with our Group's usual business practices and policies. In determining the transaction price payable to the Interested Person for such products and/or services, factors such as, but not limited to, quantity, requirements and specifications will be taken into account; and
- (f) discounts for purchases of pre-owned jewellery and watches at our retail outlets by our Directors and their Associates shall be at a fixed discount, in line with that offered to all employees based on our staff benefits policy.

In addition, we shall monitor all Interested Person Transactions entered into by us by categorising the transactions as follows:

- (i) a "category one" Interested Person Transaction is one where the value thereof is in excess of 3.0% of the NTA of our Group; and
- (ii) a "category two" Interested Person Transaction is one where the value thereof is below or equal to 3.0% of the NTA of our Group.

"Category one" Interested Person Transactions must be reviewed and approved by the Audit Committee prior to entry. "Category two" Interested Person Transactions must be approved by a Director who shall not be an Interested Person in respect of the particular transaction prior to entry and must be reviewed on a half-yearly basis by the Audit Committee. In its review, the Audit Committee will ensure that all future Interested Person Transactions are conducted on normal commercial terms and are not prejudicial to the interests of our Company and its minority Shareholders.

In respect of all Interested Person Transactions, we shall adopt the following policies:

- (i) In the event that a member of the Audit Committee is interested in any Interested Person Transactions, he will abstain from deliberating, reviewing and/or approving that particular transaction.

INTERESTED PERSON TRANSACTIONS

- (ii) We shall maintain a register to record all Interested Person Transactions which are entered into by our Group, including any quotations obtained from non-Interested Person to support the terms of the Interested Person Transactions.
- (iii) We shall incorporate into our internal audit plan a review of all Interested Person Transactions entered into by our Group.
- (iv) The Audit Committee shall review the internal audit reports at least half-yearly to ensure that all Interested Person Transactions are carried out on an arm's length basis and in accordance with the procedures outlined above. Furthermore, if during these periodic reviews, the Audit Committee believes that the guidelines and procedures as stated above are not sufficient to ensure that the interests of minority Shareholders are not prejudiced, we will adopt new guidelines and procedures. The Audit Committee may request for an independent financial adviser's opinion as it deems fit.

The Audit Committee shall ensure that all Interested Person Transactions comply with the provisions in Chapter 9 of the Listing Manual, and if required, we will seek independent Shareholders' approval for such transactions. In accordance with Rule 919 of the Listing Manual, Interested Persons and their Associates shall abstain from voting on resolutions approving Interested Person Transactions involving themselves and our Group. In addition, such Interested Persons shall not act as proxies in relation to such resolutions unless specific instructions as to voting have been given by the Shareholder(s).

Our Board of Directors will ensure that all Interested Person Transactions will be subject to the disclosure requirements of the Listing Manual, and will be subject to Shareholders' approval if deemed necessary under the provisions of the Listing Manual. We will disclose in our annual report the aggregate value of Interested Person Transactions conducted during the financial year.

POTENTIAL CONFLICTS OF INTERESTS

INTERESTS OF DIRECTORS, CONTROLLING SHAREHOLDERS OR THEIR ASSOCIATES

Generally, a conflict of interests arises when any of our Directors, Controlling Shareholders or their Associates is carrying on the same business or dealing in similar products as our Group. The potential conflicts of interests are set out herewith. Our Directors are of the view that adequate safeguards and measures to prevent the occurrence of any potential conflicts of interests have been established.

Save as disclosed below and in the section entitled “Interested Person Transactions” of this Offer Document, and personal investment (whether directly or through nominees) in quoted investments which may include companies listed on the SGX-ST, none of our Directors, Controlling Shareholder or any of their Associates has any interest, direct or indirect, in the following:

- (a) any material transactions to which our Company or our subsidiaries was or is a party;
- (b) any entity carrying on the same business or dealing in similar products which competes materially and directly with the existing business of our Group; and
- (c) any enterprise or company that is our customer or supplier of goods or services.

Aspial Group

Aspial is a Controlling Shareholder of our Company and is listed on the Official List of the SGX-ST with its main business in jewellery, property and financial services. Our Group operates the financial services business.

Our Group contributes 20.1% and 6.2% of revenue and PBT respectively of Aspial Group for FY2011.

Our Directors are of the view that the business of Aspial Group, namely, the jewellery and the property businesses, is not in competition with our financial services business due to the following reasons:

- (a) our Group is not involved in the property business; and
- (b) unlike the jewellery business of Aspial Group, our Group does not manufacture and sell any jewellery under our own brand name(s). We sell mainly pre-owned jewellery and watches. The pre-owned jewellery and watches offered for sale by our Group are derived from walk-in individuals who sell their personal articles to us at our retail outlets, and secondhand traders/dealers and unredeemed pledged articles from the Maxi-Cash Group's subsidiaries which operate our pawnbroking business. Aspial Group's jewellery business sells brand new jewellery and caters to mainstream consumers.

Our Non-Executive Chairman, Koh Wee Seng is the president and CEO of Aspial. Our Non-Executive Director, Ko Lee Meng is the vice president (retail merchandising) of Aspial. Our CEO, Koh Lee Hwee is a non-executive director of Aspial. Messers Koh Wee Seng and Ko Lee Meng are not involved in the day-to-day operations of our Group. Koh Lee Hwee is not involved in the day-to-day operations of Aspial Group. Where possible conflicts of interest arise, Messers Koh Wee Seng and Ko Lee Meng will disclose any situations of conflict to our Board and/or in Shareholders' meeting and each of them will abstain from voting and participating in the decision making process in Board and/or Shareholders' meetings in relation to any matters relating to such conflicts of interests.

Non-competition Undertaking

On 11 June 2012, Aspial provided a non-competition undertaking to our Company whereby it undertakes for itself and on behalf of its subsidiaries, that for so long as it is a Controlling Shareholder and the single largest shareholder of our Company, Aspial Group will not engage in businesses which are in direct competition with our pawnbroking, and retail and trading of pre-owned jewellery and watches businesses.

POTENTIAL CONFLICTS OF INTERESTS

INTERESTS OF EXPERTS

No expert is employed on a contingent basis by our Company or any of our subsidiaries; or has a material interest, whether direct or indirect, in our Shares or the shares of our subsidiaries; or has a material economic interest, whether direct or indirect, in our Group, including an interest in the success of the Invitation.

INTERESTS OF THE SPONSOR, THE UNDERWRITER AND THE PLACEMENT AGENT

In the reasonable opinion of our Directors, the Sponsor, the Underwriter and the Placement Agent, Canaccord Genuity, does not have any material relationships with our Company save as disclosed below:

- (a) pursuant to the Management and Underwriting Agreement and the Placement Agreement entered into between our Company and Canaccord Genuity, our Company appointed Canaccord Genuity to act as our Sponsor, Underwriter and Placement Agent;
- (b) Canaccord Genuity will be our Underwriter, and has agreed to underwrite the subscription of the Offer Shares at the Issue Price for an underwriting commission of 2.88% of the aggregate Issue Price for the total number of Offer Shares;
- (c) Canaccord Genuity will be our Placement Agent, and has agreed to subscribe for and/or procure subscribers for the Placement Shares at the Issue Price for a placement commission of 2.88% of the aggregate Issue Price for the total number of Placement Shares; and
- (d) Canaccord Genuity will be the continuing sponsor of our Company for a period of three (3) years from the date our Company is admitted and listed on Catalist.

DIRECTORS, MANAGEMENT AND STAFF

DIRECTORS

Our Board of Directors is entrusted with the responsibility for the overall management of our Group. Our Directors' particulars as at the date of this Offer Document are listed below:

Name	Age	Residential address	Position in our Company
Koh Wee Seng ⁽¹⁾	43	10 St. Helier's Avenue, Serangoon Garden Estate, Singapore 555807	Non-Executive Chairman
Koh Lee Hwee ⁽¹⁾	45	30 Recreation Lane, Singapore 546581	CEO and Executive Director
Ko Lee Meng ⁽¹⁾	50	38 Brighton Crescent, Singapore 559192	Non-Executive Director
Tan Keh Yan, Peter	64	732 Upper Changi Road East #08-05, Singapore 486860	Lead Independent Director
Ng Leok Cheng	52	10 Springside Green, Singapore 786923	Independent Director
Lee Sai Sing	40	9A Hillcrest Road, Singapore 286703	Independent Director

Note:

(1) Koh Wee Seng, Koh Lee Hwee and Ko Lee Meng are siblings.

Our Directors' career and academic history, business experience and general areas of responsibility within our Group are set out below:

Koh Wee Seng is our Non-Executive Chairman and was appointed on 10 April 2008. He is also the president and CEO of Aspial and is responsible for the strategic planning, overall management and business development of Aspial Group. Since late 1994 when the new management led by him took over the reins, Aspial Group has overcome the challenges posed by changing consumer demand by implementing wide ranging and fundamental changes in its jewellery business. Mr Koh has also successfully led Aspial's diversification into the property and financial service businesses. Mr Koh holds a Bachelor degree in Business Administration from the National University of Singapore.

Koh Lee Hwee is currently our CEO and is responsible for the strategic planning, overall management and business development of our Group. Prior to her appointment as the CEO of our Company, Mdm Koh was the vice president (manufacturing) of Aspial, where she oversaw and spearheaded the growth of Aspial's manufacturing division and was responsible for the overall production plans, technology, management and development of Aspial's production division. Mdm Koh has more than 20 years of experience in the jewellery industry before joining our Company. Mdm Koh holds a Bachelor degree in Arts from the National University of Singapore.

DIRECTORS, MANAGEMENT AND STAFF

Ko Lee Meng was appointed as our Non-Executive Director on 10 April 2008. Mdm Ko has accumulated more than 25 years of experience in the jewellery industry and has been with Aspial Group since 1983. Mdm Ko is currently an executive director of Aspial and heads Aspial's retail merchandising department where she oversees the management, replenishment and distribution of merchandise to the various retail stores and ensures that Aspial Group and its team of designers are kept up to date with the latest jewellery trend and designs. Mdm Ko helped to set up the merchandising team for our Company when it was incorporated in 2008. Mdm Ko holds a Bachelor's degree in Arts from the National University of Singapore.

Tan Keh Yan, Peter is our Lead Independent Director and was appointed on 16 April 2012. Between 1972 and 2003, he was employed by DBS Bank Ltd. and last held the position of managing director of Enterprise Banking at DBS Bank Ltd.. In early 2004, he joined Redwood Capital Pte Ltd, a wealth management and advisory firm as its managing director until 2005 when he left the company. Mr Tan sits as an independent director on the board of two (2) other companies listed on the SGX-ST, namely Asia Enterprises Holding Ltd and Sin Heng Heavy Machinery Ltd. Mr Tan graduated with a Bachelor's of Science degree (Honours) from the University of Singapore in 1972 and from the University of California, Los Angeles, with a Master of Business Administration in 1985.

Ng Leok Cheng was appointed as our Independent Director on 16 April 2012. He began his career with Kuwait Asia Bank as a credit officer in 1985. Between 1986 and 1989, he was with the credit and marketing division of United Overseas Bank as an assistant manager. He then joined ABN Bank as a relationship manager in 1989 before leaving to take up a similar position with Generale Bank in the same year. In 1990, he took up the position of director (corporate banking) with American Express Bank, a position he held for three (3) years until 1993. From 1993 to date, he has been the managing director of Datapulse Technology Limited (a company listed on the mainboard of the SGX-ST). Mr Ng also sits as an independent director on the board of TT International Limited (listed on the mainboard of the SGX-ST). Mr Ng holds a Bachelor's degree in Business Administration (Honours) from the National University of Singapore.

Lee Sai Sing was appointed as our Independent Director on 16 April 2012. From 1995 to 1998, Mr Lee was with the equities department of Government of Singapore Investment Corp as an equities trader. In 1998, he was seconded to Government of Singapore Investment Corp, London as head of European equities trading, a post he held until 2000. He joined BNP Paribas Private Bank for a year as a senior investment advisor (investment advisory) in 2000. Between 2001 and 2002, he was a fund manager at Pointworth Asset Management. Since 2002 to date, he has been with Maybank-Kim Eng (formerly known as Kim Eng Holdings Limited) as a Vice President, Investment. Mr Lee holds a Bachelor's degree in Applied Science (Computer Engineering) from Nanyang Technological University.

Save for Koh Wee Seng, Koh Lee Hwee and Ko Lee Meng who are siblings and as disclosed in the section entitled "Shareholders — Ownership Structure" of this Offer Document, none of our Directors, Executive Officers and Substantial Shareholder is related to one another by blood or marriage.

Koh Wee Seng, Koh Lee Hwee, Ko Lee Meng, Tan Keh Yan, Peter and Ng Leok Cheng have prior experience as directors of public listed companies in Singapore and are familiar with the roles and responsibilities of a director of a public listed company in Singapore. Lee Sai Sing does not have prior experience as director of public listed companies in Singapore but has undertaken relevant training in Singapore to familiarise himself with the roles and responsibilities of a director of a public listed company in Singapore.

DIRECTORS, MANAGEMENT AND STAFF

None of our Independent Directors sits on the board of any of our subsidiaries or associated companies. The list of present and past directorships of each Director over the last five (5) years preceding the date of this Offer Document excluding those held in our Company is set out below:

Name	Present Directorships	Past Directorships
Koh Wee Seng	<i>Group corporations</i> 1. Cash Express Financial Services Pte Ltd 2. Maxi-Cash Assets Pte Ltd 3. Maxi-Cash Capital Pte Ltd 4. Maxi-Cash (Central) Pte Ltd 5. Maxi-Cash (Central 2) Pte Ltd 6. Maxi-Cash (Clementi) Pte Ltd 7. Maxi-Cash (East) Pte Ltd 8. Maxi-Cash (East 2) Pte Ltd 9. Maxi-Cash Group Pte Ltd 10. Maxi-Cash Jewellery Group Pte Ltd 11. Maxi-Cash Jewellery Pte Ltd 12. Maxi-Cash (North East) Pte Ltd 13. Maxi-Cash (North) Pte Ltd 14. Maxi-Cash Ventures Pte Ltd 15. Maxi-Cash (West) Pte Ltd <i>Other corporations</i> 1. Advance Property Pte Ltd 2. Aspial Corporation Limited 3. Aspial International Pte Ltd 4. Aspial-Lee Hwa Jewellery Pte Ltd 5. Aspial-Lee Hwa Jewellery Singapore Pte Ltd 6. Bayfront Ventures Pte Ltd 7. Belgium-Singapore Diamond Corporation Pte Ltd 8. BU2 Services Pte Ltd 9. Citigems Pte Ltd 10. Dynamic Project Management Services Pte Ltd 11. Goldheart Jewelry Pte Ltd 12. Gold Purple Pte Ltd 13. Headway Construction Pte Ltd 14. Kensington Land Pte Ltd 15. Kensington Village Pte Ltd 16. L & N Jewellery Pte Ltd 17. MLHS Holdings Pte Ltd 18. World Class Capital (LN) Pte Ltd 19. World Class Capital Pte Ltd 20. World Class Developments (Bedok) Pte Ltd 21. World Class Developments (Central) Pte Ltd 22. World Class Developments (City Central) Pte Ltd 23. World Class Developments (North) Pte Ltd 24. World Class Developments Pte Ltd 25. World Class Investments Pte Ltd 26. World Class Land Pte Ltd 27. World Class Property (Central) Pte Ltd	<i>Group corporations</i> Nil <i>Other corporations</i> 8G Investment Pte Ltd World of Max JJ Pte Ltd

DIRECTORS, MANAGEMENT AND STAFF

Name	Present Directorships	Past Directorships
	28. World Class Property (Dunearn) Pte Ltd 29. World Class Property (Eastcoast) Pte Ltd 30. World Class Property (North) Pte Ltd 31. World Class Property Pte Ltd 32. World Class Property (Telok Kurau) Pte Ltd 33. World Financial Property Pte Ltd	
Koh Lee Hwee	<i>Group corporations</i>	<i>Group corporations</i>
	1. Cash Express Financial Services Pte Ltd 2. Maxi-Cash Assets Pte Ltd 3. Maxi-Cash Capital Pte Ltd 4. Maxi-Cash (Central) Pte Ltd 5. Maxi-Cash (Central 2) Pte Ltd 6. Maxi-Cash (Clementi) Pte Ltd 7. Maxi-Cash (East) Pte Ltd 8. Maxi-Cash (East 2) Pte Ltd 9. Maxi-Cash Group Pte Ltd 10. Maxi-Cash Jewellery Group Pte Ltd 11. Maxi-Cash Jewellery Pte Ltd 12. Maxi-Cash (North East) Pte Ltd 13. Maxi-Cash (North) Pte Ltd 14. Maxi-Cash Ventures Pte Ltd 15. Maxi-Cash (West) Pte Ltd	Nil
	<i>Other corporations</i>	<i>Other corporations</i>
	1. Advance Property Pte Ltd 2. Aspial Corporation Limited 3. Aspial International Pte Ltd 4. Aspial-Lee Hwa Jewellery Pte Ltd 5. Aspial-Lee Hwa Jewellery Singapore Pte Ltd 6. Belgium-Singapore Diamond Corporation Pte Ltd 7. BU2 Services Pte Ltd 8. Citigems Pte Ltd 9. Dynamic Project Management Services Pte Ltd 10. Goldheart Jewelry Pte Ltd 11. Gold Purple Pte Ltd 12. Headway Construction Pte Ltd 13. L & N Jewellery Pte Ltd 14. MLHS Holdings Pte Ltd 15. World Class Capital (LN) Pte Ltd 16. World Class Capital Pte Ltd 17. World Class Developments (Bedok) Pte Ltd 18. World Class Developments (Central) Pte Ltd 19. World Class Developments (City Central) Pte Ltd 20. World Class Developments (North) Pte Ltd 21. World Class Developments Pte Ltd 22. World Class Investments Pte Ltd 23. World Class Land Pte Ltd 24. World Class Property (Central) Pte Ltd	Singapore International Jewellery Pte Ltd

DIRECTORS, MANAGEMENT AND STAFF

Name	Present Directorships	Past Directorships
	25. World Class Property (Dunearn) Pte Ltd 26. World Class Property (Eastcoast) Pte Ltd 27. World Class Property (North) Pte Ltd 28. World Class Property Pte Ltd 29. World Class Property (Telok Kurau) Pte Ltd 30. World Financial Property Pte Ltd	
Ko Lee Meng	<i>Group corporations</i>	<i>Group corporations</i>
	1. Cash Express Financial Services Pte Ltd 2. Maxi-Cash Assets Pte Ltd 3. Maxi-Cash Capital Pte Ltd 4. Maxi-Cash (Central) Pte Ltd 5. Maxi-Cash (Central 2) Pte Ltd 6. Maxi-Cash (Clementi) Pte Ltd 7. Maxi-Cash (East) Pte Ltd 8. Maxi-Cash (East 2) Pte Ltd 9. Maxi-Cash Group Pte Ltd 10. Maxi-Cash Jewellery Group Pte Ltd 11. Maxi-Cash Jewellery Pte Ltd 12. Maxi-Cash (North East) Pte Ltd 13. Maxi-Cash (North) Pte Ltd 14. Maxi-Cash Ventures Pte Ltd 15. Maxi-Cash (West) Pte Ltd	Nil
	<i>Other corporations</i>	<i>Other corporations</i>
	1. Advance Property Pte Ltd 2. Aspial Corporation Limited 3. Aspial International Pte Ltd 4. Aspial-Lee Hwa Jewellery Pte Ltd 5. Aspial-Lee Hwa Jewellery Singapore Pte Ltd 6. Belgium-Singapore Diamond Corporation Pte Ltd 7. BU2 Services Pte Ltd 8. Citigems Pte Ltd 9. Dynamic Project Management Services Pte Ltd 10. Goldheart Jewelry Pte Ltd 11. Gold Purple Pte Ltd 12. Headway Construction Pte Ltd 13. MLHS Holdings Pte Ltd 14. Singapore International Jewellery Pte Ltd 15. World Class Capital (LN) Pte Ltd 16. World Class Capital Pte Ltd 17. World Class Developments (Bedok) Pte Ltd 18. World Class Developments (Central) Pte Ltd 19. World Class Developments (City Central) Pte Ltd 20. World Class Developments (North) Pte Ltd 21. World Class Developments Pte Ltd 22. World Class Investments Pte Ltd 23. World Class Land Pte Ltd	Singapore International Jewellery Pte Ltd (Alternate Director)

DIRECTORS, MANAGEMENT AND STAFF

Name	Present Directorships	Past Directorships
	24. World Class Property (Central) Pte Ltd 25. World Class Property (Dunearn) Pte Ltd 26. World Class Property (Eastcoast) Pte Ltd 27. World Class Property (North) Pte Ltd 28. World Class Property Pte Ltd 29. World Class Property (Telok Kurau) Pte Ltd 30. World Financial Property Pte Ltd	
Tan Keh Yan, Peter	<i>Group corporations</i> Nil <i>Other corporations</i> 1. Asia Enterprises Holding Limited 2. Sin Heng Heavy Machinery Limited	<i>Group corporations</i> Nil <i>Other corporations</i> CHT (Holdings) Ltd.
Ng Leok Cheng	<i>Group corporations</i> Nil <i>Other corporations</i> 1. Alchymie Investment Pte. Ltd. 2. Datapulse Technology Limited 3. Datapulse Technology (Taiwan) Inc 4. One Global Inc 5. TT International Limited	<i>Group corporations</i> Nil <i>Other corporations</i> Nil
Lee Sai Sing	<i>Group corporations</i> Nil <i>Other corporations</i> 1. Agter Chem Pte. Ltd. 2. GA Chemical Pte. Ltd. 3. KA-Tech Asia Pte. Ltd. 4. Maxi-Harvest Engineering Pte. Ltd.	<i>Group corporations</i> Nil <i>Other corporations</i> Nil

DIRECTORS, MANAGEMENT AND STAFF

EXECUTIVE OFFICERS

Our day-to-day operations are entrusted to our Executive Directors who are assisted by an experienced and qualified team of Executive Officers. The particulars of our Executive Officers as at the date of this Offer Document are set out below:

Name	Age	Residential address	Position in our Company
Chua Wee Kiong	45	5 Elias Green #07-02, Singapore 519961	Assistant Director, Operations
Eng Seok Cheng Magdalene	40	Block 133 Serangoon Avenue 3, #09-05, Chiltern Park, Singapore 556113	Senior Brand Manager
Phua Hue Tian	53	Block 565 Hougang Street 51, #11-486, Singapore 530565	Senior Merchandising Manager
Yeo Yen Phing	45	139 The Springbloom, #17-01 Serangoon Avenue 3, Singapore 556119	Group Senior Finance Manager
Chan Ching Fun Julie	50	17 Lorong Kilat, #02-09 Kilat Court, Singapore 598139	Senior Finance Manager

The working experience and areas of responsibility of our Executive Officers are set out below:

Chua Wee Kiong is our Group's Assistant Director for Operations. As the Assistant Director for Operations, Mr Chua's primary responsibility is to implement and enforce the operational processes and procedures at our pawnshops and retail outlets. Mr Chua is also responsible for ensuring that they are compliant with our Group's policies and practices and with governmental regulatory aspects. He was an executive with the Public Utility Board from 1990 to 1993 and was part of the pastoral staff at Faith Community Baptist Church between 1993 and 1999. From 1999 to 2003, he took on the role of finance executive at Faith Community Baptist Church. He also served as an account manager at Touch Community Services from 2000 to 2003 before going on to join AJI International as a business development manager from 2004 to 2005. Prior to joining our Group in September 2008, Mr Chua was the general manager at Goldin Enterprises Pte Ltd from 2005 to 2008, where he was responsible for its daily operational matters, maintenance of customer relationships and development of new businesses. Mr Chua holds a Bachelor's degree in Arts from the National University of Singapore.

Eng Seok Cheng Magdalene is our Group's Senior Brand Manager and is in charge of brand management, planning, managing and implementing marketing strategies and brand budgets, and managing public relations and visual merchandising. Prior to joining our Group in 2009, Ms Eng was with Aspial from 1999 to 2008, where she last held the position of senior brand manager and was responsible for developing and implementing brand strategies and planning and reviewing budgets for Aspial Group. She left Aspial in July 2008 to take up the position of marketing manager at Montblanc Singapore Pte Ltd, where she was responsible for the overall operations of Montblanc Singapore Pte Ltd's wholesale and retail channels, establishing marketing plans, implementation of sales strategies, managing events and planning and reviewing budgetary matters. Before joining Aspial in 1999, Ms Eng was a media planner at Ace Daytons Advertising from 1993 to 1996, a flight attendant with Cathay Pacific Airways from 1996 to 1998 and a marketing consultant with The Learning Lab from 1998 to 1999. Ms Eng holds a Bachelor's degree in Science, Business Administration from the Oklahoma City University.

DIRECTORS, MANAGEMENT AND STAFF

Phua Hue Tian is our Group's Senior Merchandising Manager and is in charge of the inventory management team of our Group. She is also responsible for handling the auction process for our pawnbroking business and the setting of daily gold prices at our retail outlets. Mdm Phua has accumulated more than 30 years of experience in the jewellery industry. Over the years, she has worked at various jewellery companies and was involved in the retailing, wholesaling and export of jewellery. She joined Poh Heng Jewellery as a sales executive in 1980 and was later promoted to sales manager. She then left Poh Heng Jewellery in 1985 and was a sales manager with Singapore Jewellery Industries from 1986 to 1991. Mdm Phua later took on the same role as sales manager with Siang Hoa Goldsmith from 1992 to 1998. Prior to joining our Group as our Senior Merchandising Manager in 2009, she was the purchasing manager at Aspial from 1999 to 2004 until she left to run her own jewellery business from 2005 to 2009.

Yeo Yen Phing is our Group Senior Finance Manager and is responsible for the overall accounting and finance functions of our Group. Since our establishment, she has overseen and has been responsible for the implementation of financial policies, the coordination and maintenance of our Group's accounting and internal control systems, budgeting, analysis of financial and accounting information, financial forecasts and compliance with audit and statutory requirements. Mdm Yeo joined Aspial in 2006 as an assistant finance manager and rose to the rank of senior finance manager in 2010, where her finance duties covered both Aspial Group and our Group. Before joining Aspial Group in 2006, Mdm Yeo was an assistant accountant at Lingo Technology Pte Ltd from 1990 to 1991 and a senior accountant with Keppel Land International Limited from 1991 to 2004. Mdm Yeo holds a Bachelor's degree in Accountancy from the National University of Singapore and is a member of the Institute of Certified Public Accountants of Singapore.

Chan Ching Fun Julie is our Senior Finance Manager and is in charge of supervising our Group's daily accounting and finance functions. She started her career in 1984 as an auditor with CT Ching & Co, before she left to join Chartered Industries of Singapore as an internal auditor from 1988 to 1989. Between 1990 and 1996, she was a senior accountant at Stolt Nielsen Pte Ltd, a finance manager with Singapore Soviet Shipping Co Pte Ltd from 1996 to 2002, and a senior accountant with Singapore Land Limited from 2002 to 2006. From 2006 to 2008, she held the position of finance manager with APP Engineering Pte Ltd. Prior to joining our Group in January 2012, Mdm Chan was a senior manager (finance) at SMa Institute of Higher Learning Pte Ltd from 2009 to 2011. Mdm Chan holds a Bachelor's degree in Accountancy from the National University of Singapore and is a member of the Institute of Certified Public Accountants of Singapore.

The list of present and past directorships of each Executive Officer over the last five (5) years excluding those held in our Company is set out below:

Name	Present Directorships	Past Directorships
Chua Wee Kiong	<i>Group corporations</i>	Group corporations
	Nil	Nil
	<i>Other corporations</i>	<i>Other corporations</i>
	Semnos Manpower Pte. Ltd. ⁽¹⁾	Nil
Eng Seok Cheng Magdalene	<i>Group corporations</i>	<i>Group corporations</i>
	Nil	Nil
	<i>Other corporations</i>	<i>Other corporations</i>
	Nil	Jewelfest Pte Ltd

DIRECTORS, MANAGEMENT AND STAFF

Name	Present Directorships	Past Directorships
Phua Hue Tian	<i>Group corporations</i>	<i>Group corporations</i>
	Nil	Nil
	<i>Other corporations</i>	<i>Other corporations</i>
	Nil	Nil
Yeo Yen Phing	<i>Group corporations</i>	<i>Group corporations</i>
	Nil	Nil
	<i>Other corporations</i>	<i>Other corporations</i>
	Properties E – Connection Pte. Ltd. ⁽²⁾	Nil
Chan Ching Fun Julie	<i>Group corporations</i>	<i>Group corporations</i>
	Nil	Nil
	<i>Other corporations</i>	<i>Other corporations</i>
	Nil	Nil

Notes:

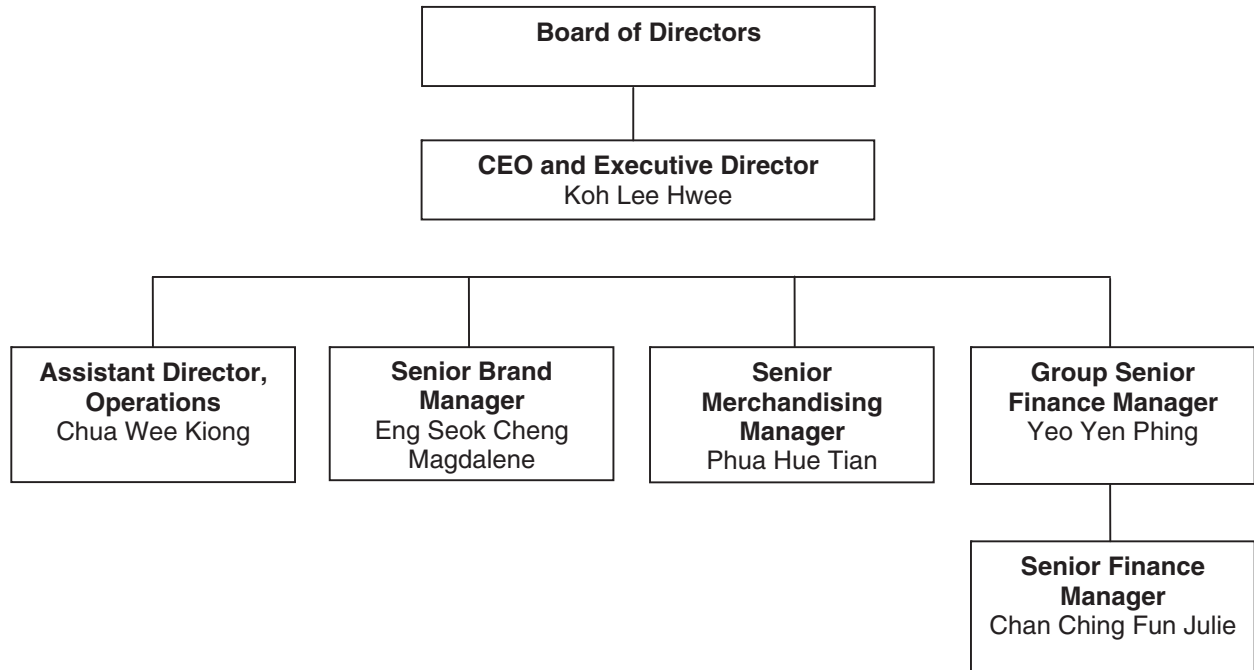
- (1) Semnos Manpower Pte. Ltd. has been dormant since incorporation, and is in the process of being struck off.
- (2) Properties E – Connection Pte. Ltd. is currently not in operation. Prior to this, Properties E – Connection Pte. Ltd. was in the business of providing portal maintenance services.

To the best of our knowledge and belief, there is no arrangement or understanding with a Substantial Shareholder, customer or supplier of our Company or other person, pursuant to which any of our Directors or Executive Officers was selected as a Director or Executive Officer of our Company.

DIRECTORS, MANAGEMENT AND STAFF

MANAGEMENT REPORTING STRUCTURE

The following chart shows our management reporting structure as at the Latest Practicable Date.



DIRECTORS, MANAGEMENT AND STAFF

REMUNERATION OF DIRECTORS, EXECUTIVE OFFICERS AND RELATED EMPLOYEES

Directors and Executive Officers

The remuneration paid to our Directors and Executive Officers (which includes benefits-in-kind, long service benefits and bonuses) for services rendered to us on an aggregate basis and in remuneration bands of S\$250,000⁽¹⁾ during FY2010 and FY2011 (being the two (2) most recent completed financial years) and as estimated for FY2012, excluding bonuses under any profit-sharing plan or any other profit-linked agreement(s), is as follows:

	FY2010	FY2011	FY2012 (Estimated)
Directors			
Koh Wee Seng	Band A ⁽²⁾	Band A ⁽²⁾	Band A
Koh Lee Hwee	— ⁽³⁾	Band A ⁽⁴⁾	Band B
Ko Lee Meng	— ⁽³⁾	— ⁽³⁾	Band A
Tan Keh Yan, Peter	— ⁽⁵⁾	— ⁽⁵⁾	Band A
Ng Leok Cheng	— ⁽⁵⁾	— ⁽⁵⁾	Band A
Lee Sai Sing	— ⁽⁵⁾	— ⁽⁵⁾	Band A
Executive Officers			
Chua Wee Kiong	Band A	Band A	Band A
Eng Seok Cheng Magdalene	Band A	Band A	Band A
Phua Hue Tian	Band A	Band A	Band A
Yeo Yen Phing	Band A ⁽²⁾	Band A ⁽²⁾	Band A
Chan Ching Fun Julie	— ⁽⁵⁾	— ⁽⁵⁾	Band A

Notes:

- (1) Remuneration bands:

“Band A” refers to remuneration from S\$0 to S\$250,000 per annum.

“Band B” refers to remuneration from S\$250,001 to S\$500,000 per annum.

- (2) During the relevant period, a portion of the compensation paid to the relevant Director and Executive Officer was borne by Aspial (other than our Group) and a portion of the compensation paid to the relevant Director and Executive Officer was borne by our Group as Aspial charged our Group for the provision of corporate support services.
- (3) During the relevant period, the compensation paid to the relevant Director was borne by a wholly-owned subsidiary of Aspial (other than our Group).
- (4) During the relevant period, approximately S\$183,000 and S\$33,000 of the compensation paid to our CEO, Koh Lee Hwee, was borne by a wholly-owned subsidiary of Aspial (other than our Group) and our Group respectively.
- (5) Not appointed during the relevant period.

Related Employees

As at the Latest Practicable Date, other than our Directors and Executive Officers whose relationship with one another and their remuneration are disclosed above in this section and in the sections entitled “Shareholders — Ownership Structure”, “Directors, Management and Staff — Directors” and “Directors, Management and Staff — Executive Officers” of this Offer Document, we have one (1) employee who is related to our Directors and Executive Officers (the “Related Employee”), the details of which are as follows:

Name of employee	Position	Relationship with our Directors and Executive Officers
Lim Wan Nee	Customer Service Executive	Sister of the spouse of the brother of Koh Wee Seng (our Non-Executive Chairman), Koh Lee Hwee (our CEO) and Ko Lee Meng (our Non-Executive Director)

DIRECTORS, MANAGEMENT AND STAFF

For FY2010 and FY2011, the Related Employee received an aggregate remuneration (comprising salary, CPF contributions and bonus) of approximately S\$31,000 and S\$34,000 respectively, from our Group. The basis of determining her remuneration is the same as the basis of determining the remuneration of other unrelated employees.

The remuneration of employees who are related to our Directors and Substantial Shareholder will be reviewed annually by the Remuneration Committee to ensure that their remuneration package is in line with our employee remuneration guidelines and commensurate with their job scope and level of responsibilities. Any bonuses, pay increases and/or promotions for these related employees will also be subject to the review and approval of the Remuneration Committee. In addition, any new employment of related employees and the proposed terms of their employment will also be subject to the review and approval of the Nominating Committee. In the event that a member of the Remuneration Committee or Nominating Committee is related to the employee under review, he will abstain from the review.

EMPLOYEES

As at the Latest Practicable Date, we have a workforce of 165 full time employees. We do not experience any significant seasonal fluctuations in our number of employees. We do not employ a significant number of temporary employees.

All our employees are employed in Singapore. None of our employees are unionised. There has not been any incidence of work stoppages or labour disputes that affected our operations. Accordingly, we consider our relationship with our employees to be good.

The functional distribution of our Group's full-time employees as at 31 December 2009, 2010, 2011 and the Latest Practicable Date is as follows:

Function	← As at 31 December →			As at the Latest Practicable Date
	2009	2010	2011	Date
Management ⁽¹⁾	4	3	4	6
Finance, Internal Audit and Branding and Marketing	3	3	1	8 ⁽²⁾
Retail and Operations	61	93	131	139
Merchandising	4	9	10	12
Total	72	108	146	165

Notes:

(1) Management includes our Executive Director and Executive Officers.

(2) The finance team and internal audit team were transferred from Aspial to our Company in January 2012 and April 2012, respectively.

Pension or retirement benefits

Other than amounts set aside or accrued in respect of mandatory employee funds, no amounts have been set aside or accrued by our Company or subsidiaries to provide pension, retirement or similar benefits to our employees.

DIRECTORS, MANAGEMENT AND STAFF

SERVICE AGREEMENT

On 16 April 2012, our Company entered into a Service Agreement with our CEO and Executive Director, Koh Lee Hwee (the “Executive” for the purpose of this section of this Offer Document).

The Service Agreement shall take effect from the date of admission of our Company to Catalist (the “Commencement Date”) and shall continue for an initial period of three (3) years (the “Initial Term”). Upon the expiry of the Initial Term, the employment of the Executive may be extended for such further period on the terms and subject to the conditions to be agreed between the Executive and our Company and in accordance with the listing requirements of the SGX-ST. During the Initial Term, either party may only terminate the Service Agreement by giving to the other party not less than six (6) months’ written notice, or in lieu of such notice an amount equal to six (6) months’ salary based on the Executive’s last drawn monthly salary.

Notwithstanding the other provisions of the Service Agreement, our Company shall be entitled to terminate the appointment, but without prejudice to the rights and remedies of our Company for any breach of the Service Agreement and to the Executive’s continuing obligations under the Service Agreement, in any of the following cases:

- (a) if the Executive is convicted or otherwise found guilty by any court of any offence involving fraud or dishonesty;
- (b) if the Executive is convicted of any criminal offence (save for an offence under any road traffic legislation for which she is not sentenced to any term of immediate or suspended imprisonment);
- (c) if the Executive becomes bankrupt or has a receiving order made against her or makes any general composition with her creditors;
- (d) if the Executive is guilty of any act or thing which may bring serious discredit to our Company or our Group;
- (e) if the Executive neglects or refuses, without reasonable cause, to attend to the business of our Company;
- (f) if the Executive flagrantly or persistently fails to observe or perform any of the duties and obligations imposed by the Service Agreement or which are imposed by law;
- (g) if the Executive otherwise acts in breach of the Service Agreement so as to materially prejudice the business of our Company;
- (h) if the Executive becomes prohibited by law or any order from any regulatory body or governmental body from being an employee or director of our Company;
- (i) if the Executive suffers any physical or mental ailment or incapacity which prevents her from performing any of the duties and obligations imposed by the Service Agreement.

The Service Agreement provided for, *inter alia*, the salary payable to the Executive, annual leave, medical benefits, grounds of termination and certain restrictive covenants (including non-compete obligation).

Pursuant to the terms of the Service Agreement, the Executive is entitled to a monthly salary of S\$17,500. The remuneration of the Executive is subject to review by our Board at the end of each financial year of our Company. The Executive shall abstain from voting in respect of any resolution or decision to be made by our Board in relation to the terms and renewal of her Service Agreement.

DIRECTORS, MANAGEMENT AND STAFF

In addition, our Company shall pay the Executive an incentive bonus (the “Incentive Bonus”) based on our Group’s PBT and the rate of the Incentive Bonus payable will be computed according to the table below. For this purpose, “PBT” refers to the audited profit before tax (before the Incentive Bonus, non-recurring exceptional items and minority interests) of our Group for the relevant financial year. The amount of Incentive Bonus that the Executive will receive in each financial year will be determined as follows:

PBT	Rate of Incentive Bonus payable
Where PBT does not exceed S\$5.0 million	1.25% of the PBT
Where PBT exceeds S\$5.0 million but does not exceed S\$7.5 million	1.50% of the PBT
Where PBT exceeds S\$7.5 million but does not exceed S\$10.0 million	1.75% of the PBT
Where PBT exceeds S\$10.0 million	2.00% of the PBT

Where the employment of the Executive is not for a full financial year, her portion of the Incentive Bonus will be pro-rated accordingly.

Save as disclosed above, there are no bonus or profit-sharing plans or any other profit-linked agreements or arrangements between our Company and any of our Directors, Executive Officers or employees. The Executive shall not be entitled to further Directors’ fees under the Service Agreement.

All travelling, hotel, mobile phone and other out-of-pocket expenses reasonably and properly incurred by the Executive in the reasonable and proper discharge of her duties on behalf of our Group will be borne by our Company, subject to limits from time to time set by the Board of Directors. The Executive shall also be entitled such medical and personal accident insurance as may be approved by the Remuneration Committee.

Subject to the approvals of the Shareholders of our Company, the SGX-ST and other regulatory authorities, where necessary, the Executive shall be eligible to participate in any other employee scheme or plan implemented by our Company on such terms as may be determined by our Remuneration Committee at its sole and absolute discretion.

Pursuant to the Service Agreement, the Executive shall not, at any time during the period of her employment with our Company and for a period of two (2) years after the termination of her employment with our Company, within Singapore and any other jurisdiction where our Group operates directly or indirectly carry on or be engaged or interested in any capacity in any other business, trade or occupation whatsoever, except, in a business, trade or occupation which does not compete with the business of our Company or any member of our Group or as disclosed in this Offer Document; either solely or jointly with or on behalf of any person, firm or corporation directly or indirectly carry on or be engaged or interested in any business competing with the business of our Company or any member of our Group; or solicit the customer of any person who is or has been at any time during the period of her employment a customer of our Company for the purpose of offering to such customer goods or services similar to or competing with those of the business of our Company or our Group; or cause or permit any person or company directly or indirectly under her control or in which she has any beneficial interests to do any of the foregoing acts or things.

The Executive shall keep secret and shall not at any time (whether during the appointment or after the termination of the appointment for whatever reason) use for her own or another’s advantage, business methods or information which the Executive knew or ought reasonably to have known to be confidential concerning the business or affairs of our Company or any member of our Group so far as they shall have come to her knowledge during the appointment.

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During FY2011, approximately S\$183,000 and S\$33,000 of the aggregate remuneration (comprising salary, CPF contributions and bonus) paid to the Executive was borne by a wholly-owned subsidiary of Aspial (other than our Group) and our Group respectively. Had the Service Agreement been in existence since the beginning of FY2011 and assuming the aggregate remuneration (including CPF contributions, bonus and benefits-in-kind) paid to the Executive in FY2011 was borne solely by our Group, the aggregate remuneration (including CPF contributions, bonus and benefits-in-kind) paid to the Executive would have been approximately S\$287,000 instead of S\$216,000 and our adjusted PBT would have been approximately S\$3,276,000 instead of S\$3,347,000 and our adjusted PAT would have been approximately S\$2,898,000 instead of S\$2,957,000.

Save as disclosed above, there are no other existing or proposed service contracts entered or to be entered into between our Group with any of our Directors or Executive Officers. There are no existing or proposed service agreements entered into or to be entered into by our Directors with our Company or our subsidiaries which provide for benefits upon termination of employment.

Our Group has also previously entered into various letters of employment with all our Executive Director and Executive Officers in the ordinary course of business in accordance with our general employee guidelines, practices and policies. Such letters typically provide for the salary payable to our Executive Director and Executive Officers, their working hours, medical benefits, grounds of termination and certain restrictive covenants.

MAXI-CASH PERFORMANCE SHARE PLAN

In conjunction with our listing on Catalist, we have adopted a performance share plan known as the “Maxi-Cash Performance Share Plan” which was approved at an extraordinary general meeting of our Shareholders held on 11 April 2012. A summary of the rules of the Performance Share Plan is set out in section 3 below. Capitalised terms as used throughout this section, unless otherwise defined, shall bear the meanings as defined in the section entitled “Rules of the Maxi-Cash Performance Share Plan” as set out in Appendix F of this Offer Document.

1. Objectives of the Performance Share Plan

The objectives of the Performance Share Plan are to:

- (a) foster a culture of ownership within our Group which aligns the interests of Group Executives with the interests of Shareholders;
- (b) motivate Participants to achieve key financial and operational goals of our Company and/or their respective business units and encourage greater dedication and loyalty to our Group; and
- (c) make total employee remuneration sufficiently competitive to recruit new Participants and/or retain existing Participants whose contributions are important to the long-term growth and profitability of our Group.

2. The Performance Share Plan

Awards granted under the Performance Share Plan will principally be performance-based, incorporating an element of stretched targets for senior executives and significantly stretched targets for key senior management, aimed at delivering long-term Shareholder value. Examples of performance targets to be set include targets based on criteria such as sales growth, EPS and return on investment.

The Performance Share Plan uses methods fairly common among major local and multinational companies to incentivise and motivate senior executives and key senior management to achieve pre-determined targets, which we believe will create and enhance economic value for Shareholders. Our Company believes that the Performance Share Plan will be an effective tool in motivating senior executives and key senior management to work towards stretched targets.

The Performance Share Plan contemplates the award of fully-paid Shares, when and after pre-determined performance or service conditions are accomplished.

A Participant's Award under the Performance Share Plan will be determined at the sole discretion of the Committee. In considering the grant of an Award to a Participant, the Committee may take into account, amongst others, the Participant's capability, creativity, entrepreneurship, innovativeness, scope of responsibility and skill set.

Awards granted under the Performance Share Plan will be performance-based, with performance targets to be set over a designated performance period. Performance targets set are intended to be premised on medium-term corporate objectives covering market competitiveness, quality of returns, business growth and productivity growth.

The performance targets will be stretched targets aimed at sustaining long-term growth. These targets will be tied in with the corporate key performance indicators of the Board, the Non-Executive Chairman, the CEO and the Executive Director.

Under the Performance Share Plan, Participants are encouraged to continue serving our Group beyond the deadline for the achievement of the pre-determined performance targets. The Committee has the discretion to impose a further vesting period after the performance period to encourage the Participants to continue serving our Group.

MAXI-CASH PERFORMANCE SHARE PLAN

3. Summary of Rules of the Performance Share Plan

3.1. Eligibility

Full-time Group Executives who have attained the age of 21 years as of the Award Date and hold such rank as may be designated by the Committee from time to time are eligible to participate in the Performance Share Plan. Group Executive Directors and Group Non-Executive Directors (including Independent Directors) of our Group are eligible to participate in the Performance Share Plan. The Participant must also not be an undischarged bankrupt and must not have entered into a composition with his creditors.

Persons who are Controlling Shareholders or Associates of a Controlling Shareholder who meet the criteria above are also eligible to participate in the Performance Share Plan provided that the participation of and the terms of each grant and the actual number of Awards granted under the Performance Share Plan to a Participant who is a Controlling Shareholder or an Associate of a Controlling Shareholder shall be approved by the independent Shareholders in general meeting in separate resolutions for each such person, and in respect of each such person, in separate resolutions for each of (i) his participation and (ii) the terms of each grant and the actual number of Awards to be granted to him, provided always that it shall not be necessary to obtain the approval of the Independent Shareholders of our Company for the participation in the Plan of a Controlling Shareholder or an Associate of a Controlling Shareholder who is, at the relevant time already a Participant.

3.2. Awards

Awards represent the right of a Participant to receive fully-paid Shares free-of-charge, provided that certain prescribed performance targets (if any) are met and upon expiry of the prescribed performance period.

Shares which are issued and allotted or transferred to a Participant pursuant to the grant of an Award shall not be transferred, charged, assigned, pledged or otherwise disposed of, in whole or in part, during a specified period (as prescribed by the Committee in the Award letter), except to the extent approved by the Committee.

The Committee may, in its absolute discretion, make a Release of an Award, wholly or partly, in the form of cash rather than Shares.

3.3. Participants

The selection of a Participant and the number of Shares (which are the subject of each Award) to be granted to a Participant in accordance with the Performance Share Plan shall be determined at the absolute discretion of the Committee, which shall take into account criteria such as his rank, job performance, years of service and potential for future development, his contribution to the success and development of our Group and, if applicable, the extent of effort and resourcefulness required to achieve the performance target(s) within the performance period.

3.4. Details of Awards

The Committee shall decide, in relation to an Award:

- (a) the Participant;
- (b) the Award Date;
- (c) the Performance Period;
- (d) the number of Shares which are the subject of the Award;
- (e) the Performance Condition;

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- (f) the Release Schedule; and
- (g) any other condition(s) which the Committee may determine in relation to that Award.

3.5. Timing

Awards may be granted at any time in the course of a financial year. An Award Letter confirming the Award and specifying, amongst others, the Award Date, the Performance Condition(s), the number of Shares which are the subject of the Award, the Performance Period and the Release Schedule setting out the extent to which Shares will be released on satisfaction of the prescribed performance target(s), will be sent to each Participant as soon as is reasonably practicable after the granting of an Award.

3.6. Events Prior to Vesting

Special provisions for the vesting, lapsing and/or cancellation of Awards apply in certain circumstances including the following:

- (a) misconduct on the part of a Participant as determined by the Committee in its discretion;
- (b) where the Participant is a Group Executive, upon the Participant ceasing to be in the employment of our Group for any reason whatsoever (other than as specified in paragraph (e) below);
- (c) an order being made or a resolution passed for the winding-up of our Company on the basis, or by reason, of its insolvency;
- (d) the bankruptcy of a Participant or the happening of any other event which results in him being deprived of the legal or beneficial ownership of the Award;
- (e) the Participant, being a Group Executive, ceases to be in the employment of our Group by reason of:
 - (i) ill health, injury or disability (in each case, evidenced to the satisfaction of the Committee);
 - (ii) redundancy;
 - (iii) retirement at or after the legal retirement age;
 - (iv) retirement before the legal retirement age with the consent of the Committee;
 - (v) the company by which he is employed or to which he is seconded, as the case may be, ceasing to be a company within our Group or the undertaking or part of the undertaking of such company being transferred otherwise than to another company within our Group;
 - (vi) his transfer of employment between companies within the Group;
 - (vii) his transfer to any government ministry, governmental or statutory body or corporation at the direction of any company within our Group; or
 - (viii) any other event approved by the Committee;
- (f) the death of a Participant;

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- (g) any other event approved by the Committee; or
- (h) a take-over, reconstruction or amalgamation of our Company or an order being made or a resolution passed for the winding-up of our Company (other than as provided in paragraph (c) above or for reconstruction or amalgamation).

Upon the occurrence of any of the events specified in paragraphs (a), (b) and (c), an Award then held by a Participant shall, subject as provided in the Rules of the Performance Share Plan and to the extent not yet Released, immediately lapse without any claim whatsoever against our Company.

Upon the occurrence of any of the events specified in paragraphs (d), (e), (f) and (g) above, the Committee may, in its absolute discretion, preserve all or any part of any Award and decide either to Vest some or all of the Shares which are the subject of the Award or to preserve all or part of any Award until the end of the relevant Performance Period. In exercising its discretion, the Committee will have regard to all circumstances on a case-by-case basis, including (but not limited to) the contributions made by that Participant and, in the case of performance-related Awards, the extent to which the applicable Performance Conditions have been satisfied.

Upon the occurrence of the event specified in paragraph (h) above, the Committee will consider, at its discretion, whether or not to Release any Award, and will take into account all circumstances on a case-by-case basis, including (but not limited to) the contributions made by that Participant. If the Committee decides to Release any Award, then in determining the number of Shares to be vested in respect of such Award, the Committee will have regard to the proportion of the Performance Period which has lapsed and the extent to which the applicable Performance Conditions have been satisfied.

3.7. Size and Duration of the Performance Share Plan

The aggregate number of Shares which may be issued or transferred pursuant to Awards granted under the Performance Share Plan, when added to (i) the number of Shares issued and issuable and/or transferred or transferable in respect of all Awards granted thereunder; and (ii) all Shares issued and issuable and/or transferred or transferable in respect of all options granted or awards granted under any other share incentive schemes or share plans adopted by the Company for the time being in force, shall not exceed 15.0% of the issued share capital (excluding treasury shares) of our Company on the day preceding the relevant date of the Award.

The Performance Share Plan shall continue in force at the discretion of the Committee, subject to a maximum period of ten (10) years commencing on the date on which the Performance Share Plan is adopted by our Company in general meeting, provided always that the Performance Share Plan may continue beyond the above stipulated period with the approval of Shareholders in general meeting and of any relevant authorities which may then be required.

Notwithstanding the expiry or termination of the Performance Share Plan, any Awards made to Participants prior to such expiry or termination will continue to remain valid.

We have made an application to the SGX-ST for permission to deal in and for quotation of new Shares which may be issued upon the grant of Awards under the Performance Share Plan. The approval of the SGX-ST is not to be taken as an indication of the merits of our Group, our Shares or the Shares which are the subject of the Awards.

3.8. Operation of the Performance Share Plan

Subject to the prevailing legislation, our Company may deliver Shares to Participants upon Vesting of their Awards by way of an issue of new Shares deemed to be fully paid upon their issuance and allotment and/or by way of the transfer of treasury shares (by way of purchasing existing Shares from the market for delivery to Participants pursuant to the Act).

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In determining whether to issue new Shares to Participants or to purchase existing Shares upon vesting of their Awards, our Company will take into account factors such as (but not limited to) the number of Shares to be delivered, the prevailing market price of the Shares and the cost to our Company of either issuing new Shares or purchasing existing Shares.

Additionally, our Company has the flexibility, and if circumstances require, to approve the Release of an Award, wholly or partly, in the form of cash rather than Shares. In determining whether to Release an Award, wholly or partly, in the form of cash rather than Shares, our Company will take into account factors such as (but not limited to) the cost to the Company of Releasing an Award, wholly or partly, in the form of cash rather than Shares.

The financial effects of the above methods are discussed in paragraph 7 below. New Shares issued and allotted, and existing shares procured by the Company for transfer, on the Release of an Award shall be eligible for all entitlements, including dividends or other distributions declared or recommended in respect of the then existing Shares, the record date for which is on or after the relevant date of issue or, as the case may be, delivery, and shall in all other respects rank *pari passu* with other existing Shares then in issue.

The Committee shall have the discretion to determine whether the Performance Condition has been satisfied (whether fully or partially) or exceeded; and in making any such determination, the Committee shall have the right to make reference to the audited results of our Company or our Group to take into account such factors as the Committee may determine to be relevant, such as changes in accounting methods, taxes and extraordinary events, and further, the right to amend the performance target(s) if the Committee decides that a changed performance target would be a fairer measure of performance.

4. Adjustments and Alterations under the Performance Share Plan

The following describes the adjustment events under, and provisions relating to alterations of, the Performance Share Plan.

4.1. Adjustment Events

If a variation in the issued ordinary share capital of our Company (whether by way of a capitalisation of profits or reserves or rights issue or reduction) shall take place, then:

- (a) the class and/or number of Shares which are the subject of an Award to the extent not yet Vested; and/or
- (b) the class and/or number of Shares over which future Awards may be granted under the Performance Share Plan shall be adjusted in such manner as the Committee may determine to be appropriate, provided that no adjustment shall be made if as a result, the Participant receives a benefit that a Shareholder does not receive.

The issue of securities as consideration for an acquisition or a private placement of securities or the cancellation of issued Shares purchased or acquired by our Company by way of a market purchase of such Shares undertaken by our Company on the SGX-ST during the period when a share purchase mandate granted by Shareholders (including any renewal of such mandate) is in force shall not normally be regarded as a circumstance requiring adjustment, unless the Committee considers an adjustment to be appropriate.

Any adjustment (except in relation to a capitalisation issue) must be confirmed in writing by the Auditors (acting only as experts and not as arbitrators) to be in their opinion, fair and reasonable.

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4.2. Modifications or Alterations to the Performance Share Plan

The Performance Share Plan may be modified and/or altered from time to time by a resolution of the Committee subject to the prior approval of our Shareholders and the SGX-ST and such other regulatory authorities as may be necessary.

However, no modification or alteration shall adversely affect the rights attached to Awards granted prior to such modification or alteration except with the written consent of such number of Participants under the Performance Share Plan who, if their Awards were Released to them, would thereby become entitled to not less than three quarters of all the Shares which would fall to be Vested upon Release of all outstanding Awards under the Performance Share Plan.

No alteration shall be made to particular rules of any of the Performance Share Plan to the advantage of the holders of the Awards, as the case may be, except with the prior approval of Shareholders in general meeting.

5. Disclosures in Annual Reports

Our Company will make such disclosures in its annual report for so long as the Performance Share Plan continues in operation as from time to time required by the Listing Manual including the following (where applicable):

- (a) the names of the members of the Committee administering the Performance Share Plan;
- (b) in respect of the following Participants:
 - (i) Directors of our Company;
 - (ii) Controlling Shareholders and their Associates; and
 - (iii) Participants (other than those in paragraphs (i) and (ii) above) who have received Shares pursuant to the Release of Awards granted under the Performance Share Plan which, in aggregate, represent 5.0% or more of the aggregate number of new Shares available under the Performance Share Plan;

the following information:

- (aa) the name of the Participant;
- (bb) the aggregate number of Shares comprised in Awards granted during the financial year under review;
- (cc) the number of new Shares issued to such Participant during the financial year under review;
- (dd) the number of existing Shares purchased for delivery pursuant to Release of Awards to such Participant during the financial year under review;
- (ee) the aggregate number of Shares comprised in Awards which have not been released as at the end of the financial year under review;
- (ff) the aggregate number of Shares comprised in Awards granted since the commencement of the Performance Share Plan to the end of the financial year under review;
- (gg) the number of new Shares allotted to such Participant since the commencement of the Performance Share Plan to the end of the financial year under review; and

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- (hh) the number of existing Shares transferred to the Participant since the commencement of the Performance Share Plan to the end of the financial year under review.
- (c) in relation to the Performance Share Plan:
 - (i) the aggregate number of Shares comprised in Awards Vested since the commencement of the Performance Share Plan to the end of the financial year under review;
 - (ii) the aggregate number of new Shares issued which are comprised in the Awards Vested during the financial year under review; and
 - (iii) the aggregate number of Shares comprised in Awards which have not been Released, as at the end of the financial year under review; and
- (d) such other information as may be required by the Listing Manual or the Act.

If any of the above is not applicable, an appropriate negative statement shall be included therein.

6. Role and Composition of the Committee

The Committee responsible for the administration of the Performance Share Plan will comprise such Directors duly authorised and appointed by the Board of Directors to administer the Performance Share Plan, provided that no member of the Committee shall participate in any deliberation or decision in respect of Awards granted or to be granted to him.

7. Financial Effects of the Performance Share Plan

FRS 102 Share-based Payment takes effect for the financial statements of all listed companies for the financial year beginning 1 January 2005. Participants will receive Shares and the Awards would be accounted for as equity-settled share-based transactions, as described in the following paragraphs.

The fair value of employee services received in exchange for the grant of the Awards will be recognised as a charge to the income statement over the period between the grant date and the Vesting Date of an Award. The total amount of the charge over the Vesting period is determined by reference to the fair value of each Award granted at the grant date and the number of Shares Vested at the Vesting Date, with a corresponding credit to reserve account. Before the end of the Vesting period, at each accounting year end, the estimate of the number of Awards that are expected to Vest by the Vesting Date is subject to revision, and the impact of the revised estimate will be recognised in the income statement with a corresponding adjustment to the reserve account. After the Vesting Date, no adjustment to the charge to the income statement is made. This accounting treatment has been referred to as the “modified grant date method” because the number of Shares included in the determination of the expense relating to employee services is adjusted to reflect the actual number of Shares that eventually Vest but no adjustment is made to changes in the fair value of the Shares since the grant date.

The amount charged to the profit and loss account would be the same whether the Company settles the Awards by issuing new Shares or by purchasing existing Shares. The amount of the charge to the income statement also depends on whether or not the performance target attached to an Award is measured by reference to the market price of the Shares. This is known as a market condition. If the performance target is a market condition, the probability of the performance target being met is taken into account in estimating the fair value of the Award granted at the grant date, and no adjustments to the amounts charged to the income statement are made if the market condition is not met. However, if the performance target is not a market condition, the fair value per Share of the Awards granted at the grant date is used to compute the

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amount to be charged to the income statement at each accounting date, based on an assessment at that date of whether the non-market conditions would be met to enable the Awards to vest. Thus, where the Vesting conditions do not include a market condition, there would be no charge to the income statement if the Awards do not ultimately Vest.

In the event that the Participants receive cash, our Company shall measure the fair value of the liability at grant date. Until the liability is settled, our Company shall re-measure the fair value of the liability at each accounting date and at the date of settlement, with changes in the fair value recognised in the income statement.

The following sets out the financial effects of the Performance Share Plan.

7.1. Share Capital

The Performance Share Plan will result in an increase in our Company's issued Shares where new Shares are issued to Participants. The number of new Shares issued will depend on, amongst others, the size of the Awards granted under the Performance Share Plan. In any case, the Performance Share Plan provides that the aggregate number of Shares which may be issued or transferred pursuant to Awards granted under the Performance Share Plan, when added to (i) the number of Shares issued and issuable and/or transferred or transferable in respect of all Awards granted thereunder; and (ii) all Shares issued and issuable and/or transferred or transferable in respect of all options granted or awards granted under any other share incentive schemes or share plans adopted by the Company for the time being in force, shall not exceed 15.0% of the issued share capital (excluding treasury shares) of our Company on the day preceding the relevant date of the Award.

If instead of issuing new Shares to Participants, treasury shares are transferred to Participants and our Company pays the equivalent cash value, the Performance Share Plan would have no impact on our Company's total number of issued Shares.

7.2. NTA

As described in paragraph 7.3 below on EPS, the Performance Share Plan is likely to result in a charge to our Company's income statement over the period from the grant date to the Vesting Date of the Awards. The amount of the charge will be computed in accordance with the FRS 102.

When new Shares are issued under the Performance Share Plan, there would be no effect on the NTA. However, if instead of issuing new Shares to Participants, existing Shares are purchased for delivery to Participants, or our Company pays the equivalent cash value, the NTA would be impacted by the cost of the Shares purchased or the cash payment, respectively.

7.3. EPS

The Performance Share Plan is likely to result in a charge to earnings over the period from the grant date to the Vesting Date, computed in accordance with the FRS 102. It should again be noted that the delivery of Shares to Participants of the Performance Share Plan will generally be contingent upon the Participants meeting the prescribed performance targets and conditions.

7.4. Dilutive Impact

It is expected that the dilutive impact of the Performance Share Plan on the NTA per Share and EPS will not be significant.

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8. Participation of Group Executive Directors and Group Executives

The extension of the Performance Share Plan to Group Executive Directors and Group Executives allows us to have a fair and equitable system to reward Group Executive Directors and Group Executives who have made and who continue to make significant contributions to the long-term growth of our Group and to inculcate in Participants a stronger and more lasting sense of identification with our Group.

We believe that the Performance Share Plan will also enable us to attract, retain and provide incentives to its Participants to optimise their standards of performance as well as encourage greater dedication and loyalty by enabling our Company to give recognition to past contributions and services as well as motivating Participants generally to contribute towards the long-term growth of our Group.

9. Participation of Group Non-Executive Directors (including Independent Directors) of our Company

The extension of the Performance Share Plan to the Group Non-Executive Directors (including Independent Directors) allows the Group to have a fair and equitable system that recognises and benefits not only persons who are in the direct employment of our Company but also persons who are not employed but nevertheless work closely with our Company and/or are in the position to contribute their experience, knowledge and expertise to the development and success of our Company.

Although the Group Non-Executive Directors are not involved in the day-to-day running of our Company, they are nonetheless in a position to provide valuable support, input and business contacts and to contribute their experience, knowledge and expertise, and/or to provide our Company and our Group with strategic business alliances and opportunities. The Group Non-Executive Directors are individuals from various disciplines with different working experiences and backgrounds which we may tap for assistance in furthering our business objectives and shaping our business strategies. It is desirable that the Group Non-Executive Directors of our Company be allowed to participate in our Performance Share Plan to give recognition to their services and contributions.

For the purpose of assessing the contributions of the Group Non-Executive Directors, the Committee will propose a performance framework comprising mainly non-financial performance measurement criteria such as the extent of involvement and responsibilities shouldered by the Group Non-Executive Directors. In addition, the Committee will also consider the scope of advice given, the number of contacts and size of deals which the Company is able to procure from the contacts and recommendations of the Group Non-Executive Directors.

The Committee may also decide that no Awards shall be made in any financial year or no grant and/or Award may be made at all.

We do not expect that the grant of Awards to our Group Non-executive Directors, some of whom are also members of our Audit Committee, will compromise their independence, as the total number of Shares issued pursuant to Awards granted to our Group Non-Executive Directors will not be significant.

10. Participation of Controlling Shareholders or Associates of Controlling Shareholders

The purpose of the participation of Controlling Shareholders and Associates of Controlling Shareholders in the Performance Share Plan is to provide an opportunity for eligible Group Executives (including Group Executive Directors) and Group Non-Executive Directors who are Controlling Shareholders or Associates of Controlling Shareholders who have contributed or continue to contribute significantly to the growth and performance of the Group to participate in the equity of the Company.

MAXI-CASH PERFORMANCE SHARE PLAN

We acknowledge that the services and contributions of the employees who are Controlling Shareholders or Associates of our Controlling Shareholders are important to the development and success of our Group. The extension of the Performance Share Plan to the eligible Directors and employees who are Controlling Shareholders or Associates of our Controlling Shareholders allows our Company to have a fair and equitable system for rewarding the eligible Directors and employees who have made and continue to make important contributions to the long-term growth of our Group notwithstanding that they are Controlling Shareholders or Associates of our Controlling Shareholders.

Although the Controlling Shareholders and/or their Associates may already have shareholding interests in the Company, including them in the Performance Share Plan will ensure that they are equally entitled with other eligible Group Executives (including Group Executive Directors) and Group Non-Executive Directors who are not Controlling Shareholders or Associates of Controlling Shareholders to take part and benefit from this system of remuneration. We are of the view that a person who would otherwise be eligible should not be excluded from participating in the Performance Share Plan solely by reason that he/she is a Controlling Shareholder or an Associate of our Controlling Shareholder.

The specific approval of our independent Shareholders is required for the participation of and the grant of Awards to such persons as well as the actual number of and terms of such Awards. A separate resolution must be passed for each such Participant. In seeking such approval from our independent Shareholders, clear justification as to the participation of our Controlling Shareholders and/or Associates of our Controlling Shareholders, the number of Shares and terms of the Awards to be granted to them shall be provided. Accordingly, we are of the view that there are sufficient safeguards against any abuse of the Performance Share Plan resulting from the participation of Controlling Shareholders and Associates of Controlling Shareholders.

As at the date of this Offer Document, our Controlling Shareholder is Aspiat and we do not have any Controlling Shareholders who are individuals.

CORPORATE GOVERNANCE

The Directors recognise the importance of corporate governance and the offering of high standards of accountability to our Shareholders.

Our Board has formed three committees: (i) the Nominating Committee; (ii) the Remuneration Committee; and (iii) the Audit Committee.

In addition, in view of our Non-Executive Chairman, Koh Wee Seng, being the sibling of our CEO, Koh Lee Hwee, we have appointed Tan Keh Yan, Peter as our Lead Independent Director. The Lead Independent Director will be available to Shareholders where they have concerns for which contact through the normal channels of our Non-Executive Chairman or CEO has failed to resolve or for which such contact is inappropriate.

Nominating Committee

Our Nominating Committee comprises Tan Keh Yan, Peter, Ng Leok Cheng and Lee Sai Sing. The Chairman of the Nominating Committee is Ng Leok Cheng.

Our Nominating Committee will be responsible for:

- (a) reviewing and recommending the nomination or re-nomination of our Directors having regard to our Directors' contribution and performance;
- (b) determining on an annual basis whether or not a Director is independent;
- (c) in respect of a Director who has multiple board representations on various companies, to review and decide whether or not such Director is able to and has been adequately carrying out his duties as Director, having regard to the competing time commitments that are faced by the Director when serving on multiple boards;
- (d) deciding whether or not a Director is able to and has been adequately carrying out his duties as a director; and
- (e) reviewing and approving any new employment of related persons and the proposed terms of their employment.

The Nominating Committee will decide how our Board's performance is to be evaluated and propose objective performance criteria, subject to the approval of our Board, which address how our Board has enhanced long-term shareholders' value. Our Board will also implement a process to be carried out by the Nominating Committee for assessing the effectiveness of our Board as a whole and for assessing the contribution of each individual Director to the effectiveness of our Board. Each member of the Nominating Committee shall abstain from voting on any resolutions in respect of the assessment of his performance or re-nomination as Director.

Remuneration Committee

Our Remuneration Committee comprises Tan Keh Yan, Peter, Ng Leok Cheng and Lee Sai Sing. The Chairman of the Remuneration Committee is Ng Leok Cheng.

Our Remuneration Committee will recommend to our Board a framework of remuneration for our Directors and Executive Officers, and determine specific remuneration packages for each Executive Director. The recommendations of our Remuneration Committee should be submitted for endorsement by the entire Board. All aspects of remuneration, including but not limited to directors' fees, salaries, allowances, bonuses and other benefits-in-kind shall be covered by our Remuneration Committee. Each member of the Remuneration Committee shall abstain from voting on any resolutions in respect of his remuneration package.

The remuneration of related employees will be reviewed annually by our Remuneration Committee to ensure that their remuneration packages are in line with our staff remuneration guidelines and commensurate with their respective job scopes and level of responsibilities. Any bonuses, pay increases and/or promotions for these related employees will also be subject to the review and approval of our Remuneration Committee. In the event that a member of our Remuneration Committee is related to the employee under review, he will abstain from participating in the review.

CORPORATE GOVERNANCE

Audit Committee

Our Audit Committee comprises Tan Keh Yan, Peter, Ng Leok Cheng and Lee Sai Sing. The Chairman of the Audit Committee is Tan Keh Yan, Peter. Our Directors recognise the importance of corporate governance and the offering of high standards of accountability to the Shareholders of our Company.

Our Audit Committee does not have any existing business or professional relationship of a material nature with our Group, our Directors or Substantial Shareholder.

Our Audit Committee will assist our Board of Directors in discharging their responsibility to safeguard our assets, maintain adequate accounting records and develop and maintain effective systems of internal control, with the overall objective of ensuring that our management creates and maintains an effective control environment in our Group.

Our Audit Committee will provide a channel of communication between our Board of Directors, our management and our external auditors on matters relating to audit.

Our Audit Committee shall meet periodically to perform the following functions:

- (a) review with the external auditors the audit plans, their evaluation of the system of internal controls, their audit report, their management letter and our management's response;
- (b) review with the internal auditors the internal audit plans and their evaluation of the adequacy of our internal control and accounting system before submission of the results of such review to our Board for approval prior to the incorporation of such results in our annual report (where necessary);
- (c) review the internal control and procedures and ensure coordination between the external auditors and our management, and review the assistance given by our management to the external auditors, and discuss problems and concerns, if any, arising from the interim and final audits, and any matters which the external auditors may wish to discuss (in the absence of our management where necessary);
- (d) review the co-operation given by our Company's officers to external auditors;
- (e) review the half yearly and annual, and quarterly if applicable, financial statements and results announcements before submission to our Board for approval, focusing in particular, on changes in accounting policies and practices, major risk areas, significant adjustments resulting from the audit, the going concern statement, compliance with accounting standards as well as compliance with any stock exchange and statutory/regulatory requirements;
- (f) review and discuss with the external and internal auditors any suspected fraud or irregularity, or suspected infringement of any relevant laws, rules or regulations, which has or is likely to have a material impact on our Group's operating results or financial position, and our management's response;
- (g) consider the appointment or re-appointment of the external auditors and matters relating to resignation or dismissal of the external auditors;
- (h) review transactions falling within the scope of Chapter 9 and Chapter 10 of the Listing Manual (if any);
- (i) review potential conflicts of interests (if any) and to set out a framework to resolve or mitigate any potential conflicts of interests;
- (j) review the effectiveness and adequacy of our administrative, operating, internal accounting and financial control procedures;

CORPORATE GOVERNANCE

- (k) review our key financial risk areas, with a view to providing an independent oversight on our Group's financial reporting, the outcome of such review to be disclosed in the annual reports or if the findings are material, immediately announced via SGXNET;
- (l) undertake such other reviews and projects as may be requested by our Board and report to our Board its findings from time to time on matters arising and requiring the attention of our Audit Committee;
- (m) generally to undertake such other functions and duties as may be required by statute or the Listing Manual, and by such amendments made thereto from time to time;
- (n) review arrangements by which our staff may, in confidence, raise concerns about possible improprieties in matters of financial reporting and to ensure that arrangements are in place for the independent investigations of such matter and for appropriate follow-up; and
- (o) review our Group's compliance with such functions and duties as may be required under the relevant statutes or the Listing Manual, including such amendments made thereto from time to time.

Apart from the duties listed above, our Audit Committee shall commission and review the findings of internal investigations into matters where there is any suspected fraud or irregularity, or failure of internal controls or suspected infringement of any law, rule or regulation of the jurisdictions in which our Group operates, which has or is likely to have a material impact on our Company's operating results and/or financial position. In the event that a member of our Audit Committee is interested in any matter being considered by our Audit Committee, he will abstain from reviewing and deliberating on that particular transaction or voting on that particular resolution.

Our Audit Committee, after having:

- (a) conducted an interview with Yeo Yen Phing and Chan Ching Fun Julie;
- (b) considered the qualifications and past working experiences of Yeo Yen Phing and Chan Ching Fun Julie (as described in the section entitled "Directors, Management and Staff — Executive Officers" of this Offer Document) which are compatible with their positions as Group Senior Finance Manager and Senior Finance Manager of our Group respectively;
- (c) observed Yeo Yen Phing's and Chan Ching Fun Julie's abilities, familiarity and diligence in relation to the financial matters and information of our Group; and
- (d) noted the absence of negative feedback on Yeo Yen Phing and Chan Ching Fun Julie from the representatives of our Group's Auditors and Reporting Accountants, Ernst & Young LLP,

is of the view that Yeo Yen Phing and Chan Ching Fun Julie are suitable for the positions of Group Senior Finance Manager and Senior Finance Manager of our Group respectively.

Further, after making all reasonable enquiries, and to the best of their knowledge and belief, nothing has come to the attention of our Audit Committee to cause them to believe that Yeo Yen Phing and Chan Ching Fun Julie do not have the competence, character and integrity expected of a Group Senior Finance Manager and Senior Finance Manager of a listed issuer respectively.

Aspial provides certain shared services such as human resource, information technology, finance and internal audit support services to our Group. Please refer to the section entitled "Interested Person Transactions — Present and On-Going Interested Person Transactions" of this Offer Document for further details of these services.

CORPORATE GOVERNANCE

The internal audit department of Aspial was established in 2002 to review Aspial Group's process and internal controls to assist Aspial Group in assessing the adequacy and design of controls that are in place for its business processes and corporate governance procedures. The internal audit department comprises two (2) different internal audit teams for (i) the jewellery and property businesses of Aspial Group and (ii) the financial services business which is operated by our Group.

After our admission to Catalist, internal audit on the operational and financial areas of our Group will continue to be conducted by the internal audit team of our Company. The internal audit team shall report its audit findings directly to our Audit Committee. Such internal audit will be commissioned until such time as our Audit Committee is satisfied that our Group's internal controls are robust and effective enough to mitigate our Group's internal control weaknesses (if any). Currently, our Board, with the concurrence of our Audit Committee, based on the internal controls established and maintained by our Group, work performed by the internal and external auditors, and reviews by our Board and our Audit Committee, is of the view that our internal control procedures are adequate to address financial, operational and compliance risks. Prior to the decommissioning of such an internal audit, our Board is required to report to the SGX-ST and the Sponsor on how the key internal control weaknesses have been rectified, and the basis for the decision to decommission the internal control audit. Thereafter, such audits may be initiated by the Audit Committee as and when it deems fit to satisfy itself that our Group's internal controls remain robust and effective. Upon completion of the internal control audit, appropriate disclosure must be made via SGXNET on any material, price-sensitive internal control weaknesses and any follow-up actions to be taken by our Board.

In addition to the above, the Audit Committee may appoint third party internal auditors to complement the in-house internal audit functions described above at its discretion.

BOARD PRACTICES

Our Directors are appointed by our shareholders at a general meeting, and an election of Directors takes place annually. One third (or the number nearest one third) of our Directors, are required to retire from office at each annual general meeting. Further, all our Directors are required to retire from office at least once every three (3) years. However, a retiring Director is eligible for re-election at the meeting at which he retires. Further details on the appointment and retirement of Directors can be found in the section entitled "Summary of Selected Articles of Association of our Company" as set out in Appendix D of this Offer Document.

EXCHANGE CONTROLS

SINGAPORE

Currently there are no Singapore governmental laws, decrees, regulations and other legislation that may affect the following:

- (a) the import or export of capital, including the availability of cash and cash equivalents for use by our Group; and
- (b) the remittance of dividends, interest or other payments to non-resident holders of our Company's securities.

CLEARANCE AND SETTLEMENT

Upon listing and quotation on Catalist, our Shares will be traded under the book-entry settlement system of CDP, and all dealings in and transactions of the Shares through Catalist will be effected in accordance with the terms and conditions for the operation of Securities Accounts with CDP, as amended from time to time.

Our Shares will be registered in the name of CDP or its nominee and held by CDP for and on behalf of persons who maintain, either directly or through depository agents, Securities Accounts with CDP. Persons named as direct Securities Account holders and depository agents in the depository register maintained by CDP, rather than CDP itself, will be treated, under our Articles of Association and the Companies Act, as members of our Company in respect of the number of Shares credited to their respective Securities Accounts.

Persons holding the Shares in Securities Accounts with CDP may withdraw the number of Shares they own from the book-entry settlement system in the form of physical share certificates. Such share certificates will, however, not be valid for delivery pursuant to trades transacted on Catalist although they will be *prima facie* evidence of title and may be transferred in accordance with our Articles of Association. A fee of S\$10 for each withdrawal of 1,000 Shares or less and a fee of S\$25 for each withdrawal of more than 1,000 Shares is payable upon withdrawing the Shares from the book-entry settlement system and obtaining physical share certificates. In addition, a fee of S\$2 or such other amount as our Directors may decide, is payable to the share registrar for each share certificate issued and a stamp duty of S\$10 is also payable where our Shares are withdrawn in the name of the person withdrawing our Shares or 20 cents per S\$100 or part thereof of the last-transacted price where it is withdrawn in the name of a third party. Persons holding physical share certificates who wish to trade on Catalist must deposit with CDP their share certificates together with the duly executed and stamped instruments of transfer in favour of CDP, and have their respective Securities Accounts credited with the number of Shares deposited before they can effect the desired trades. A fee of S\$10 is payable upon the deposit of each instrument of transfer with CDP. The above fees may be subject to such changes as may be in accordance with CDP's prevailing policies or the current tax policies that may be in force in Singapore from time to time.

Transactions in the Shares under the book-entry settlement system will be reflected by the seller's Securities Account being debited with the number of Shares sold and the buyer's Securities Account being credited with the number of Shares acquired. No transfer of stamp duty is payable for the Shares that are settled on a book-entry basis.

A Singapore clearing fee for trades in our Shares on Catalist is payable at the rate of 0.04% of the transaction value subject to a maximum of S\$600 per transaction. The clearing fee, instrument of transfer deposit fee and share withdrawal fee may be subject to GST at 7.0% (or such other rate prevailing from time to time).

Dealings of our Shares will be carried out in Singapore dollars and will be effected for settlement on CDP on a scripless basis. Settlement of trades on a normal "ready" basis on Catalist generally takes place on the third Market Day following the transaction date, and payment for the securities is generally settled on the following business day. CDP holds securities on behalf of investors in Securities Accounts. An investor may open a direct account with CDP or a sub-account with a CDP agent. The CDP agent may be a member company of the SGX-ST, bank, merchant bank or trust company.

GENERAL AND STATUTORY INFORMATION

INFORMATION ON DIRECTORS AND EXECUTIVE OFFICERS

1. Saved as disclosed below, none of our Directors, Executive Officers and Controlling Shareholders:
 - (a) has, at any time during the last ten (10) years, had an application or a petition under any bankruptcy laws of any jurisdiction filed against him or against a partnership of which he was a partner at the time when he was a partner or at any time within two (2) years from the date he ceased to be a partner;
 - (b) has, at any time during the last ten (10) years, had an application or a petition under any law of any jurisdiction filed against an entity (not being a partnership) of which he was a director or an equivalent person or a key executive, at the time when he was a director or an equivalent person or a key executive of that entity or at any time within two (2) years from the date he ceased to be a director or an equivalent person or a key executive of that entity, for the winding up or dissolution of that entity or, where that entity is the trustee of a business trust, that business trust, on the ground of insolvency;
 - (c) has any unsatisfied judgement against him;
 - (d) has ever been convicted of any offence, in Singapore or elsewhere, involving fraud or dishonesty which is punishable with imprisonment, or has been the subject of any criminal proceedings (including any pending criminal proceedings of which he is aware) for such purpose;
 - (e) has ever been convicted of any offence, in Singapore or elsewhere, involving a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, or has been the subject of any criminal proceedings (including any pending criminal proceedings of which he is aware) for such breach;
 - (f) has, at any time during the last ten (10) years, had judgement entered against him in any civil proceedings in Singapore or elsewhere involving a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, or a finding of fraud, misrepresentation or dishonesty on his part, nor has he been the subject of any civil proceedings (including any pending civil proceedings of which he is aware) involving an allegation of fraud, misrepresentation or dishonesty on his part;
 - (g) has ever been convicted in Singapore or elsewhere of any offence in connection with the formation or management of any entity or business trust;
 - (h) has ever been disqualified from acting as a director or an equivalent person of any entity (including the trustee of a business trust), or from taking part directly or indirectly in the management of any entity or business trust;
 - (i) has ever been the subject of any order, judgement or ruling of any court, tribunal or governmental body permanently or temporarily enjoining him from engaging in any type of business practice or activity;
 - (j) has ever, to his knowledge, been concerned with the management or conduct, in Singapore or elsewhere, of affairs of:
 - (i) any corporation which has been investigated for a breach of any law or regulatory requirement governing corporations in Singapore or elsewhere;
 - (ii) any entity (not being a corporation) which has been investigated for a breach of any law or regulatory requirement governing such entities in Singapore or elsewhere;
 - (iii) any business trust which has been investigated for a breach of any law or regulatory requirement governing business trusts in Singapore or elsewhere; or

GENERAL AND STATUTORY INFORMATION

- (iv) any entity or business trust which has been investigated for a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere,

in connection with any matter occurring or arising during the period when he was so concerned with the entity or business trust; or

- (k) has been the subject of any current or past investigation or disciplinary proceedings, or has been reprimanded or issued any warning, by the Authority or any other regulatory authority, exchange, professional body or governmental agency, whether in Singapore or elsewhere.

Disclosure Relating to Koh Wee Seng (our Non-Executive Chairman)

Our Non-Executive Chairman, Koh Wee Seng, was investigated by the Commercial Affairs Department ("CAD") from December 2009 to early January 2011 for possible infringement(s) under Section 218 of the SFA in relation to purchases of shares in Aspial. As stated in Aspial's announcement on 7 January 2011, CAD has informed Koh Wee Seng that they have concluded the investigation and no action will be taken.

Disclosure Relating to Ng Leok Cheng (our Independent Director)

Our Independent Director, Ng Leok Cheng, is also an independent director of TT International Ltd ("TT International") as disclosed in the section entitled "Directors, Management and Staff – Directors" of this Offer Document. In 2009, a winding up application was brought by a creditor against TT International on the ground that TT International was unable to pay its debts. As at the Latest Practicable Date, the liabilities of TT International have been restructured under a Scheme of Arrangement (the "Scheme") sanctioned by the Court of Appeal in Singapore on 13 October 2010, with an effective date of 19 April 2010. Details on the updates of the Scheme as previously announced are available on the websites of TT International and the SGX-ST.

2. There is no shareholding qualification for Directors under the Articles of Association of our Company.
3. No sum or benefit has been paid or is agreed to be paid to any Director or expert, or to any firm in which such Director or expert is a partner or any corporation in which such Director or expert holds shares or debentures, in cash or shares or otherwise, by any person to induce him to become, or to qualify him as, a Director, or otherwise for services rendered by him or by such firm or corporation in connection with the promotion or formation of our Company.

SHARE CAPITAL

4. Save as disclosed below and in the section entitled "Share Capital" of this Offer Document, there are no changes in the issued and paid-up share capital of our Company and our subsidiaries within the last three (3) years preceding the Latest Practicable Date:

Date of issue	Number of Shares issued	Issue Price/ Consideration (\$)	Purpose of issue	Resultant issued share capital (\$)
Our Company				
23 April 2010	20,000,000	20,000,000	Capitalisation	25,000,000
25 May 2010	5,000,000	5,000,000	Working Capital	30,000,000
29 March 2011	5,000,000	5,000,000	Capitalisation	35,000,000
1 November 2011	5,000,000	5,000,000	Capitalisation	40,000,000
28 December 2011	8,000,000	8,000,000	Capitalisation	48,000,000

GENERAL AND STATUTORY INFORMATION

Date of issue	Number of Shares issued	Issue Price/ Consideration (S\$)	Purpose of issue	Resultant issued share capital (S\$)
Subsidiaries				
<i>Cash Express Financial Services</i>				
8 February 2012	2	2	Incorporation	2
<i>Maxi-Cash Assets</i>				
6 December 2010	2,000,000	2,000,000	Incorporation	2,000,000
3 August 2011	2,000,000	2,000,000	Working Capital	4,000,000
<i>Maxi-Cash Capital</i>				
19 April 2010	4,000,000	4,000,000	Incorporation	4,000,000
<i>Maxi-Cash Central</i>				
10 March 2009	4,999,000	4,999,000	Working Capital	5,000,000
23 August 2010	1,000,000	1,000,000	Working Capital	6,000,000
13 September 2010	1,500,000	1,500,000	Working Capital	7,500,000
24 November 2011	2,500,000	2,500,000	Working Capital	10,000,000
<i>Maxi-Cash Central 2</i>				
28 September 2011	3,000,000	3,000,000	Incorporation	3,000,000
23 February 2012	1,000,000	1,000,000	Working Capital	4,000,000
<i>Maxi-Cash Clementi</i>				
16 July 2009	2,000,000	2,000,000	Incorporation	2,000,000
<i>Maxi-Cash East</i>				
1 February 2009	1,000,000	1,000,000	Working Capital	5,000,000
20 October 2011	1,500,000	1,500,000	Capitalisation	6,500,000
<i>Maxi-Cash East 2</i>				
11 January 2011	2	2	Incorporation	2
30 January 2012	2,999,998	2,999,998	Working Capital	3,000,000
<i>Maxi-Cash Group</i>				
5 May 2010	15,000,000	15,000,000	Capitalisation	20,000,000
25 May 2010	5,000,000	5,000,000	Working Capital	25,000,000
25 March 2011	5,000,000	5,000,000	Capitalisation	30,000,000
29 March 2011	2,000,000	2,000,000	Capitalisation	32,000,000
20 October 2011	6,000,000	6,000,000	Capitalisation	38,000,000
<i>Maxi-Cash Jewellery</i>				
14 January 2009	100,000	100,000	Incorporation	100,000
5 May 2010	900,000	900,000	Capitalisation	1,000,000
<i>Maxi-Cash Jewellery Group</i>				
2 May 2009	100,000	100,000	Incorporation	100,000
5 May 2010	900,000	900,000	Capitalisation	1,000,000
20 October 2011	5,000,000	5,000,000	Capitalisation	6,000,000

GENERAL AND STATUTORY INFORMATION

Date of issue	Number of Shares issued	Issue Price/ Consideration (S\$)	Purpose of issue	Resultant issued share capital (S\$)
Subsidiaries				
<i>Maxi-Cash North</i>				
25 May 2010	5,000,000	5,000,000	Working Capital	10,000,000
<i>Maxi-Cash North East</i>				
12 December 2011	2,000,000	2,000,000	Incorporation	2,000,000
22 February 2012	1,999,998	1,999,998	Working Capital	2,000,000
<i>Maxi-Cash Ventures</i>				
20 January 2011	3,000,000	3,000,000	Incorporation	3,000,000
20 October 2011	1,500,000	1,500,000	Working Capital	4,500,000
<i>Maxi-Cash West</i>				
10 February 2009	1,000,000	1,000,000	Working Capital	5,000,000
20 October 2011	1,000,000	1,000,000	Working Capital	6,000,000

5. Save as disclosed above and in the section entitled “Share Capital” of this Offer Document, no shares in, or debentures of, our Company or any of our subsidiaries have been issued, or are proposed to be issued, as fully or partly paid for cash or for a consideration other than cash, during the last three (3) years preceding the date of lodgement of this Offer Document.

MEMORANDUM OF ASSOCIATION

6. The nature of our Company’s business has been stated earlier in this Offer Document. Our objects can be found in our Memorandum of Association which is available for inspection at our registered office in accordance with the section entitled “General and Statutory Information — Documents Available for Inspection” of this Offer Document.

ARTICLES OF ASSOCIATION

7. An extract of our Articles of Association relating to, *inter alia*, Directors’ powers to vote on contracts in which they are interested, Directors’ remuneration, Directors’ borrowing powers, Directors’ retirement, Directors’ share qualification, rights pertaining to shares, convening of general meetings and alteration of capital are set out in the section entitled “Summary of Selected Articles of Association of our Company” in Appendix D of this Offer Document. The Articles of Association of our Company is available for inspection at our registered office in accordance with the section entitled “General and Statutory Information — Documents Available for Inspection” of this Offer Document.

MATERIAL CONTRACTS

8. Neither our Company nor our subsidiaries has entered into any contracts which are not in the ordinary course of business, and are or may be material, within the two (2) years preceding the date of lodgement of this Offer Document.

LITIGATION

9. As at the Latest Practicable Date, neither our Company nor any of our subsidiaries is engaged in any legal or arbitration proceedings as plaintiff or defendant including those which are pending or known to be contemplated which may have or have had in the last 12 months before the date of lodgement of this Offer Document, a material effect on the financial position or the profitability of our Company or any of our subsidiaries.

GENERAL AND STATUTORY INFORMATION

MISCELLANEOUS

10. The corporations which by virtue of Section 6 of the Companies Act are deemed to be related to our Company are set out in the section entitled “Group Structure” of this Offer Document.
11. No amount of cash or securities or benefit has been paid or given to any promoter within the two (2) years preceding the Latest Practicable Date or is proposed or intended to be paid or given to any promoter at any time.
12. Application monies received by our Company in respect of successful applications (including successful applications which are subsequently rejected) will be placed in a separate non-interest bearing account with Oversea-Chinese Banking Corporation Limited (the “Receiving Bank”). In the ordinary course of business, the Receiving Bank will deploy these monies in the inter-bank money market. All profits derived from the deployment of such monies will accrue to the Receiving Bank. Any refund of all or part of the application monies to unsuccessful or partially successful applicants will be made without interest or any share of revenue or other benefit arising therefrom.
13. Save as disclosed in this Offer Document, our Directors are not aware of any event which has occurred since the end of FY2011 to the Latest Practicable Date which may have a material effect on the financial position and results of our Group or the financial information provided in this Offer Document.
14. Details, including the name, address and professional qualifications including membership in a professional body of the auditors of our Company for the Period Under Review are as follows:

Name, professional qualification and address	Professional body	Partner-in-charge/ Professional qualification
Ernst & Young LLP One Raffles Quay North Tower Level 18 Singapore 048583	Institute of Certified Public Accountants of Singapore	Max Loh Khum Whai / Certified Public Accountant, Singapore

We have no intention of changing our auditors after the admission to, and listing of, our Company on Catalist.

CONSENTS

15. Ernst & Young LLP, the Auditors and Reporting Accountants, has given and has not withdrawn its written consent to the issue of this Offer Document with the inclusion herein of the “Audited Consolidated Financial Statements of Maxi-Cash Financial Services Corporation Ltd and its Subsidiaries for the Financial Years Ended 31 December 2009, 2010 and 2011” and in the form and context in which it is included and references to its name in the form and context in which it appears in this Offer Document and to act in such capacity in relation to this Offer Document.
16. Canaccord Genuity, the Sponsor, Underwriter and Placement Agent, has given and has not withdrawn its written consent to the issue of this Offer Document with the inclusion herein of its names and references thereto in the form and context in which it appears in this Offer Document and to act in such respective capacities in relation to this Offer Document.
17. The Solicitors to the Invitation has given and has not withdrawn its written consent to the issue of this Offer Document with the inclusion herein of its names and references thereto in the form and context in which it appears in this Offer Document and to act in such respective capacities in relation to this Offer Document.

GENERAL AND STATUTORY INFORMATION

18. Each of the Solicitors to the Invitation, the Share Registrar and Share Transfer Office, the Principal Bankers and the Receiving Banker do not make, or purport to make, any statement in this Offer Document or any statement upon which a statement in this Offer Document is based and, to the maximum extent permitted by law, expressly disclaim and take no responsibility for any liability to any persons which is based on, or arises out of, the statements, information or opinions in this Offer Document.

RESPONSIBILITY STATEMENT BY OUR DIRECTORS

19. This Offer Document has been seen and approved by our Directors and they collectively and individually accept full responsibility for the accuracy of the information given in this Offer Document and confirm after making all reasonable enquiries, that to the best of their knowledge and belief, this Offer Document constitutes full and true disclosure of all material facts about the Invitation and our Group, and our Directors are not aware of any facts, the omission of which would make any statement in this Offer Document misleading. Where information in this Offer Document has been extracted from published or otherwise publicly available sources or obtained from a named source, the sole responsibility of our Directors has been to ensure that such information has been accurately and correctly extracted from those sources and/or reproduced in this Offer Document in its proper form and context.

DOCUMENTS AVAILABLE FOR INSPECTION

20. The following documents or copies thereof may be inspected at our registered office during normal business hours for a period of six (6) months from the date of registration of this Offer Document by the SGX-ST acting as agent on behalf of the Authority:
- (a) the Memorandum and Articles of Association of our Company;
 - (b) the “Audited Consolidated Financial Statements of Maxi-Cash Financial Services Corporation Ltd and its Subsidiaries for the Financial Years Ended 31 December 2009, 2010 and 2011” as set out in Appendix A of this Offer Document;
 - (c) the letters of consent referred to in the section entitled “General and Statutory Information — Consents” of this Offer Document; and
 - (d) the Service Agreement referred to in this Offer Document.

**APPENDIX A – AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF
MAXI-CASH FINANCIAL SERVICES CORPORATION LTD AND ITS SUBSIDIARIES
FOR THE FINANCIAL YEARS ENDED 31 DECEMBER 2009, 2010 AND 2011**

MAXI-CASH FINANCIAL SERVICES CORPORATION LTD. AND ITS SUBSIDIARIES

STATEMENT BY DIRECTORS

We, Koh Wee Seng and Koh Lee Hwee, being two of the directors of Maxi-Cash Financial Services Corporation Ltd. (the “Company”), do hereby state that, in the opinion of the directors,

- (i) the accompanying consolidated financial statements together with notes thereto are drawn up so as to present fairly, in all material respects, the state of affairs of the Group as at 31 December 2009, 2010 and 2011 and the results of the business, changes in equity and cash flows of the Group for the financial years ended on those dates, and
- (ii) at the date of this statement, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they fall due.

On behalf of the board of directors:

Koh Wee Seng
Director

Koh Lee Hwee
Director

12 June 2012

**APPENDIX A – AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF
MAXI-CASH FINANCIAL SERVICES CORPORATION LTD AND ITS SUBSIDIARIES
FOR THE FINANCIAL YEARS ENDED 31 DECEMBER 2009, 2010 AND 2011**

**INDEPENDENT AUDITORS' REPORT ON THE AUDITED CONSOLIDATED FINANCIAL STATEMENTS
OF MAXI-CASH FINANCIAL SERVICES CORPORATION LTD. AND ITS SUBSIDIARIES FOR THE
FINANCIAL YEARS ENDED 31 DECEMBER 2009, 2010 AND 2011**

12 June 2012

The Board of Directors
Maxi-Cash Financial Services Corporation Ltd.
1 Finlayson Green
#14-02
Singapore 049246

Dear Sirs

We have audited the accompanying consolidated financial statements of Maxi-Cash Financial Services Corporation Ltd. (the "Company") and its subsidiaries (collectively, the "Group") set out on pages A-4 to A-52, which comprise the consolidated statements of financial position of the Group as at 31 December 2009, 2010 and 2011, the consolidated statements of changes in equity, the consolidated statements of comprehensive income and consolidated statements cash flow of the Group for the financial years then ended, and a summary of significant accounting policies and other explanatory information.

Management's responsibility for the consolidated financial statements

Management is responsible for the preparation of consolidated financial statements that give a true and fair view in accordance with Singapore Financial Reporting Standards, and for devising and maintaining a system of internal accounting controls sufficient to provide a reasonable assurance that assets are safeguarded against loss from unauthorised use or disposition; and transactions are properly authorised and that they are recorded as necessary to permit the preparation of true and fair profit and loss accounts and balance sheets and to maintain accountability of assets.

Auditors' responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with Singapore Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by directors, as well as evaluating the overall presentation of the consolidated financial statements.

**APPENDIX A – AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF
MAXI-CASH FINANCIAL SERVICES CORPORATION LTD AND ITS SUBSIDIARIES
FOR THE FINANCIAL YEARS ENDED 31 DECEMBER 2009, 2010 AND 2011**

**INDEPENDENT AUDITORS' REPORT ON THE AUDITED CONSOLIDATED FINANCIAL STATEMENTS
OF MAXI-CASH FINANCIAL SERVICES CORPORATION LTD. AND ITS SUBSIDIARIES FOR THE
FINANCIAL YEARS ENDED 31 DECEMBER 2009, 2010 AND 2011**

Auditors' responsibility (cont'd)

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements of the Group are properly drawn up in accordance with Singapore Financial Reporting Standards so as to present fairly, in all material respects, the state of affairs of the Group as at 31 December 2009, 2010 and 2011 and the results, changes in equity and cash flows of the Group for the years ended on those dates.

Other matter

This report has been prepared solely for inclusion in the Final Offer Document in connection with the proposed listing of the Company's shares on the Catalist Board of Singapore Exchange Securities Trading Limited.

ERNST & YOUNG LLP
Public Accountants and
Certified Public Accountants
Singapore

Partner in charge: Max Loh Khum Whai

**APPENDIX A – AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF
MAXI-CASH FINANCIAL SERVICES CORPORATION LTD AND ITS SUBSIDIARIES
FOR THE FINANCIAL YEARS ENDED 31 DECEMBER 2009, 2010 AND 2011**

MAXI-CASH FINANCIAL SERVICES CORPORATION LTD. AND ITS SUBSIDIARIES

**CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
FOR THE FINANCIAL YEARS ENDED 31 DECEMBER 2009, 2010 AND 2011**

(Amounts expressed in Singapore Dollars)

	Note	2009	2010	2011
		\$'000	\$'000	\$'000
Revenue	4	10,036	54,864	87,738
Material costs		(8,375)	(42,553)	(65,244)
Employee benefits	5	(2,278)	(4,097)	(5,896)
Depreciation and amortisation		(224)	(842)	(1,035)
Finance costs	6	(40)	(953)	(1,816)
Other operating expenses		(4,667)	(8,240)	(10,595)
Operating (loss)/profit		(5,548)	(1,821)	3,152
Rental income		–	21	149
Other income	7	90	26	229
(Loss)/profit before tax	8	(5,458)	(1,774)	3,530
Tax credit/(expense)	19(a)	724	451	(421)
(Loss)/profit for the year		(4,734)	(1,323)	3,109
(Loss)/profit attributable to:				
Owners of the parent		(4,697)	(1,256)	3,109
Non-controlling interests		(37)	(67)	–
		(4,734)	(1,323)	3,109
(Loss)/profit for the year		(4,734)	(1,323)	3,109
Other comprehensive income for the year, net of tax		–	–	–
Total comprehensive income for the year		(4,734)	(1,323)	3,109
Total comprehensive income attributable to:				
Owners of the parent		(4,697)	(1,256)	3,109
Non-controlling interests		(37)	(67)	–
		(4,734)	(1,323)	3,109
Earnings per share (cents)				
Basic and diluted	9	(1.7)	(0.4)	1.1

The accompanying accounting policies and explanatory notes form an integral part of the consolidated financial statements.

**APPENDIX A – AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF
MAXI-CASH FINANCIAL SERVICES CORPORATION LTD AND ITS SUBSIDIARIES
FOR THE FINANCIAL YEARS ENDED 31 DECEMBER 2009, 2010 AND 2011**

MAXI-CASH FINANCIAL SERVICES CORPORATION LTD. AND ITS SUBSIDIARIES

**CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
AS AT 31 DECEMBER 2009, 2010 AND 2011**

(Amounts expressed in Singapore Dollars)

	Note	2009 \$'000	2010 \$'000	2011 \$'000
Non-current assets				
Property, plant and equipment	10	1,996	2,671	3,371
Other receivables	13	519	773	983
Prepaid rent	14	311	247	–
Deferred tax assets	19(c)	753	1,459	891
		3,579	5,150	5,245
Current assets				
Inventories	12	3,364	6,112	9,301
Trade and other receivables	13	16,367	64,407	123,871
Prepaid rent	14	35	287	247
Prepayments		62	236	294
Due from a related company (non-trade)	15	11	11	11
Cash and bank balances	16	1,935	2,862	4,906
		21,774	73,915	138,630
Total assets		<u>25,353</u>	<u>79,065</u>	<u>143,875</u>
Current liabilities				
Trade and other payables	17	2,474	2,114	3,383
Due to immediate holding company (non-trade)	15	13,355	7,347	2,752
Bank overdrafts	16	537	11,750	16,097
Provision for taxation		29	265	883
Interest-bearing loans and borrowings	18	7,352	32,313	74,864
		23,747	53,789	97,979
Net current (liabilities)/assets		(1,973)	20,126	40,651
Non-current liabilities				
Interest-bearing loans and borrowings	18	980	973	398
Deferred tax liabilities	19(c)	–	–	86
		980	973	484
Total liabilities		<u>24,727</u>	<u>54,762</u>	<u>98,463</u>
Net assets		<u>626</u>	<u>24,303</u>	<u>45,412</u>
Equity attributable to owners of the parent				
Share capital	20	5,000	30,000	48,000
Accumulated losses		(4,937)	(6,193)	(3,084)
		63	23,807	44,916
Non-controlling interests		563	496	496
Total equity		<u>626</u>	<u>24,303</u>	<u>45,412</u>

The accompanying accounting policies and explanatory notes form an integral part of the consolidated financial statements.

**APPENDIX A – AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF
MAXI-CASH FINANCIAL SERVICES CORPORATION LTD AND ITS SUBSIDIARIES
FOR THE FINANCIAL YEARS ENDED 31 DECEMBER 2009, 2010 AND 2011**

MAXI-CASH FINANCIAL SERVICES CORPORATION LTD. AND ITS SUBSIDIARIES

**CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
AS AT 31 DECEMBER 2009, 2010 AND 2011**

(Amounts expressed in Singapore Dollars)

	Attributable to owners of the parent			Non- controlling interests	Total equity
	Share capital (Note 20)	Accumulated losses	Total		
	\$'000	\$'000	\$'000	\$'000	\$'000
Year ended 31 December 2009					
At 1 January 2009	5,000	(240)	4,760	600	5,360
Loss for the year	–	(4,697)	(4,697)	(37)	(4,734)
Total comprehensive income for the year	–	(4,697)	(4,697)	(37)	(4,734)
At 31 December 2009	5,000	(4,937)	63	563	626
Year ended 31 December 2010					
At 1 January 2010	5,000	(4,937)	63	563	626
Loss for the year	–	(1,256)	(1,256)	(67)	(1,323)
Total comprehensive income for the year	–	(1,256)	(1,256)	(67)	(1,323)
Issuance of ordinary shares	25,000	–	25,000	–	25,000
At 31 December 2010	30,000	(6,193)	23,807	496	24,303
Year ended 31 December 2011					
At 1 January 2011	30,000	(6,193)	23,807	496	24,303
Profit for the year	–	3,109	3,109	–	3,109
Total comprehensive income for the year	–	3,109	3,109	–	3,109
Issuance of ordinary shares	18,000	–	18,000	–	18,000
At 31 December 2011	48,000	(3,084)	44,916	496	45,412

The accompanying accounting policies and explanatory notes form an integral part of the consolidated financial statements.

**APPENDIX A – AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF
MAXI-CASH FINANCIAL SERVICES CORPORATION LTD AND ITS SUBSIDIARIES
FOR THE FINANCIAL YEARS ENDED 31 DECEMBER 2009, 2010 AND 2011**

MAXI-CASH FINANCIAL SERVICES CORPORATION LTD. AND ITS SUBSIDIARIES

**CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE FINANCIAL YEARS ENDED 31 DECEMBER 2009, 2010 AND 2011**

(Amounts expressed in Singapore Dollars)

	Note	2009 \$'000	2010 \$'000	2011 \$'000
Operating activities				
(Loss)/profit before tax		(5,458)	(1,774)	3,530
Adjustments for:				
Property, plant and equipment written-off		41	1	–
Depreciation of property, plant and equipment		203	553	748
Write down of inventories		7	11	2
Interest expense		40	953	1,816
Loss/(gain) on disposal of property, plant and equipment		41	(2)	193
Amortisation of prepaid rent		21	289	287
Operating (loss)/profit before changes in working capital		(5,105)	31	6,576
Increase in:				
Inventories		(3,371)	(2,759)	(3,191)
Trade and other receivables		(16,543)	(48,294)	(59,674)
Prepayments		(9)	(174)	(58)
Increase/(decrease) in:				
Trade and other payables		2,441	(360)	1,269
Net cash used in operations		(22,587)	(51,556)	(55,078)
Interest paid		(40)	(953)	(1,816)
Income taxes paid		–	(19)	(5)
Net cash used in operating activities		(22,627)	(52,528)	(56,899)
Investing activities				
Purchase of property, plant and equipment		(841)	(275)	(1,156)
Proceeds from sale of property, plant and equipment		36	10	25
Increase in prepaid rent		(367)	(477)	–
Net cash used in investing activities		(1,172)	(742)	(1,131)

**APPENDIX A – AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF
MAXI-CASH FINANCIAL SERVICES CORPORATION LTD AND ITS SUBSIDIARIES
FOR THE FINANCIAL YEARS ENDED 31 DECEMBER 2009, 2010 AND 2011**

MAXI-CASH FINANCIAL SERVICES CORPORATION LTD. AND ITS SUBSIDIARIES

**CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE FINANCIAL YEARS ENDED 31 DECEMBER 2009, 2010 AND 2011**

(Amounts expressed in Singapore Dollars)

	Note	2009 \$'000	2010 \$'000	2011 \$'000
Financing activities				
Proceeds from issuance of ordinary shares		–	25,000	18,000
Proceeds from issuance of shares to non-controlling interests		600	–	–
Proceeds from short-term bank borrowings		6,860	27,066	43,479
Repayments of short-term bank borrowings		–	(2,460)	(1,000)
Proceeds from finance lease obligations		180	16	31
Repayments of finance lease obligations		(89)	(630)	(1,044)
(Advances to)/repayments from related companies		(11)	–	856
Advances from/(repayments to) immediate holding company		17,600	(6,008)	(4,595)
Net cash generated from financing activities		<u>25,140</u>	<u>42,984</u>	<u>55,727</u>
Net increase/(decrease) in cash and cash equivalents		1,341	(10,286)	(2,303)
Cash and cash equivalents at beginning of year		<u>57</u>	<u>1,398</u>	<u>(8,888)</u>
Cash and cash equivalents at end of year	16	<u><u>1,398</u></u>	<u><u>(8,888)</u></u>	<u><u>(11,191)</u></u>

The accompanying accounting policies and explanatory notes form an integral part of the consolidated financial statements.

APPENDIX A – AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF MAXI-CASH FINANCIAL SERVICES CORPORATION LTD AND ITS SUBSIDIARIES FOR THE FINANCIAL YEARS ENDED 31 DECEMBER 2009, 2010 AND 2011

MAXI-CASH FINANCIAL SERVICES CORPORATION LTD. AND ITS SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS 31 DECEMBER 2009, 2010 AND 2011

1. Corporate information

On 10 April 2008, Maxi-Cash Financial Services Corporation Pte. Ltd. was incorporated as a private limited company and domiciled in Singapore. On 13 April 2012, the Company was converted to a public limited company and changed its name to Maxi-Cash Financial Services Corporation Ltd.. The Company's immediate holding company and ultimate holding company are Aspial Corporation Limited and MLHS Holdings Pte. Ltd. respectively. The two companies are both incorporated in Singapore.

The Company's registered office is 1 Finlayson Green, #14-02, Singapore 049246 and its principal place of business is 55 Ubi Avenue 1, #07-10 and #07-14 Ubi 55, Singapore 408935.

The principal activity of the Company is investment holding. The principal activities of the subsidiaries are disclosed in Note 11 to the financial statements.

2. Summary of significant accounting policies

2.1 *Basis of preparation*

The consolidated financial statements of the Group have been prepared in accordance with Singapore Financial Reporting Standards ("FRS").

The consolidated financial statements have been prepared on a historical cost basis except as disclosed in the accounting policies below.

The consolidated financial statements are presented in Singapore Dollars (SGD or \$) except when otherwise indicated.

2.2 *Changes in accounting policies*

The accounting policies have been consistently applied by the Group during the financial years ended 31 December 2009, 2010 and 2011, except for the changes in accounting policies discussed below.

(a) Standards and interpretations mandatory for annual financial periods beginning on or after 1 January 2009 are as follows:

- FRS 1 Presentation of Financial Statements (Revised)
- Amendments to FRS 18 Revenue
- Amendments to FRS 23 Borrowing Costs
- Amendments to FRS 32 Financial Instruments: Presentation and FRS 1 Presentation of Financial Statements – Puttable Financial Instruments and Obligations Arising on Liquidation
- Amendments to FRS 101 First-time Adoption of Financial Reporting Standards and FRS 27 Consolidated and Separate Financial Statements – Cost of an Investment in a Subsidiary, Jointly Controlled Entity or Associate
- Amendments to FRS 107 Financial Instruments: Disclosures

APPENDIX A – AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF MAXI-CASH FINANCIAL SERVICES CORPORATION LTD AND ITS SUBSIDIARIES FOR THE FINANCIAL YEARS ENDED 31 DECEMBER 2009, 2010 AND 2011

MAXI-CASH FINANCIAL SERVICES CORPORATION LTD. AND ITS SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS 31 DECEMBER 2009, 2010 AND 2011

2. Summary of significant accounting policies (cont'd)

2.2 *Changes in accounting policies (cont'd)*

- (a) Standards and interpretations mandatory for annual financial periods beginning on or after 1 January 2009 are as follows: (cont'd)

- FRS 108 Operating Segments
- Improvements to FRSs issued in 2008
- INT FRS 113 Customer Loyalty Programmes
- INT FRS 116 Hedges of a Net Investment in a Foreign Operation
- Amendments to INT FRS 109 Reassessment of Embedded Derivatives and FRS 39 Financial Instruments: Recognition and Measurement – Embedded Derivatives
- INT FRS 118 Transfers of Assets from Customers

Adoption of these standards and interpretations did not have any material effect on the financial performance or position of the Group. They did however give rise to additional disclosures, including, in some cases, revisions to accounting policies.

The principal effects of these changes are as follows:

FRS 1 Presentation of Financial Statements – Revised presentation

The revised FRS 1 separates owner and non-owner changes in equity. The statement of changes in equity includes only details of transactions with owners, with all non-owner changes in equity presented in the statement of other comprehensive income. In addition, the Standard introduces the statement of comprehensive income which presents income and expense recognised in the period. This statement may be presented in one single statement, or two linked statements. The Group has elected to present this statement as one single statement.

Amendments to FRS 107 Financial Instruments: Disclosures

The amendments to FRS 107 require additional disclosure about fair value measurement and liquidity risk. Fair value measurements are to be disclosed by source of inputs using a three level hierarchy for each class of financial instrument. In addition, reconciliation between the beginning and ending balance for Level 3 fair value measurements is now required, as well as significant transfers between Level 1 and Level 2 fair value measurements. The amendments also clarify the requirements for liquidity risk disclosures. The liquidity risk disclosures are presented in Notes 24(a) to the financial statements.

FRS 108 Operating Segments

FRS 108 requires disclosure of information about the Group's operating segments and replaces the requirement to determine primary and secondary reporting segments of the Group. The Group determined that the reportable operating segments are the same as the business segments previously identified under FRS 14 Segment Reporting. Additional disclosures about each of the segments are shown in Note 23 to the financial statements.

**APPENDIX A – AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF
MAXI-CASH FINANCIAL SERVICES CORPORATION LTD AND ITS SUBSIDIARIES
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MAXI-CASH FINANCIAL SERVICES CORPORATION LTD. AND ITS SUBSIDIARIES

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
31 DECEMBER 2009, 2010 AND 2011**

2. Summary of significant accounting policies (cont'd)

2.2 Changes in accounting policies (cont'd)

- (a) Standards and interpretations mandatory for annual financial periods beginning on or after 1 January 2009 are as follows: (cont'd)

INT FRS 113 Customer Loyalty Programmes

INT FRS 113 Customer Loyalty Programmes requires loyalty award credits to be accounted for as a separate component of the sales transactions in which they are granted. The fair value of the consideration received is allocated to the loyalty awards credits and the amount is deferred until the awards are redeemed or no longer expected to be redeemed.

The change in accounting policy is to be applied retrospectively. The adoption of INT FRS 113 did not result in a material change in the Group's revenue, profit net of tax, deferred revenue and net assets of the Group.

Improvements to FRSs issued in 2008

In 2008, the Accounting Standards Council issued an omnibus of amendments to FRS. There are separate transitional provisions for each amendment. The adoption of the following amendments resulted in changes to accounting policies but did not have any impact on the financial position or performance of the Group:

- *FRS 1 Presentation of Financial Statements:* Assets and liabilities classified as held for trading in accordance with FRS 39 *Financial Instruments: Recognition and Measurement* are not automatically classified as current in the balance sheet. The Group amended its accounting policy accordingly and analysed whether management's expectation of the period or realisation of financial assets and liabilities differs from the classification of the instrument. This did not result in any re-classification of financial instruments between current and non-current in the balance sheet.
- *FRS 16 Property, Plant and Equipment:* Replaces the term "net selling price" with "fair value less costs to sell". The Group amended its accounting policy accordingly, which did not result in any change in its financial position.
- *FRS 23 Borrowing Costs:* The definition of borrowing costs is revised to consolidate the two types of items that are considered components of "borrowing costs" into one – the interest expense calculated using the effective interest rate method calculated in accordance with FRS 39. The Group has amended its accounting policy accordingly which did not result in any change in its financial position.

APPENDIX A – AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF MAXI-CASH FINANCIAL SERVICES CORPORATION LTD AND ITS SUBSIDIARIES FOR THE FINANCIAL YEARS ENDED 31 DECEMBER 2009, 2010 AND 2011

MAXI-CASH FINANCIAL SERVICES CORPORATION LTD. AND ITS SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS 31 DECEMBER 2009, 2010 AND 2011

2. Summary of significant accounting policies (cont'd)

2.2 *Changes in accounting policies (cont'd)*

(b) Standards and interpretations mandatory for annual financial periods beginning on or after 1 January 2010 are as follows:

- Amendments to FRS 27 Consolidated and Separate Financial Statements
- Amendments to FRS 39 Financial Instruments: Recognition and Measurement – Eligible Hedged Item
- Revised FRS 103 Business Combinations
- Amendments to FRS 105 Non-current Assets Held for Sale and Discontinued Operations
- INT FRS 117 Distributions of Non-cash Assets to Owners
- Improvements to FRSs issued in 2009:
 - Amendments to FRS 38 Intangible Assets
 - Amendments to FRS 102 Share-based Payment
 - Amendments to INT FRS 109 Reassessment of Embedded Derivatives
 - Amendments to FRS 1 Presentation of Financial Statements
 - Amendment to INT FRS 116 Hedges of Net Investment in a Foreign Operation
 - Amendments to FRS 7 Statement of Cash Flows
 - Amendments to FRS 17 Leases
 - Amendments to FRS 36 Impairment of Assets
 - FRS 39 Financial Instruments: Recognition and Measurement
 - Amendments to FRS 101 Additional Amendments for First-time Adopters
 - Amendments to FRS 102 Share-based payment – Group Cash Settled Share-based Payment Transactions
 - Amendment to FRS 105 Non-current Assets Held for Sale and Discontinued Operations

Adoption of these standards and interpretations did not have any material effect on the financial performance or position of the Group. They did however give rise to additional disclosures, including, in some cases, revisions to accounting policies.

The principal effects of these changes are as follows:

FRS 27 Consolidated and Separate Financial Statements (revised)

Changes in significant accounting policies resulting from the adoption of the revised FRS 27 include:

- A change in the ownership interest of a subsidiary that does not result in a loss of control is accounted for as an equity transaction. Therefore, such a change will have no impact on goodwill, nor will it give rise to a gain or loss recognised in profit or loss.
- Losses incurred by a subsidiary are allocated to the non-controlling interest even if the losses exceed the non-controlling interest in the subsidiary's equity.

**APPENDIX A – AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF
MAXI-CASH FINANCIAL SERVICES CORPORATION LTD AND ITS SUBSIDIARIES
FOR THE FINANCIAL YEARS ENDED 31 DECEMBER 2009, 2010 AND 2011**

MAXI-CASH FINANCIAL SERVICES CORPORATION LTD. AND ITS SUBSIDIARIES

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
31 DECEMBER 2009, 2010 AND 2011**

2. Summary of significant accounting policies (cont'd)

2.2 Changes in accounting policies (cont'd)

- (c) Standards and interpretations mandatory for annual financial periods beginning on or after 1 January 2011 are as follows:

- Revised FRS 24 Related Party Disclosures
- Amendments to INT FRS 114 Prepayments of a Minimum Funding Requirement
- INT FRS 115 Agreements for the Construction of Real Estate
- Improvements to FRSs 2010

Adoption of these standards and interpretations did not have any material effect on the financial performance or position of the Group. They did however give rise to additional disclosures, including, in some cases, revisions to accounting policies.

The principal effects of these changes are as follows:

Revised FRS 24 Related Party Disclosures

The revised FRS 24 clarifies the definition of a related party to simplify the identification of such relationships and to eliminate inconsistencies in its application. The revised FRS 24 expands the definition of a related party and would treat two entities as related to each other whenever a person (or a close member of that person's family) or a third party has control or joint control over the entity, or has significant influence over the entity. The revised standard also introduces a partial exemption of disclosure requirements for government-related entities. The Group is currently determining the impact of the changes to the definition of a related party on the disclosure of related party transactions. As this is a disclosure standard, it will have no impact on the financial position or financial performance of the Group when implemented in 2011.

2.3 Standards issued but not yet effective

The Group has not adopted the following standards and interpretations that have been issued but not yet effective:

Description	Effective for annual periods beginning on or after
Amendments to FRS 107 <i>Disclosures – Transfers of Financial Assets</i>	1 July 2011
Amendments to FRS 12 <i>Deferred Tax: Recovery of Underlying Assets</i>	1 January 2012
Amendments to FRS 1 <i>Presentation of Items of Other Comprehensive Income</i>	1 July 2012
Revised FRS 19 <i>Employee Benefits</i>	1 January 2013
Revised FRS 27 <i>Separate Financial Statements</i>	1 January 2013
Revised FRS 28 <i>Investments in Associates and Joint Ventures</i>	1 January 2013
FRS 110 <i>Consolidated Financial Statements</i>	1 January 2013
FRS 111 <i>Joint Arrangements</i>	1 January 2013
FRS 112 <i>Disclosure of Interests in Other Entities</i>	1 January 2013
FRS 113 <i>Fair Value Measurements</i>	1 January 2013
Amendments to FRS 107 <i>Disclosures – Offsetting Financial Assets and Financial Liabilities</i>	1 January 2013
Amendments to FRS 32 <i>Offsetting Financial Assets and Financial Liabilities</i>	1 January 2014

APPENDIX A – AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF MAXI-CASH FINANCIAL SERVICES CORPORATION LTD AND ITS SUBSIDIARIES FOR THE FINANCIAL YEARS ENDED 31 DECEMBER 2009, 2010 AND 2011

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS 31 DECEMBER 2009, 2010 AND 2011

2. Summary of significant accounting policies (cont'd)

2.3 *Standards issued but not yet effective (cont'd)*

Except for the Amendments to FRS 1, the directors expect that the adoption of the other standards and interpretations above will have no material impact on the financial statements in the period of initial application. The nature of the impending changes in accounting policy on adoption of the Amendments to FRS 1 is described below.

Amendments to FRS 1 Presentation of Items of Other Comprehensive Income

The Amendments to FRS 1 Presentation of Items of Other Comprehensive Income ("OCI") is effective for financial periods beginning on or after 1 July 2012.

The Amendments to FRS 1 changes the grouping of items presented in OCI. Items that could be reclassified to profit or loss at a future point in time would be presented separately from items which will never be reclassified. As the Amendments only affect the presentations of items that are already recognised in OCI, the Group does not expect any impact on its financial position or performance upon adoption of this standard.

2.4 *Basis of consolidation*

Business combinations from 1 January 2010

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries as at the end of the reporting period. The financial statements of the subsidiaries used in the preparation of the consolidated financial statements are prepared for the same reporting date as the Company. Consistent accounting policies are applied to like transactions and events in similar circumstances.

All intra-group balances, income and expenses and unrealised gains and losses resulting from intra-group transactions are eliminated in full.

Subsidiaries are consolidated from the date of acquisition, being the date on which the Group obtains control, and continue to be consolidated until the date that such control ceases.

Business combinations are accounted for by applying the acquisition method. Identifiable assets acquired and liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. Acquisition-related costs are recognised as expenses in the periods in which the costs are incurred and the services are received.

When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date. This includes the separation of embedded derivatives in host contracts by the acquiree.

Any contingent consideration to be transferred by the acquirer will be recognised at fair value at the acquisition date. Subsequent changes to the fair value of the contingent consideration which is deemed to be an asset or liability, will be recognised in accordance with FRS 39 either in profit or loss or a change to other comprehensive income. If the contingent consideration is classified as equity, it is not be remeasured until it is finally settled within equity.

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2. Summary of significant accounting policies (cont'd)

2.4 *Basis of consolidation (cont'd)*

In business combinations achieved in stages, previously held equity interests in the acquiree are remeasured to fair value at the acquisition date and any corresponding gain or loss is recognised in profit or loss.

The Group elects for each individual business combination, whether non-controlling interest in the acquiree (if any) is recognised on the acquisition date at fair value, or at the non-controlling interest's proportionate share of the acquiree identifiable net assets.

Any excess of the sum of the fair value of the consideration transferred in the business combination, the amount of non-controlling interest in the acquiree (if any), and the fair value of the Group's previously held equity interest in the acquiree (if any), over the net fair value of the acquiree's identifiable assets and liabilities is recorded as goodwill. In instances where the latter amount exceeds the former, the excess is recognised as gain on bargain purchase in profit or loss on the acquisition date.

Business combinations before 1 January 2010

In comparison to the above mentioned requirements, the following differences applied:

Business combinations are accounted for by applying the purchase method. Transaction costs directly attributable to the acquisition formed part of the acquisition costs. The non-controlling interest (formerly known as minority interest) was measured at the proportionate share of the acquiree's identifiable net assets.

Business combinations achieved in stages were accounted for as separate steps. Adjustments to those fair values relating to previously held interests are treated as a revaluation and recognised in equity.

When the Group acquired a business, embedded derivatives separated from the host contract by the acquiree are not reassessed on acquisition unless the business combination results in a change in the terms of the contract that significantly modifies the cash flows that would otherwise be required under the contract.

Contingent consideration was recognised if, and only if, the Group had a present obligation, the economic outflow was more likely than not and a reliable estimate was determinable. Subsequent measurements to the contingent consideration affected goodwill.

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2. Summary of significant accounting policies (cont'd)

2.5 *Transactions with non-controlling interests*

Non-controlling interest represents the equity in subsidiaries not attributable, directly or indirectly, to owners of the Company, and are presented separately in the consolidated statement of comprehensive income and within equity in the consolidated statement of financial position, separately from equity attributable to owners of the Company.

Changes in the Company owners' ownership interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions. In such circumstances, the carrying amounts of the controlling and non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiary. Any difference between the amount by which the non-controlling interest is adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to owners of the Company.

2.6 *Subsidiaries*

A subsidiary is an entity over which the Group has the power to govern the financial and operating policies so as to obtain benefits from its activities. The Group generally has such power when it directly or indirectly, holds more than 50% of the issued share capital, or controls more than half of the voting power, or controls the composition of the Board of Directors.

2.7 *Functional and foreign currency*

(a) *Functional currency*

The management has determined the currency of the primary economic environment in which the Company operates i.e. functional currency, to be SGD. Sales prices and major costs of providing goods and services including major operating expenses are primarily influenced by fluctuations in SGD.

(b) *Transactions and balances*

Transactions in foreign currencies are measured in the respective functional currencies of the Company and its subsidiaries and are recorded on initial recognition in the functional currencies at exchange rates approximating those ruling at the transaction dates. Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the end of the reporting period. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined.

Exchange differences arising on the settlement of monetary items or on translating monetary items at the end of the reporting period are recognised in profit or loss.

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS 31 DECEMBER 2009, 2010 AND 2011

2. Summary of significant accounting policies (cont'd)

2.8 *Property, plant and equipment*

All items of property, plant and equipment are initially recorded at cost. Such cost includes the cost of replacing part of the property, plant and equipment and borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying property, plant and equipment. The accounting policy for borrowing costs is set out in Note 2.15. The cost of an item of property, plant and equipment is recognised as an asset if, and only if, it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably.

Subsequent to recognition, property, plant and equipment are measured at cost less accumulated depreciation and accumulated impairment losses.

Renovation-in-progress is not depreciated until it is ready for its intended use. Depreciation of an asset begins when it is available for use and is computed on a straight-line basis over the estimated useful life of the asset as follows:

Renovations, electrical fittings, furniture and fittings	–	3 – 5 years
Air-conditioners, security equipment and office equipment	–	3 – 5 years
Machinery, tools and equipment	–	5 years
Computers	–	3 years
Motor vehicles	–	3 – 7 years

The carrying values of property, plant and equipment are reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable.

The residual value, useful life and depreciation method are reviewed at each financial year-end to ensure that the amount, method and period of depreciation are consistent with previous estimates and the expected pattern of consumption of the future economic benefits embodied in the items of property, plant and equipment.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset is included in profit or loss in the year the asset is derecognised.

2.9 *Impairment of non-financial assets*

The Group assesses at each reporting date whether there is indication that an asset may be impaired. If any indication exists, or when annual impairment assessment for an asset is required, the Group makes an estimate of the asset's recoverable amount.

An asset's recoverable amount is the higher of an asset's or cash-generating unit's fair value less costs to sell and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets. Where the carrying amount of an asset or cash-generating unit exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing value in use, the estimated future cash flows expected to be generated by the asset are discounted to their present value.

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2. Summary of significant accounting policies (cont'd)

2.9 *Impairment of non-financial assets (cont'd)*

Impairment losses are recognised in profit or loss in those expense categories consistent with the function of the impaired asset, except for assets that are previously revalued where the revaluation was taken to other comprehensive income. In this case, the impairment is also recognised in other comprehensive income up to the amount of any previous revaluation.

For assets excluding goodwill, an assessment is made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. If such indication exists, the Group estimates the asset's or cash-generating unit's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. If that is the case, the carrying amount of the asset is increased to its recoverable amount. That increase cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised previously. Such reversal is recognised in profit or loss unless the asset is measured at revalued amount, in which case the reversal is treated as a revaluation increase.

2.10 *Financial assets*

Initial recognition and measurement

Financial assets are recognised on the statement of financial position when, and only when, the Group becomes a party to the contractual provisions of the financial instrument. The Group determines the classification of its financial assets at initial recognition.

When financial assets are recognised initially, they are measured at fair value, plus, in the case of financial assets not at fair value through profit or loss, directly attributable transaction costs.

Subsequent measurement

Loans and receivables

Non-derivative financial assets with fixed or determinable payments that are not quoted in an active market are classified as loans and receivables. Subsequent to initial recognition, loans and receivables are measured at amortised cost using the effective interest method, less impairment. Gains and losses are recognised in profit or loss when the loans and receivables are derecognised or impaired, and through the amortisation process.

The Group classifies the following financial assets as loans and receivables:

- cash and cash equivalents;
- trade and other receivables, including amounts due from related companies.

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS 31 DECEMBER 2009, 2010 AND 2011

2. Summary of significant accounting policies (cont'd)

2.10 *Financial assets (cont'd)*

Derecognition

A financial asset is derecognised where the contractual right to receive cash flows from the asset has expired. On derecognition of a financial asset in its entirety, the difference between the carrying amount and the sum of the consideration received and any cumulative gain or loss that had been recognised in other comprehensive income is recognised in profit or loss.

All regular way purchases and sales of financial assets are recognised or derecognised on the trade date i.e., the date that the Group commits to purchase or sell the asset. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the period generally established by regulation or convention in the marketplace concerned.

2.11 *Cash and cash equivalents*

Cash and cash equivalents comprise cash on hand and at banks which are subject to an insignificant risk of changes in value. These also include bank overdrafts that form an integral part of the Group's cash management.

2.12 *Impairment of financial assets*

The Group assesses at each end of the reporting period whether there is any objective evidence that a financial asset is impaired.

Financial assets carried at amortised cost

For financial assets carried at amortised cost, the Group first assesses whether objective evidence of impairment exists individually for financial assets that are individually significant, or collectively for financial assets that are not individually significant. If the Group determines that no objective evidence of impairment exists for an individually assessed financial asset, whether significant or not, it includes the asset in a group of financial assets with similar credit risk characteristics and collectively assesses them for impairment. Assets that are individually assessed for impairment and for which an impairment loss is, or continues to be recognised are not included in a collective assessment of impairment.

If there is objective evidence that an impairment loss on financial assets carried at amortised cost has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the financial asset's original effective interest rate. If a loan has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate. The carrying amount of the asset is reduced through the use of an allowance account. The impairment loss is recognised in profit or loss.

When the asset becomes uncollectible, the carrying amount of impaired financial assets is reduced directly or if an amount was charged to the allowance account, the amounts charged to the allowance account are written off against the carrying value of the financial asset.

To determine whether there is objective evidence that an impairment loss on financial assets has been incurred, the Group considers factors such as the probability of insolvency or significant financial difficulties of the debtor and default or significant delay in payments.

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2. Summary of significant accounting policies (cont'd)

2.12 *Impairment of financial assets (cont'd)*

If in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed to the extent that the carrying amount of the asset does not exceed its amortised cost at the reversal date. The amount of reversal is recognised in profit or loss.

2.13 *Inventories*

Inventories are stated at the lower of cost and net realisable value.

Costs incurred in bringing the inventories to their present location and condition are accounted for as follows:

Finished goods – cost of raw materials, labour and an attributable portion of overheads, determined on a specific identification basis.

Where necessary, allowance is provided for damaged, obsolete and slow moving items to adjust the carrying value of inventories to the lower of cost and net realisable value.

Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

2.14 *Financial liabilities*

Initial recognition and measurement

Financial liabilities are recognised on the statement of financial position when, and only when, the Group becomes a party to the contractual provisions of the financial instrument. The Group determines the classification of its financial liabilities at initial recognition.

All financial liabilities are recognised initially at fair value and in the case of other financial liabilities, plus directly attributable transaction costs.

Subsequent measurement

After initial recognition, other financial liabilities are subsequently measured at amortised cost using the effective interest method. Gains and losses are recognised in profit or loss when the liabilities are derecognised, and through the amortisation process.

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognised in profit or loss.

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS 31 DECEMBER 2009, 2010 AND 2011

2. Summary of significant accounting policies (cont'd)

2.15 *Borrowing costs*

Borrowing costs are capitalised as part of the cost of a qualifying asset if they are directly attributable to the acquisition, construction or production of that asset. Capitalisation of borrowing costs commences when the activities to prepare the asset for its intended use or sale are in progress and the expenditures and borrowing costs are incurred. Borrowing costs are capitalised until the assets are substantially completed for their intended use or sale. All other borrowing costs are expensed in the period they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

2.16 *Provisions*

Provisions are recognised when the Group has a present obligation as a result of a past event, it is probable that an outflow of economic resources will be required to settle the obligation and the amount of the obligation can be estimated reliably.

Provisions are reviewed at the end of each reporting period and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of economic resources will be required to settle the obligation, the provision is reversed. If the effect of the time value of money is material, provisions are discounted using a current pre tax rate that reflects, where appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

2.17 *Employee benefits*

(a) *Defined contribution plans*

As required by law, the Group makes contributions to the national pension scheme, the Central Provident Fund ("CPF"), a defined contribution pension scheme. CPF contributions are recognised as an expense in the same period in which the related service is performed.

(b) *Employee leave entitlement*

Employee entitlements to annual leave are recognised as a liability when they accrue to the employees. The estimated liability for leave is recognised for services rendered by employees up to end of the reporting period.

2.18 *Leases*

(a) *Finance lease*

Finance leases, which transfer to the Group substantially all the risks and rewards incidental to ownership of the leased item, are capitalised at the inception of the lease at the fair value of the leased asset or, if lower, at the present value of the minimum lease payments. Any initial direct costs are also added to the amount capitalised. Lease payments are apportioned between the finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are charged to profit or loss. Contingent rents, if any, are charged as expenses in the periods in which they are incurred.

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2. Summary of significant accounting policies (cont'd)

2.18 Leases (cont'd)

(b) *Operating lease*

(i) As lessee

Leases where the lessor effectively retains substantially all the risks and benefits of ownership of the leased assets are classified as operating leases. Operating lease payments are recognised as an expense in profit or loss on a straight-line basis over the lease term.

The aggregate benefit of incentives provided by the lessor is recognised as a reduction of rental expense over the lease term on a straight-line basis.

Contingent rents, if any, are charged as expenses in the periods in which they are incurred.

(ii) As lessor

Leases where the Group retains substantially all the risks and rewards of ownership of the asset are classified as operating leases. Initial direct costs incurred in negotiating an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same bases as rental income. The accounting policy for rental income is set out in Note 2.19(c). Contingent rents are recognised as revenue in the period in which they are earned.

2.19 Revenue recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured. Revenue is measured at the fair value of consideration received or receivable excluding discounts, rebates, and sales taxes or duty. The Group assesses its revenue arrangements to determine if it is acting as principal or agent. The Group has concluded that it is acting as a principal in all of its revenue arrangements. The following specific recognition criteria must also be met before revenue is recognised.

(a) *Sale of goods*

Revenue from sale of pre-owned jewellery and watches is recognised upon the transfer of significant risk and rewards of ownership of the goods to the customer, which generally coincides with delivery and acceptance of the goods sold, net of discounts, returns and applicable goods and services tax. Revenue is not recognised to the extent where there are significant uncertainties regarding recovery of the consideration due, associated costs or the possible return of goods.

(b) *Interest income*

Interest income from loans to customers and from banks is recognised on a time-proportion basis using the effective interest method.

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2. Summary of significant accounting policies (cont'd)

2.19 *Revenue recognition (cont'd)*

(c) *Rental income from operating leases*

Rental income is accounted for on a straight-line basis over the lease terms. The aggregate costs of incentives provided to lessees are recognised as a reduction of rental income over the lease term on a straight-line basis.

(d) *Dividends*

Dividend income is recognised when the Group's right to receive payment is established.

2.20 *Income taxes*

(a) *Current income tax*

Current income tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted by the end of the reporting period, in the country where the Group operates and generates taxable income.

Current income taxes are recognised in profit or loss except to the extent that the tax relates to items recognised outside profit or loss, either in other comprehensive income or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

(b) *Deferred tax*

Deferred tax is provided using the liability method on temporary differences at the end of the reporting period between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax assets and liabilities are recognised for all taxable temporary differences, except:

- Where the deferred tax relating to the deductible temporary differences arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither accounting profit nor taxable profit or loss; and
- In respect of deductible temporary differences and carry-forward of unused tax credits and unused tax losses, if it is not probable that taxable profit will be available against which the deductible temporary differences and carry-forward of unused tax credits and unused tax losses can be utilised.

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2. Summary of significant accounting policies (cont'd)

2.20 *Income taxes (cont'd)*

(b) *Deferred tax (cont'd)*

Deferred tax assets are recognised for all deductible temporary differences, carry forward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised except:

- where the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither accounting profit nor taxable profit or loss; and
- in respect of deductible temporary differences associated with investments in subsidiaries, associate and interests in joint venture, deferred income tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are reassessed at the end of each reporting period and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted at the end of the reporting period.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss. Deferred tax items are recognised in correlation to the underlying transaction either in other comprehensive income or directly in equity and deferred tax arising from a business combination is adjusted against goodwill on acquisition.

Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set off current income tax assets against current income tax liabilities and the deferred income taxes relate to the same taxable entity and the same taxation authority.

Tax benefits acquired as part of a business combination, but not satisfying the criteria for separate recognition at that date, would be recognised subsequently if new information about facts and circumstances changed. The adjustment would either be treated as a reduction to goodwill (as long as it does not exceed goodwill) if it was incurred during the measurement period or in profit or loss.

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2. Summary of significant accounting policies (cont'd)

2.20 *Income taxes (cont'd)*

(c) *Sales tax*

Revenues, expenses and assets are recognised net of the amount of sales tax except:

- Where the sales tax incurred in a purchase of assets or services is not recoverable from the taxation authority, in which case the sales tax is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable; and
- Receivables and payables that are stated with the amount of sales tax included.

The net amount of sales tax recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the statement of financial position.

2.21 *Segment reporting*

For management purposes, the Group is organised into operating segments based on their products and services which are independently managed by the respective segment managers responsible for the performance of the respective segments under their charge. The segment managers report directly to the management of the Company who regularly review the segment results in order to allocate resources to the segments and to assess the segment performance. Additional disclosures on each of these segments are shown in Note 23, including the factors used to identify the reportable segments and the measurement basis of segment information.

2.22 *Share capital and share issue expenses*

Proceeds from issuance of ordinary shares are recognised as share capital in equity. Incremental costs directly attributable to the issuance of ordinary shares are deducted against share capital.

2.23 *Related parties*

A related party is defined as follows:

- (a) A person or a close member of that person's family is related to the Group and Company if that person:
- (i) Has control or joint control over the Company;
 - (ii) Has significant influence over the Company; or
 - (iii) Is a member of the key management personnel of the Group or Company or of a parent of the Company.

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS 31 DECEMBER 2009, 2010 AND 2011

2. Summary of significant accounting policies (cont'd)

2.23 Related parties (cont'd)

- (b) An entity is related to the Group and the Company if any of the following conditions applies :
- (i) The entity and the Company are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others).
 - (ii) One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member).
 - (iii) Both entities are joint ventures of the same third party.
 - (iv) One entity is a joint venture of a third entity and the other entity is an associate of the third entity.
 - (v) The entity is a post-employment benefit plan for the benefit of employees of either the Company or an entity related to the Company. If the Company is itself such a plan, the sponsoring employers are also related to the Company;
 - (vi) The entity is controlled or jointly controlled by a person identified in (a);
 - (vii) A person identified in (a) (i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).

3. Significant accounting judgments and estimates

The preparation of the Group's consolidated financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities at the end of each reporting period. However, uncertainty about these assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amount of the asset or liability affected in the future periods.

3.1 Judgments made in applying accounting policies

In the process of applying the Group's accounting policies, management has made the following judgments, apart from those involving estimations, which has the most significant effect on the amounts recognised in the financial statements:

Income taxes

The Group has exposure to income taxes in Singapore. Significant judgment is involved in determining the Group-wide provision for income taxes. There are certain transactions and computations for which the ultimate tax determination is uncertain during the ordinary course of business. The Group recognises liabilities for expected tax issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recognised, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made. The carrying amount of the Group's income tax payables and deferred tax liabilities at the end of the reporting period was \$883,000 (2010: \$265,000; 2009: \$29,000) and \$86,000 (2010: \$nil; 2009: \$nil) respectively.

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3. Significant accounting judgments and estimates (cont'd)

3.1 *Judgments made in applying accounting policies (cont'd)*

Deferred tax assets are recognised for all unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Significant management judgment is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and level of future taxable profit together with future tax planning strategies. The carrying amount of the Group's deferred tax assets at the end of the reporting period was and \$891,000 (2010: \$1,459,000; 2009: \$753,000).

3.2 *Key sources of estimation uncertainty*

The key assumptions concerning the future and other key sources of estimation uncertainty at the end of each reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

(a) *Impairment of non-financial assets*

The Group assesses whether there are any indicators of impairment for all non-financial assets at each reporting date. Non-financial assets are tested for impairment when there are indicators that the carrying amounts may not be recoverable.

When value in use calculations are undertaken, management must estimate the expected future cash flows from the asset or cash-generating unit and choose a suitable discount rate in order to calculate the present value of those cash flows. The carrying amount of the Group's property, plant and equipment at the end of the reporting period is disclosed in Note 10.

(b) *Impairment of loans and receivables*

The Group assesses at the end of each reporting period whether there is any objective evidence that a financial asset is impaired. To determine whether there is objective evidence of impairment, the Group considers factors such as the probability of insolvency or significant financial difficulties of the debtor and default or significant delay in payments. The carrying amount of the Group's loans and receivables at the end of the reporting period is disclosed in Note 13.

(c) *Impairment of inventory*

The Group assesses periodically provision for excess inventory. When inventories are deemed obsolete or when the net realisable value falls below cost, the amount of obsolete inventories or fall in value is recognised as an impairment against the inventory balance. To determine whether there is objective evidence of impairment, the Group estimates future demand for the product. Any possible changes in these estimates could result in revision to the valuation of inventory. The carrying amount of the Group's inventories at the end of the reporting period is disclosed in Note 12.

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4. Revenue

	2009	2010	2011
	\$'000	\$'000	\$'000
Sales of pre-owned jewellery and watches	9,385	48,091	73,477
Interest income from providing collateral loan services	651	6,773	14,261
	<u>10,036</u>	<u>54,864</u>	<u>87,738</u>

5. Employee benefits

	2009	2010	2011
	\$'000	\$'000	\$'000
Employee benefits expenses (including executive directors):			
Salaries and bonuses	2,104	3,721	5,326
Central Provident Fund contributions	174	376	570
	<u>2,278</u>	<u>4,097</u>	<u>5,896</u>

6. Finance costs

	2009	2010	2011
	\$'000	\$'000	\$'000
Interest expense			
- term loans/short-term bank borrowings	17	486	1,117
- bank overdrafts	2	356	591
- hire purchase	21	110	107
- others	–	1	1
	<u>40</u>	<u>953</u>	<u>1,816</u>

7. Other income

	2009	2010	2011
	\$'000	\$'000	\$'000
Gain on disposal of property, plant and equipment	–	2	–
Net foreign exchange (loss)/gain	(63)	(79)	210
Grant income from Jobs Credit Scheme	77	42	–
Others	76	61	19
	<u>90</u>	<u>26</u>	<u>229</u>

During the financial year ended 31 December 2009, the Singapore Finance Minister announced the introduction of a Jobs Credit Scheme (“Scheme”). Under this Scheme, the Group received a 12% cash grant on the first \$2,500 of each month’s wages for each employee on their Central Provident Fund payroll. For the three month periods ended 31 March and 30 June 2010, the cash grant was reduced to 6% and 3% respectively. The Scheme ceased thereafter.

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8. (Loss)/profit before tax

This is determined after charging/(crediting) the following:

	2009	2010	2011
	\$'000	\$'000	\$'000
Non-audit fees paid to:			
- Auditors of the Group	25	24	33
Amortisation of prepaid rent	21	289	287
Depreciation of property, plant and equipment	203	553	748
Fixed rental expense on operating leases	1,921	3,569	5,548
Contingent rental expense on operating leases	–	4	18
Property, plant and equipment written-off	41	1	–
Loss on disposal of property, plant and equipment	41	–	193
Write down of inventories	7	11	2
	<u>7</u>	<u>11</u>	<u>2</u>

9. Earnings per share

Basic earnings per share amounts is calculated by dividing the profit for the year attributable to ordinary equity holders of the Company by the post-placement share capital of the Company. The Company's post-placement share capital of 283,000,000 ordinary shares is assumed to be in issue throughout the entire financial years presented.

Diluted earnings per share is similar to basic earnings per share as there were no potential dilutive ordinary shares existing during the respective financial years.

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10. Property, plant and equipment

	Renovations, electrical fittings, furniture and fittings \$'000	Air-conditioner, security equipment and office equipment \$'000	Renovation- in-progress \$'00	Machinery, tools and equipment \$'000	Computers \$'000	Motor vehicles \$'000	Total \$'000
Cost							
At 1 January 2009	61	22	–	–	15	–	98
Additions	1,105	812	74	101	111	19	2,222
Disposals	–	(86)	–	–	(2)	–	(88)
Written off	(46)	–	–	–	–	–	(46)
At 31 December 2009	1,120	748	74	101	124	19	2,186
Accumulated depreciation							
At 1 January 2009	2	1	–	–	–	–	3
Depreciation charge for the year	96	69	–	11	26	1	203
Disposals	–	(11)	–	–	–	–	(11)
Written off	(5)	–	–	–	–	–	(5)
At 31 December 2009	93	59	–	11	26	1	190
Net carrying amount							
At 31 December 2009	1,027	689	74	90	98	18	1,996

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10. Property, plant and equipment (cont'd)

	Renovations, electrical fittings, furniture and fittings \$'000	Air-conditioner, security equipment and office equipment \$'000	Renovation- in-progress \$'00	Machinery, tools and equipment \$'000	Computers \$'000	Motor vehicles \$'000	Total \$'000
Cost							
At 1 January 2010	1,120	748	74	101	124	19	2,186
Additions	290	415	369	55	81	27	1,237
Disposals	(8)	—	—	(1)	(1)	—	(10)
Written off	(1)	—	—	—	—	—	(1)
Transfer in/(out)	271	—	(281)	—	10	—	—
At 31 December 2010	1,672	1,163	162	155	214	46	3,412
Accumulated depreciation							
At 1 January 2010	93	59	—	11	26	1	190
Depreciation charge for the year	279	187	—	26	57	4	553
Disposals	(1)	—	—	(1)	—	—	(2)
At 31 December 2010	371	246	—	36	83	5	741
Net carrying amount							
At 31 December 2010	1,301	917	162	119	131	41	2,671

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10. Property, plant and equipment (cont'd)

	Renovations, electrical fittings, furniture and fittings \$'000	Air-conditioner, security equipment and office equipment \$'000	Renovation- in-progress \$'00	Machinery, tools and equipment \$'000	Computers \$'000	Motor vehicles \$'000	Total \$'000
Cost							
At 1 January 2011	1,672	1,163	162	155	214	46	3,412
Additions	387	416	650	47	71	95	1,666
Disposals	(252)	(23)	–	(6)	(16)	(19)	(316)
Transfer in/(out)	392	56	(448)	–	–	–	–
At 31 December 2011	2,199	1,612	364	196	269	122	4,762
Accumulated depreciation							
At 1 January 2011	371	246	–	36	83	5	741
Depreciation charge for the year	377	255	–	32	70	14	748
Disposals	(74)	(5)	–	(2)	(11)	(6)	(98)
Transfer in/(out)	–	–	–	–	–	–	–
At 31 December 2011	674	496	–	66	142	13	1,391
Net carrying amount							
At 31 December 2011	1,525	1,116	364	130	127	109	3,371

During the year, the property, plant and equipment amounting to \$510,000 (2010: \$962,000; 2009: \$1,381,000) was acquired by means of finance leases. The carrying amount of the property, plant and equipment held under finance leases as at 31 December 2011 was \$1,654,000 (2010: \$1,851,000; 2009: \$1,160,000).

A floating charge has been placed on property, plant and equipment as security for bank borrowings (Note 18).

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11. Investment in subsidiaries

The Company had the following subsidiaries as at 31 December:

Name of Company	Country of incorporation and place of business	Principal activities	Proportion (%) of ownership interest			
			2009	2010	2011	
<i>Held by the Company</i>						
(a)	Maxi-Cash Group Pte. Ltd.	Singapore	Pawn brokerage and investment holding	100	100	100
(a)	Maxi-Cash Jewellery Pte. Ltd. (formerly known as Gold N Gems Pte. Ltd.)	Singapore	Jewellery retailing	100	100	100
(a)	Maxi-Cash Jewellery Group Pte. Ltd. (formerly known as GNG Group Pte. Ltd.)	Singapore	Jewellery retailing	100	100	100
(b)	Maxi-Cash (North East) Pte. Ltd.	Singapore	Pawn brokerage	—	—	100*
<i>Held by Maxi-Cash Group Pte. Ltd.</i>						
(a)	Maxi-Cash (North) Pte. Ltd.	Singapore	Pawn brokerage	100	100	100
(a)	Maxi-Cash (East) Pte. Ltd.	Singapore	Pawn brokerage	100	100	100
(a)	Maxi-Cash (Central) Pte. Ltd.	Singapore	Pawn brokerage	100	100	100
(a)	Maxi-Cash (West) Pte. Ltd.	Singapore	Pawn brokerage	100	100	100
(a)	Maxi-Cash (Clementi) Pte. Ltd.	Singapore	Pawn brokerage	70	70	70
(a)	Maxi-Cash Capital Pte. Ltd.	Singapore	Pawn brokerage	—	100*	100
(a)	Maxi-Cash Assets Pte. Ltd.	Singapore	Pawn brokerage	—	100*	100
(a)	Maxi-Cash Ventures Pte. Ltd.	Singapore	Pawn brokerage	—	—	100*
(b)	Maxi-Cash (Central 2) Pte. Ltd.	Singapore	Pawn brokerage	—	—	100*
(b)	Maxi-Cash (East 2) Pte. Ltd.	Singapore	Pawn brokerage	—	—	100*
(a)	Audited by Ernst & Young LLP, Singapore					
(b)	Not audited as it is newly incorporated.					
*	Incorporated during the year.					

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12. Inventories

	2009	2010	2011
	\$'000	\$'000	\$'000
Finished goods, at cost	<u>3,364</u>	<u>6,112</u>	<u>9,301</u>

During the financial year, the Group wrote-down \$2,000 (2010:\$11,000; 2009:\$7,000) of inventories which are recognised as an expense in profit or loss.

A floating charge has been placed on inventories as security for bank borrowings (Note 18).

13. Trade and other receivables

	2009	2010	2011
	\$'000	\$'000	\$'000
<i>Trade and other receivables (current)</i>			
Trade receivables	15,229	63,444	122,575
Other debtors	141	8	69
Deposits	447	705	1,227
Amount due from a shareholder	550	250	–
Balance as at year end	<u>16,367</u>	<u>64,407</u>	<u>123,871</u>
<i>Other receivables (non-current)</i>			
Deposits	<u>519</u>	<u>773</u>	<u>983</u>
Total trade and other receivables (current and non-current)	16,886	65,180	124,854
Add:			
Due from a related company (Note 15)	11	11	11
Cash and bank balances (Note 16)	1,935	2,862	4,906
Total loans and receivables	<u>18,832</u>	<u>68,053</u>	<u>129,771</u>
Trade and other receivables denominated in foreign currency at 31 December is as follows:			
United States dollar	<u>–</u>	<u>243</u>	<u>–</u>

Included in trade receivables are receivables from retail and trading of pre-owned jewellery and watches and loans to customers.

Receivables from retail and trading of pre-owned jewellery and watches are non-interest bearing and are generally on 30 days' terms. They are recognised at their original invoice amounts which represent their fair values on initial recognition.

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13. Trade and other receivables (cont'd)

Loans to customers are loans which are interest bearing at 1.0% for the first month and 1.5% for the subsequent 5 months (2010 and 2009: 1.0% for the first month and 1.5% for the subsequent 5 months). The quantum of loans granted to customers is based on a fraction of the value of the items pledged to the Group.

There are no receivables that are past due or impaired at the end of the reporting period.

Related party balances

Amounts due from a shareholder are unsecured, interest-free, repayable on demand and are to be settled in cash.

14. Prepaid rent

	2009 \$'000	2010 \$'000	2011 \$'000
At cost	367	844	830
Less accumulated amortisation	(21)	(310)	(583)
	<u>346</u>	<u>534</u>	<u>247</u>
Current portion	35	287	247
Non-current portion	311	247	–
	<u>346</u>	<u>534</u>	<u>247</u>

Movement in accumulated amortisation during the year is as follows:

Balance at 1 January	–	21	310
Amortisation for the year	21	289	287
Reversal of fully amortised prepaid rent	–	–	(14)
Balance at 31 December	<u>21</u>	<u>310</u>	<u>583</u>

15. Due from a related company and due to immediate holding company (non-trade)

The amounts due from a related company and due to immediate holding company are unsecured, interest free, receivable/repayable on demand and are to be settled in cash.

16. Cash and bank balances

	2009 \$'000	2010 \$'000	2011 \$'000
Cash at banks and in hand	<u>1,935</u>	<u>2,862</u>	<u>4,906</u>

Cash at banks earns interest at floating rates based on daily bank deposit rates.

Cash and bank balances denominated in foreign currency at 31 December is as follows:

United States dollar	<u>–</u>	<u>2</u>	<u>–</u>
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16. Cash and bank balances (cont'd)

Cash and cash equivalents

For the purpose of the consolidated statements of cash flow, the consolidated cash and cash equivalents comprise the following as at 31 December:

	2009	2010	2011
	\$'000	\$'000	\$'000
Cash at banks and in hand	1,935	2,862	4,906
Bank overdrafts	(537)	(11,750)	(16,097)
Cash and cash equivalents	<u>1,398</u>	<u>(8,888)</u>	<u>(11,191)</u>

Bank overdrafts are denominated in SGD, bear interest at the bank's prime lending rate and are secured by a fixed and floating charge over certain assets.

17. Trade and other payables

	2009	2010	2011
	\$'000	\$'000	\$'000
Trade payables	638	390	729
Other payables	1,153	956	1,251
Accrued operating expenses			
- payroll related	384	545	926
- others	297	218	357
Deposits received	2	5	120
Total trade and other payables	<u>2,474</u>	<u>2,114</u>	<u>3,383</u>
Add:			
Due to immediate holding company (Note 15)	13,355	7,347	2,752
Bank overdrafts (Note 16)	537	11,750	16,097
Interest-bearing loans and borrowings (Note 18)	8,332	33,286	75,262
Less:			
Accrued operating expenses			
- payroll related	(384)	(545)	(926)
Total financial liabilities carried at amortised cost	<u>24,314</u>	<u>53,952</u>	<u>96,568</u>

Trade and other payables are unsecured, non-interest bearing and are generally on 30 to 90 days' terms.

Trade and other payables denominated in foreign currency at 31 December is as follows:

United States Dollar	–	2	–
Chinese Renminbi	<u>–</u>	<u>–</u>	<u>17</u>

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18. Interest-bearing loans and borrowings

	Note	2009 \$'000	2010 \$'000	2011 \$'000
<i>Secured borrowings</i>				
<i>Current</i>				
Obligation under finance leases	22c	492	847	919
Bank borrowings		6,860	31,466	73,945
		7,352	32,313	74,864
<i>Non-current</i>				
Obligation under finance leases	22c	980	973	398
		980	973	398
Total loans and borrowings		8,332	33,286	75,262

(a) ***Details of securities granted for the secured borrowings are as follows:***

The bank borrowings are secured by way of a fixed and floating charge on all assets of certain subsidiaries and corporate guarantee by the immediate holding company.

(b) ***Maturity of borrowings***

The non-current borrowings have the following maturity:

	2009 \$'000	2010 \$'000	2011 \$'000
Later than one year and not later than five years	980	973	398

(c) ***Effective interest rate***

Weighted average effective interest rates per annum of total borrowings at the end of the reporting period are as follows:

	2009	2010	2011
Bank borrowings	3.00%	2.52%	2.12%

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19. Income tax

(a) *Income tax (credit)/expense*

The major components of income tax (credit)/expense for the years ended 31 December 2009, 2010 and 2011 are:

	2009	2010	2011
	\$'000	\$'000	\$'000
<i>Current income tax</i>			
Current income taxation	29	255	628
Overprovision in respect of previous years	–	–	(5)
<i>Deferred income tax</i>			
Movement in temporary differences	(753)	(706)	(202)
	<u>(724)</u>	<u>(451)</u>	<u>421</u>

(b) *Relationship between tax (credit)/expense and accounting (loss)/profit*

The reconciliations between tax (credit)/expense and the product of accounting (loss)/profit multiplied by the applicable corporate tax rate for the years ended 31 December are as follows:

(Loss)/profit before tax	<u>(5,458)</u>	<u>(1,774)</u>	<u>3,530</u>
Tax calculated at a tax rate of 17%	(928)	(301)	600
Effects of:			
- Expenses not deductible for tax purposes	46	96	123
- Income not subject to tax	(13)	(12)	(1)
- Deferred tax assets not recognised	193	62	3
- Partial tax exemption and tax relief	(30)	(95)	(203)
- Benefits from previously unrecognised tax losses	–	(190)	–
- Benefits from previously unrecognised tax assets	–	(17)	(89)
- Overprovision in respect of previous years	–	–	(5)
- Others	8	6	(7)
	<u>(724)</u>	<u>(451)</u>	<u>421</u>

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19. Income tax (cont'd)

(c) *Deferred income tax*

	2009	2010	2011
	\$'000	\$'000	\$'000
Balance at 1 January	—	753	1,459
Tax credit to statement of comprehensive income	753	706	202
Group relief transfer	—	—	(856)
Balance at 31 December	<u>753</u>	<u>1,459</u>	<u>805</u>

Deferred income tax as at 31 December relates to the following:

	2009	2010	2011
	\$'000	\$'000	\$'000
<i>Deferred tax liabilities, net</i>			
Difference in depreciation	—	—	90
Provisions	—	—	(1)
Unutilised tax losses	—	—	(3)
	<u>—</u>	<u>—</u>	<u>86</u>
<i>Deferred tax assets, net</i>			
Difference in depreciation	(753)	23	5
Provisions	—	—	(14)
Unutilised tax losses	—	(1,482)	(882)
	<u>(753)</u>	<u>(1,459)</u>	<u>(891)</u>

The subsidiaries of the Group transferred tax losses of approximately \$5,035,000 to a related company under the group relief system, subject to compliance with the relevant rules and procedures and agreement of Inland Revenue Authorities of Singapore.

The Group has tax losses and unabsorbed capital allowances of approximately \$5,194,000 (2010: \$8,718,000; 2009: \$4,312,000) and \$121,000 (2010: \$nil; 2009: \$nil). The use of these balances is subject to the agreement of the tax authorities and compliance with the relevant provisions of the tax legislation.

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20. Share capital

	2009		2010		2011	
	No. of shares '000	\$'000	No. of shares '000	\$'000	No. of shares '000	\$'000
<i>Issued and fully paid ordinary shares</i>						
At 1 January	5,000	5,000	5,000	5,000	30,000	30,000
Issued during the year	–	–	25,000	25,000	18,000	18,000
At 31 December	<u>5,000</u>	<u>5,000</u>	<u>30,000</u>	<u>30,000</u>	<u>48,000</u>	<u>48,000</u>

The holders of ordinary shares are entitled to receive dividends as and when declared by the Company. All ordinary shares carry one vote per share without restrictions. The ordinary shares have no par value.

21. Related party transactions

(a) *Sale and purchase of goods and services*

In addition to the related party information disclosed elsewhere in the financial statements, the following significant transactions between the Group and related parties took place on terms agreed between the parties during the financial year:

	2009 \$'000	2010 \$'000	2011 \$'000
Purchase of goods from a related company	585	207	89
Sales of goods to a related company	694	2,608	3,630
Purchase of goods from a family member of the directors	–	–	71
Sales of goods to a family member of the directors	–	–	71
Rental paid to a related company	–	216	285
Rental received from immediate holding company	–	21	33
Corporate services charged by immediate holding company	300	720	720
Rental paid to a director related company	<u>–</u>	<u>32</u>	<u>184</u>

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21. Related party transactions (cont'd)

(b) Compensation of key management personnel

	2009	2010	2011
	\$'000	\$'000	\$'000
Short-term employee benefits	173	288	367
Central Provident Fund contributions	17	24	31
Total compensation paid to key management personnel	<u>190</u>	<u>312</u>	<u>398</u>
<i>Comprise amounts paid to:</i>			
Directors of the Company	–	–	33
Other key management personnel	<u>190</u>	<u>312</u>	<u>365</u>
	<u>190</u>	<u>312</u>	<u>398</u>

22. Commitments

(a) Operating lease commitments - As lessor

The Group has entered into commercial property leases on its leasehold building. These non-cancellable leases have remaining lease terms of between one and two years.

Future minimum rentals receivable under non-cancellable operating leases as at 31 December are as follows:

	2009	2010	2011
	\$'000	\$'000	\$'000
Not later than one year	–	33	445
Later than one year but not later than five years	<u>–</u>	<u>–</u>	<u>502</u>

(b) Operating lease commitments - As lessee

As at 31 December 2009, 2010 and 2011, the Group and the Company had lease commitments in respect of office and retail outlet premises. Certain of the leases contain an escalation clause and provides for contingent rentals based on a percentage of sales derived. Lease terms do not contain restrictions on the Group's activities concerning dividends, additional debt or further leasing.

Operating lease payments recognised in the consolidated statements of comprehensive income during the year amounted to \$5,566,000 (2010: \$3,573,000; 2009: \$2,017,000).

Future minimum rental payable under non-cancellable operating leases as at 31 December are as follows:

	2009	2010	2011
	\$'000	\$'000	\$'000
Not later than one year	2,503	3,713	6,240
Later than one year but not later than five years	<u>3,089</u>	<u>3,076</u>	<u>4,658</u>

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22. Commitments (cont'd)

(c) Finance lease commitments

The Group has finance leases for certain items of plant and equipment and furniture and fixtures (Note 10). The effective interest rate on the leases was 3.50% (2010: 3.50%; 2009: 3.50%) per annum. These leases have terms of renewal but no purchase options and escalation clauses. There are no restrictions placed upon the Group by entering into these leases. Renewals are at the option of the specific entity that holds the lease.

Future minimum lease payments under finance leases together with the present value of the net minimum lease payments are as follows:

	Minimum lease payments	Present value of payments	Minimum lease payments	Present value of payments	Minimum lease payments	Present value of payments
	2009	2009	2010	2010	2011	2011
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Not later than one year	575	492	941	847	973	919
Later than one year but not later than five years	1,041	980	1,014	973	413	398
Total minimum lease payments	1,616	1,472	1,955	1,820	1,386	1,317
Less: Amounts representing finance charges	(144)	–	(135)	–	(69)	–
Present value of minimum lease payments	<u>1,472</u>	<u>1,472</u>	<u>1,820</u>	<u>1,820</u>	<u>1,317</u>	<u>1,317</u>

23. Segmental information

Business segments

The segment reporting format is determined to be business segments as the Group's risks and rates of return are affected predominantly by differences in the products and services produced. The operating businesses are organised and managed separately according to the nature of the products and services provided, with each segment representing a strategic business unit that offers different products and serves different markets.

The Group is organised into two main operating business segments, namely:

- (a) Pawnbroking; and
- (b) Retail and trading of pre-owned jewellery and watches.

Other operations include rental of properties and provision of other support services.

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23. Segmental information (cont'd)

Allocation basis and transfer pricing

Segment results, assets and liabilities include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Unallocated items comprise mainly provision for taxation, deferred tax liabilities and deferred tax assets.

Transfer prices between business segments are set on an arm's length basis in a manner similar to transactions with third parties. Segment revenue, expenses and results include transfers between business segments. These transfers are eliminated on consolidation.

Capital expenditure comprises additions to property, plant and equipment.

As the business activities of the Group are mainly conducted in Singapore, group reporting format by geographical segment is not presented.

	Pawnbroking	Retail and trading of pre-owned jewellery and watches	Others	Elimination	Note	Group
	\$'000	\$'000	\$'000	\$'000		\$'000
2009						
Revenue	651	9,385	–	–		10,036
Intersegment revenue	21	–	–	(21)	A	–
Results						
Segment result	(5,512)	127	129	(162)	B	(5,418)
Finance costs	(40)	–	–			(40)
(Loss)/profit before tax	(5,552)	127	129	(162)	B	(5,458)
Segment assets	19,053	4,984	725	(162)	C	24,600
Unallocated assets						753
Total assets						25,353
Segment liabilities	10,406	579	13,713			24,698
Unallocated liabilities						29
Total liabilities						24,727
Capital expenditure	2,190	12	20			2,222
Depreciation and amortisation	198	1	25			224
Other significant non-cash expenses	82	7	–		D	89

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23. Segmental information (cont'd)

	Pawnbroking	Retail and trading of pre-owned jewellery and watches	Others	Elimination	Note	Group
	\$'000	\$'000	\$'000	\$'000		\$'000
2010						
Revenue	6,773	48,091	–	–		54,864
Intersegment revenue	3,457	–	–	(3,457)	A	–
Results						
Segment result	(1,585)	1,280	(485)	(31)	B	(821)
Finance costs	(953)	–	–			(953)
(Loss)/profit before tax	(2,538)	1,280	(485)	(31)	B	(1,774)
Segment assets	68,520	6,853	2,397	(164)	C	77,606
Unallocated assets						1,459
Total assets						79,065
Segment liabilities	46,536	392	7,569			54,497
Unallocated liabilities						265
Total liabilities						54,762
Capital expenditure	1,190	7	40			1,237
Depreciation and amortisation	806	3	33			842
Other significant non-cash expenses	(1)	11	–		D	10

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23. Segmental information (cont'd)

	Pawnbroking	Retail and trading of pre-owned jewellery and watches	Others	Elimination	Note	Group
	\$'000	\$'000	\$'000	\$'000		\$'000
2011						
Revenue	14,262	73,476	–	–		87,738
Intersegment revenue	6,331	–	–	(6,331)	A	–
Results						
Segment result	3,279	2,392	(235)	(90)	B	5,346
Finance costs	(1,813)	(2)	(1)			(1,816)
Profit/(loss) before tax	1,466	2,390	(236)	(90)	B	3,530
Segment assets	128,649	11,343	3,246	(254)	C	142,984
Unallocated assets						891
Total assets						143,875
Segment liabilities	91,399	2,901	3,194			97,494
Unallocated liabilities						969
Total liabilities						98,463
Capital expenditure	1,649	7	10			1,666
Depreciation and amortisation	988	7	40			1,035
Other significant non-cash expenses	193	2	–		D	195

Notes

A Inter-segment revenues are eliminated on consolidation.

B The following items are added to/(deducted from) segment profit to arrive at “(loss)/profit before tax” presented in the consolidated statements of comprehensive income:

	2009	2010	2011
	\$'000	\$'000	\$'000
Profit from inter-segment sales	(162)	(31)	(90)

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23. Segmental information (cont'd)

- C The following items are added to/(deducted from) segment assets to arrive at total assets reported in the consolidated statements of financial position:

	2009	2010	2011
	\$'000	\$'000	\$'000
Inter-segment assets	<u>(162)</u>	<u>(164)</u>	<u>(254)</u>

- D Other non-cash expenses consist of loss/(gain) on disposal of property, plant and equipment and property, plant and equipment written-off and write down of inventories, as presented in the respective notes to the financial statements.

	2009	2010	2011
	\$'000	\$'000	\$'000
Loss/(gain) on disposal of property, plant and equipment	41	(2)	193
Property, plant and equipment written off	41	1	–
Write down of inventories	7	11	2
	<u>89</u>	<u>10</u>	<u>195</u>

24. Financial risk management objectives and policies

The Group and the Company is exposed to financial risks arising from its operations and the use of financial instruments. The key financial risks include liquidity risk, interest rate risk and credit risk. The board of directors reviews and agrees policies and procedures for the management of these risks, which are executed by the Senior Finance Director. The Audit Committee provides independent oversight to the effectiveness of the risk management process. It is, and has been throughout the current and previous financial year, the Group's policy that no derivatives shall be undertaken except for use as hedging instruments where appropriate and cost-efficient. The Group and the Company do not apply hedge accounting.

The following sections provide details regarding the Group's and Company's exposure to the above-mentioned financial risks and the objectives, policies and processes for the management of these risks.

There has been no change to the Group's exposure to these financial risks or the manner in which it manages and measures the risks.

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24. Financial risk management objectives and policies (cont'd)

(a) ***Liquidity risk***

Liquidity risk is the risk that the Group or the Company will encounter difficulty in meeting financial obligations due to shortage of funds. The Group's and the Company's exposure to liquidity risk arises primarily from mismatches of the maturities of financial assets and liabilities for its business. The Group's and the Company's objective is to maintain a balance between continuity of funding and flexibility through the use of stand-by credit facilities.

The Group and the Company monitor and maintain a level of cash and cash equivalents deemed adequate by the management to finance the Group's and the Company's operations and mitigate the effect of fluctuations in cash flows.

Analysis of financial instruments by remaining contractual maturities

The table below summarises the maturity profile of the Group's and the Company's financial assets and liabilities at the end of the reporting period based on contractual undiscounted repayment obligations.

	1 year or less \$'000	1 to 5 years \$'000	Total \$'000
2009			
<i>Financial assets:</i>			
Trade and other receivables	16,367	519	16,886
Cash and bank balances	1,935	–	1,935
Due from a related company (non-trade)	11	–	11
Total undiscounted financial assets	18,313	519	18,832
<i>Financial liabilities:</i>			
Trade and other payables	2,090	–	2,090
Interest-bearing loans and borrowings	7,640	1,041	8,681
Due to immediate holding company (non-trade)	13,355	–	13,355
Bank overdrafts	564	–	564
Total undiscounted financial liabilities	23,649	1,041	24,690
Total net undiscounted financial liabilities	(5,336)	(522)	(5,858)

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24. Financial risk management objectives and policies (cont'd)

(a) Liquidity risk (cont'd)

	1 year or less \$'000	1 to 5 years \$'000	Total \$'000
2010			
<i>Financial assets:</i>			
Trade and other receivables	64,407	773	65,180
Cash and bank balances	2,862	–	2,862
Due from a related company (non-trade)	11	–	11
Total undiscounted financial assets	67,280	773	68,053
<i>Financial liabilities:</i>			
Trade and other payables	1,569	–	1,569
Interest-bearing loans and borrowings	33,210	1,014	34,224
Due to immediate holding company (non-trade)	7,347	–	7,347
Bank overdrafts	12,338	–	12,338
Total undiscounted financial liabilities	54,464	1,014	55,478
Total net undiscounted financial assets/(liabilities)	12,816	(241)	12,575
	1 year or less \$'000	1 to 5 years \$'000	Total \$'000
2011			
<i>Financial assets:</i>			
Trade and other receivables	123,871	983	124,854
Cash and bank balances	4,906	–	4,906
Due from a related company (non-trade)	11	–	11
Total undiscounted financial assets	128,788	983	129,771
<i>Financial liabilities:</i>			
Trade and other payables	2,457	–	2,457
Interest-bearing loans and borrowings	76,573	413	76,986
Due to immediate holding company (non-trade)	2,752	–	2,752
Bank overdrafts	16,902	–	16,902
Total undiscounted financial liabilities	98,684	413	99,097
Total net undiscounted financial assets	30,104	570	30,674

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24. Financial risk management objectives and policies (cont'd)

(b) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of the Group's and the Company's financial instruments will fluctuate because of changes in market interest rates. The Group's and the Company's exposure to interest rate risk arises primarily from their loans and borrowings. The Group's loans and borrowings are at floating rates which are contractually repriced at intervals of less than 6 months from the end of the reporting period.

Sensitivity analysis for interest rate risk

At the end of the reporting period, if SGD interest rates had been 50 (2010 and 2009: 50) basis points lower/higher with all other variables held constant, the Group's profit net of tax would have been \$450,000 (2010: \$216,000; 2009: \$2,000) higher/lower, arising mainly as a result of lower/higher interest expense on floating rate loans and borrowings.

(c) Credit risk

Credit risk is the risk of loss that may arise on outstanding financial instruments should a counterparty default on its obligations. The Group's and the Company's exposure to credit risk arises primarily from trade and other receivables and cash and cash equivalents. No other financial asset carries a significant exposure to credit risk.

Trade and other receivables are neither past due nor impaired. Cash and cash equivalents are placed with reputable financial institutions or companies with high credit ratings and no history of default. They are neither past due nor impaired.

25. Fair value of financial instruments

The fair value of a financial instrument is the amount at which the instrument could be exchanged or settled between knowledgeable and willing parties in an arm's length transaction, other than in a forced or liquidation sale.

Financial instruments whose carrying amount approximates fair value

Cash and bank balances, current trade and other receivables, due from a related company, current trade and other payables, due to immediate holding company and bank overdrafts wherein, the carrying amounts of these financial instruments are based on their notional amounts, reasonably approximate their fair values because these are mostly short-term in nature or that they are floating rate instruments that are repriced to market interest rates on or near the statements of financial position date.

The carrying amounts of current interest-bearing loans and borrowings approximate fair values as these instruments bear interest at variable market rates.

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25. Fair value of financial instruments (cont'd)

Financial instruments carried at other than fair value

The fair value of financial assets and liabilities by classes that are not carried at fair value and whose carrying amounts are not a reasonable approximation of fair values are as follows:

	Carrying amount	Fair value	Carrying amount	Fair value	Carrying amount	Fair value
	2009	2009	2010	2010	2011	2011
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Financial assets:						
<i>Non-current</i>						
Other receivables	519	498	773	756	983	972
Financial liabilities:						
<i>Non-current</i>						
Obligation under finance leases	980	1,041	973	1,014	398	413

26. Capital management

The primary objective of the Group's capital management is to ensure that it maintains a strong credit rating and healthy capital ratios in order to support its business and maximise shareholder value.

The Group manages its capital structure and makes adjustments to it, in light of changes in economic conditions. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. No changes were made in the objectives, policies or processes during the years ended 31 December 2009, 31 December 2010 and 31 December 2011.

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26. Capital management (cont'd)

The Group monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt. The Group includes within net debt, loans and borrowings, trade and other payables and other liabilities, less cash and cash equivalents. The Group's policy is to keep the gearing ratio between 60% to 67%.

	Note	2009	2010	2011
		\$'000	\$'000	\$'000
Loans and borrowings	18	8,332	33,286	75,262
Trade and other payables	17	2,474	2,114	3,383
Less: Cash and cash equivalents	16	1,398	(8,888)	(11,191)
Net debt		<u>9,408</u>	<u>44,288</u>	<u>89,836</u>
Equity attributable to owners of the Company		<u>63</u>	<u>23,807</u>	<u>44,916</u>
Capital and net debt		<u><u>9,471</u></u>	<u><u>68,095</u></u>	<u><u>134,752</u></u>
Gearing ratio		<u><u>99%</u></u>	<u><u>65%</u></u>	<u><u>67%</u></u>

For the year ended 31 December 2009, the Group's gearing ratio was above the Group's policy due to expansion of the Group through funding from third parties during the year.

27. Subsequent events

- (i) On 18 January 2012, the Company incorporated a wholly owned subsidiary, Cash Express Financial Services Pte. Ltd., with \$2 share capital.
- (ii) On 2 February 2012, the Company transferred its shares in a wholly owned subsidiary, Maxi-Cash (North East) Pte. Ltd. to another wholly owned subsidiary, Maxi-Cash Group Pte. Ltd.. After the shares were transferred, Maxi-Cash (North East) Pte. Ltd. became a wholly owned subsidiary of Maxi-Cash Group Pte. Ltd..
- (iii) Pursuant to an extraordinary general meeting held on 11 April 2012, the shareholders approved *inter-alia*, the following:
 - (a) the sub-division of Shares in the issued and paid-up share capital of the Company, of which 48,000,000 Shares have been issued and fully paid, into 240,000,000 Shares (the "Sub-Division");
 - (b) the conversion of the Company into a public limited company and consequential change of its name to "Maxi-Cash Financial Services Corporation Ltd.";
 - (c) the listing and quotation of all the issued Shares (including the New Shares to be allotted and issued as part of the Invitation) and the Performance Shares to be issued (if any) on Catalist to be approved;

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27. Subsequent events (cont'd)

- (d) the adoption of a new set of Articles of Association;
- (e) the issue of the New Shares pursuant to the Invitation, which when allotted, issued and fully paid-up, will rank pari passu in all respects with the existing issued and fully paid-up Shares;
- (f) the authorisation of the Directors, pursuant to Section 161 of the Companies Act, to (i) allot and issue Shares in the Company; and (ii) issue convertible securities and any Shares in the Company pursuant to the convertible securities, whether by way of rights issue, bonus issue or otherwise, at any time and upon such terms and conditions, whether for cash or otherwise and for such purposes and to such persons as the Directors shall in their absolute discretion deem fit, provided that the aggregate number of Shares to be issued pursuant to such authority shall not exceed 100.0% of the issued and paid-up share capital of the Company immediately after the Invitation excluding treasury shares and that the aggregate number of Shares to be issued other than on a pro-rata basis to the then existing Shareholders of the Company shall not exceed 50.0% of the issued and paid-up share capital of the Company immediately after the Invitation excluding treasury shares. Unless revoked or varied by the Company in general meeting, such authority shall continue in full force until the conclusion of the next annual general meeting of the Company or the date by which the next annual general meeting is required by law or by the Articles to be held, whichever is earlier, except that the Directors shall be authorised to allot and issue new Shares pursuant to the convertible securities notwithstanding that such authority has ceased.

For the purposes of this resolution and pursuant to Rules 806(3) and 806(4) of the Listing Manual, “issued and paid-up share capital of the Company immediately after the Invitation excluding treasury shares” shall mean the enlarged issued and paid-up share capital of the Company after the Invitation excluding treasury shares after adjusting for (i) new Shares arising from the conversion or exercise of any convertible securities; (ii) new Shares arising from exercising share options or vesting of share awards outstanding or subsisting at the time such authority is given, provided that the options or awards were granted in compliance with the Listing Manual; and (iii) any subsequent consolidation or sub-division of shares; and

- (g) the adoption of the Plan, details of which are set out in the section entitled “Maxi-Cash Performance Share Plan” of the Final Offer Document, and “Rules of the Maxi-Cash Performance Share Plan” as set out in Appendix F of the Final Offer Document.

28. Authorisation of financial statements

The financial statements for the years ended 31 December 2009, 2010 and 2011 were authorised for issue in accordance with a directors’ resolution dated 12 June 2012.

APPENDIX B – GOVERNMENT REGULATIONS

We have identified the main laws and regulations (apart from those pertaining to general business requirements) that materially affect our operations and the relevant bodies in Singapore. Details of these laws and regulations are set out below.

The Pawnbrokers Act

The Pawnbrokers Act governs the operations of pawnbrokers who are defined as persons who carry on the business of taking goods and chattels in pawn.

Every pawnbroker is required to apply for a licence, which is subject to annual renewal, to carry out the business of pawnbroking. A licence is required for each pawnshop and each licence shall be dated on the day on which it is granted and shall determine on 31 December of each year.

A licence is granted only if the following conditions are complied with:

- the applicant is of good character and is a fit and proper person to carry on the business of pawnbroking;
- the premises to be licenced are suitable for use as a pawnbroker's shop;
- the premises will not be used for the conduct or transaction of any business other than that of pawnbroking;
- the applicant would obtain adequate insurance against damage, theft or loss of articles that may be pawned; and
- the applicant has deposited with the Accountant-General a sum of \$20,000 as security for the proper conduct of the business under the licence.

As required by the Registry of Pawnbrokers, pursuant to application procedure issued by the Registrar of Pawnbrokers, to submit their plans for the renovation and fitting out of their pawnshops which shall include and show:

- strong room for the safekeeping of pledges;
- a comprehensive security alarm system with monitoring service;
- a closed-circuit television camera and monitor system; and
- a computer system for the operations of the pawnshop business.

After the renovations have been completed satisfactorily, pawnbrokers are required to pay the Registry of Pawnbrokers a security deposit of S\$20,000 and a licence fee of S\$3,000 for each issuance of a Pawnbroker's Licence.

The Pawnbrokers Act requires that a pawn ticket be issued for each pledge. The interest chargeable on the amount loaned shall not exceed 1.5% per month. Pawnbrokers shall not take any other profit save for the said interest. Every pledge is redeemable within six (6) months from the day of pawning or in the case where the sum exceeds S\$50, within a longer term as may be agreed upon by the parties (the "Redemption Period").

A pledge pawned for any sum not exceeding S\$50 shall at the end of the six (6) month Redemption Period become the property of the pawnbroker. A pledge for a sum exceeding S\$50 shall be auctioned off by the pawnbroker at the end of the Redemption Period if not redeemed. The pawnbroker is allowed under the Pawnbrokers Act to make a bid for such pledges.

APPENDIX B – GOVERNMENT REGULATIONS

The Secondhand Goods Dealers Act

Persons who deal in the secondhand goods listed under the Secondhand Goods Dealers Act, which include the following articles, are required to obtain a licence or an exemption from the Singapore Police before commencing operations:

- jewellery set with precious stones including but not limited to diamonds, jade, rubies, sapphires and emeralds;
- jewellery made from platinum, gold and white gold without precious stones; and
- watches.

Each application for a licence or exemption will be based on the location where the dealing in secondhand goods takes place. If the business operations comprise several branches or different points of dealing in secondhand goods (for itinerant businesses), each branch or point of dealing will require a separate licence or exemption (as the case may be).

Our branches dealing in the aforesaid secondhand articles are currently exempted under the Secondhand Goods Dealers Exemption Order from having to obtain any licences under the Secondhand Goods Dealers Act. Nonetheless, we are still required to comply with the rules of the Secondhand Goods Dealers Act and the regulations thereunder, including the keeping of proper records of the particulars of all goods bought and sold by us and to submit such records to the Singapore Police as and when requested.

As at the Latest Practicable Date and to the best of our Directors' knowledge, we are in compliance with all applicable laws and regulations in Singapore which are material to our business operations and we have all the necessary material business licences and permits for our business operations in Singapore.

Save as disclosed above, as at the Latest Practicable Date, our business operations are not subject to any special legislations or regulatory controls which have a material effect on our business and operations, other than those generally applicable to companies and businesses incorporated and/or operating in Singapore as set out above.

APPENDIX C – DESCRIPTION OF ORDINARY SHARES

The Company was converted from a private limited company into a public limited company on 13 April 2012. Our corporate affairs are governed by our Articles. The following statements are brief summaries of our capital structure and the more important rights and privileges of our Shareholders as conferred by the laws of Singapore and our Articles of Association. These statements summarise the material provisions of our Articles but are qualified in entirety by reference to our Articles, a copy of which will be available for inspection at our registered offices during normal business hours for a period of six (6) months from the date of the registration of this Offer Document with the SGX-ST. The summary below does not purport to be complete and is qualified in its entirety by reference to our Articles.

Shares

We have only one class of shares, namely, our Shares, which have identical rights in all respects and rank equally with one another. Our Articles provide that we may issue shares of a different class with preferential, deferred, qualified or special rights, privileges or conditions as our Directors may think fit and may issue preference shares which are, or at our option are, liable to be redeemed, the terms and manner of redemption being determined by our Directors. Our Shares do not have a par value.

The following statements are brief summaries of the rights and privileges of our Shareholders conferred by the laws of Singapore and the Articles of Association of our Company.

The following description summarises the material provisions of our Articles but is qualified by reference to our Articles, a copy of which is available for inspection at our registered office during normal business hours for a period of six (6) months from the date of this Offer Document.

Ordinary Shares

There are no founder, management, deferred or unissued shares reserved for issue for any purpose. We have only one (1) class of shares, namely, our ordinary shares which have identical rights in all respects and rank equally with one another. All of our Shares are in registered form. Our Company may, subject to the provisions of the Companies Act and the rules of the SGX-ST, purchase its Shares. However, we may not, except in circumstances permitted by the Companies Act, grant any financial assistance for the acquisition or proposed acquisition of our Shares.

New Shares

New Shares may only be issued with the prior approval of our Shareholders in a general meeting. The aggregate number of shares to be issued pursuant to such approval may not exceed 100.0% (or such other limit as may be prescribed by the SGX-ST) of our issued share capital for the time being, of which the aggregate number of Shares to be issued other than on a pro-rata basis to our shareholders may not exceed 50.0% (or such other limit as may be prescribed by the SGX-ST) of our issued share capital for the time being (the percentage of issued share capital being based on our Company's issued share capital at the time such authority is given after adjusting for new Shares arising from the conversion of convertible securities or employee share options on issue at the time such authority is given and any subsequent consolidation or sub-division of Shares).

The approval, if granted, will lapse at the conclusion of the annual general meeting following the date on which the approval was granted or the date by which the annual general meeting is required by law to be held, whichever is earlier but any approval may be previously revoked or varied by our Company in general meeting. Subject to the foregoing, the provisions of the Companies Act and any special rights attached to any class of shares currently issued, all new Shares are under the control of our Board of Directors who may allot and issue the same with such rights and restrictions as it may think fit.

APPENDIX C – DESCRIPTION OF ORDINARY SHARES

Shareholders

Only persons who are registered in the Register of Shareholders of our Company and, in cases in which the person so registered is CDP, the persons named as the Depositors in the Depository Register maintained by CDP for the Shares, are recognised as our Shareholders. We will not, except as required by law, recognise any equitable, contingent, future or partial interest in any Share or other rights for any Share other than the absolute right thereto of the registered holder of that Share or of the person whose name is entered in the Depository Register for that Share. Our Company may close our Register of Shareholders for any time or times if we provide the Accounting and Corporate Regulatory Authority of Singapore with at least 14 days' notice and the SGX-ST at least ten (10) clear market days' notice. However, the Register of Shareholders may not be closed for more than 30 days in aggregate in any calendar year. We typically close our Register of Shareholders to determine Shareholders' entitlement to receive dividends and other distributions.

Transfer of Shares

There is no restriction on the transfer of fully paid Shares except where required by law or the Listing Manual or the rules or by-laws of any stock exchange on which our Company is listed. Our Board of Directors may decline to register any transfer of Shares which are not fully paid Shares or Shares on which we have a lien. Our Shares may be transferred by a duly signed instrument of transfer in a form approved by the SGX-ST or any stock exchange on which our Company is listed. Our Board of Directors may also decline to register any instrument of transfer unless, among other things, it has been duly stamped and is presented for registration together with the share certificate and such other evidence of title as they may require. We will replace lost or destroyed certificates for Shares if it is properly notified and if the applicant pays a fee which will not exceed S\$2 and furnishes any evidence and indemnity that our Board of Directors may require.

General Meetings of Shareholders

We are required to hold an annual general meeting every year. Our Board of Directors may convene an extraordinary general meeting whenever it thinks fit and must do so if Shareholders representing not less than 10.0% of the total voting rights of all Shareholders request in writing that such a meeting be held. In addition, two (2) or more shareholders holding not less than 10.0% of our issued share capital may call a meeting. Unless otherwise required by law or by our Articles, voting at general meetings is by ordinary resolution, requiring an affirmative vote of a simple majority of the votes cast at that meeting. An ordinary resolution suffices, for example, for the appointment of directors. A special resolution, requiring the affirmative vote of at least 75.0% of the votes cast at the meeting, is necessary for certain matters under Singapore law, including voluntary winding up, amendments to the Memorandum of Association and our Articles, a change of our corporate name and a reduction in the share capital, share premium account or capital redemption reserve fund. We must give at least 21 days' notice in writing for every general meeting convened for the purpose of passing a special resolution. Ordinary resolutions generally require at least 14 days' notice in writing. The notice must be given to each of our Shareholders who has supplied us with an address in Singapore for the giving of notices and must set forth the place, the day and the hour of the meeting and, in the case of special business, the general nature of that business.

Voting Rights

A Shareholder is entitled to attend, speak and vote at any general meeting, in person or by proxy. Proxies need not be Shareholders. A person who holds Shares through the SGX-ST book-entry settlement system will only be entitled to vote at a general meeting as a Shareholder if his name appears on the Depository Register maintained by CDP 48 hours before the general meeting. Except as otherwise provided in our Articles, two (2) or more Shareholders must be present in person or by proxy to constitute a quorum at any general meeting. Under our Articles, on a show of hands, every Shareholder present in person and by proxy shall have one (1) vote (provided that in the case of a Shareholder who is represented by two (2) proxies, only one (1) of the two (2) proxies as determined by that Shareholder or, failing such determination, the chairman of the meeting in his sole discretion shall be entitled to vote on a show of hands), and on a poll, every Shareholder present in person or by proxy shall have one (1)

APPENDIX C – DESCRIPTION OF ORDINARY SHARES

vote for each Share which he holds or represents. A poll may be demanded in certain circumstances, including by the chairman of the meeting or by any Shareholder present in person or by proxy and representing not less than 10.0% of the total voting rights of all Shareholders having the right to attend and vote at the meeting or by any two (2) Shareholders present in person or by proxy and entitled to vote. In the case of a tie vote, whether on a show of hands or a poll, the chairman of the meeting shall be entitled to a casting vote.

Dividends

We may, by ordinary resolution of our Shareholders, declare dividends at a general meeting, but we may not pay dividends in excess of the amount recommended by our Board of Directors. We must pay all dividends out of our profits. Our Board of Directors may also declare an interim dividend without the approval of our Shareholders. All dividends are paid pro-rata among our Shareholders in proportion to the amount paid up on each Shareholder's Shares, unless the rights attaching to an issue of any Share provides otherwise. Unless otherwise directed, dividends are paid by cheque or warrant sent through the post to each Shareholder at his registered address. Notwithstanding the foregoing, the payment by us to CDP of any dividend payable to a Shareholder whose name is entered in the Depository Register shall, to the extent of payment made to CDP, discharge us from any liability to that Shareholder in respect of that payment.

Capitalisation and Rights Issues

Our Board of Directors may, with approval by our Shareholders at a general meeting, capitalise any reserves or profits (including profits or money carried and standing to a reserve) and distribute the same as shares credited as paid-up to our Shareholders in proportion to their shareholdings. Our Board of Directors may also issue rights to take up additional Shares to Shareholders in proportion to their shareholdings. Such rights are subject to any conditions attached to such issue and the regulations of any stock exchange on which we are listed.

Take-overs

Under the Singapore Code on Take-overs and Mergers ("Singapore Take-over Code"), issued by the Authority pursuant to Section 321 of the SFA, any person acquiring an interest, either on his own or together with parties acting in concert with him, in 30.0% or more of the voting Shares must extend a take-over offer for the remaining voting Shares in accordance with the provisions of the Singapore Take-over Code. In addition, a mandatory take-over offer is also required to be made if a person holding, either on his own or together with parties acting in concert with him, between 30.0% and 50.0% of the voting rights acquires additional voting shares representing more than 1.0% of the voting shares in any six (6) month period. Under the Singapore Take-over Code, the following individuals and companies will be presumed to be persons acting in concert with each other unless the contrary is established:

- (a) the following companies:
 - (i) a company;
 - (ii) the parent company of (i);
 - (iii) the subsidiaries of (i);
 - (iv) the fellow subsidiaries of (i);
 - (v) the associated companies of (i), (ii), (iii) or (iv);
 - (vi) companies whose associated companies include any of (i), (ii), (iii), (iv) or (v); and
 - (vii) any person who has provided financial assistance (other than a bank in the ordinary course of business) to any of the above for the purchase of voting rights;

APPENDIX C – DESCRIPTION OF ORDINARY SHARES

- (b) a company with any of its directors (together with their close relatives, related trusts as well as companies controlled by any of the directors, their close relatives and related trusts);
- (c) a company with any of its pension funds and employee share schemes;
- (d) a person with any investment company, unit trust or other fund whose investment such person manages on a discretionary basis, but only in respect of the investment account which such person manages;
- (e) a financial or other professional adviser, including a stockbroker, with its customer in respect of the shareholdings of:
 - (i) the adviser and persons controlling, controlled by or under the same control as the adviser; and
 - (ii) all the funds which the adviser manages on a discretionary basis, where the shareholdings of the adviser and any of those funds in the customer total 10.0% or more of the customer's equity share capital;
- (f) directors of a company (together with their close relatives, related trusts and companies controlled by any of such directors, their close relatives and related trusts) which is subject to an offer or where the directors have reason to believe a bona fide offer for their company may be imminent;
- (g) partners; and
- (h) the following persons and entities:
 - (i) an individual;
 - (ii) the close relatives of (i);
 - (iii) the related trusts of (i);
 - (iv) any person who is accustomed to act in accordance with the instructions of (i);
 - (v) companies controlled by any of (i), (ii), (iii) or (iv); and
 - (vi) any person who has provided financial assistance (other than a bank in the ordinary course of business) to any of the above for the purchase of voting rights.

Under the Singapore Take-over Code, a mandatory offer made with consideration other than cash must be accompanied by a cash alternative at not less than the highest price paid by the offeror or any person acting in concert within the preceding six (6) months.

Liquidation or Other Return of Capital

If our Company is liquidated or in the event of any other return of capital, holders of our Shares will be entitled to participate in any surplus assets in proportion to their shareholdings, subject to any special rights attaching to any other class of shares.

APPENDIX C – DESCRIPTION OF ORDINARY SHARES

Indemnity

To the extent permitted by Singapore law, our Articles provide that, subject to the Companies Act, our Board of Directors and officers shall be entitled to be indemnified by us against any liability incurred in defending any proceedings, whether civil or criminal, which relate to anything done or omitted to have been done as an officer, director or employee and in which judgement is given in their favour or in which they are acquitted or in connection with any application under any statute for relief from liability in respect thereof in which relief is granted by the court. We may not indemnify our Directors and officers against any liability which by law would otherwise attach to them in respect of any negligence, default, breach of duty or breach of trust of which they may be guilty in relation to us.

Limitations on Rights to Hold or Vote Shares

Except as described in “Voting Rights” and “Take-overs” above, there are no limitations imposed by Singapore law or by our Articles on the rights of non-resident Shareholders to hold or vote in respect of the Shares.

Minority Rights

The rights of minority shareholders of Singapore-incorporated companies are protected, *inter alia*, under Section 216 of the Companies Act, which gives the Singapore courts a general power to make any order, upon application by any of our Shareholders, as they think fit to remedy any of the following situations:

- (a) our affairs are being conducted or the powers of our Board of Directors are being exercised in a manner oppressive to, or in disregard of the interests of, one (1) or more of our Shareholders; or
- (b) we take an action, or threaten to take an action, or Shareholders pass a resolution, or propose to pass a resolution, which unfairly discriminates against, or is otherwise prejudicial to, one (1) or more of the Shareholders, including the applicant.

Singapore courts have wide discretion as to the reliefs they may grant and those reliefs are in no way limited to those listed in the Companies Act itself. Without prejudice to the foregoing, Singapore courts may:

- (a) direct or prohibit any act or cancel or vary any transaction or resolution;
- (b) regulate the conduct of the affairs of our Company in the future;
- (c) authorise civil proceedings to be brought in our name of, or on behalf of, our Company by a person or persons and on such terms as the court may direct;
- (d) provide for the purchase of a minority Shareholder's Shares by our other Shareholders or by us and, in the case of a purchase of Shares by us, a corresponding reduction of our share capital;
- (e) provide that the Memorandum of Association or the Articles be amended; or
- (f) provide that we be wound up.

Treasury Shares

Our Articles of Association expressly permits our Company to purchase or acquire shares or stocks of our Company and to hold such shares or stocks (or any of them) as treasury shares in accordance with the requirements of Section 76 of the Companies Act. Our Company may make a purchase or acquisition of our own Shares on a securities exchange if the purchase or acquisition has been authorised in advance by our Company in general meeting; or otherwise than on a securities exchange if the purchase or acquisition is made in accordance with an equal access scheme authorised in advance by our Company in general meeting. The aggregate number of Shares held as treasury shares shall not

APPENDIX C – DESCRIPTION OF ORDINARY SHARES

at any time exceed 10.0% of the total number of Shares of our Company at that time. Any excess shares shall be disposed of or cancelled before the end of a period of six (6) months beginning with the day on which that contravention of limit occurs, or such further period as the share registrar may allow. Where Shares or stocks are held as treasury shares by our Company through purchase or acquisition by our Company, our Company shall be entered in the Register of Shareholders as the member holding those Shares or stocks.

Our Company shall not exercise any right in respect of the treasury shares and any purported exercise of such a right is void. Such rights include any right to attend or vote at meetings and our Company shall be treated as having no right to vote and the treasury shares shall be treated as having no voting rights.

In addition, no dividend may be paid, and no other distribution (whether in cash or otherwise) of our Company's assets (including any distribution of assets to members on a winding up) may be made, to our Company in respect of the treasury shares. However, this would not prevent an allotment of shares as fully paid bonus shares in respect of the treasury shares or the sub-division or consolidation of any treasury share into a treasury share of a smaller amount, if the total value of the treasury shares after the sub-division or consolidation is the same as the total value of the treasury shares before the sub-division or consolidation, as the case may be.

Where Shares are held as treasury shares, our Company may at any time (i) sell the Shares (or any of them) for cash; (ii) transfer the Shares (or any of them) for the purposes of or pursuant to an employees' share scheme; (iii) transfer the Shares (or any of them) as consideration for the acquisition of shares in or assets of another company or assets of a person; or (iv) cancel the Shares (or any of them).

APPENDIX D – SUMMARY OF SELECTED ARTICLES OF ASSOCIATION OF OUR COMPANY

The discussion below provides information about certain provisions of our Memorandum and Articles of Association and the laws of Singapore. This description is only a summary and is qualified by reference to Singapore law and our Articles.

The instruments that constitute and define our Company are the Memorandum and Articles of Association of our Company.

Articles of Association

The provisions in the Articles of Association of our Company relating to:

- (a) *a Director's power to vote on a proposal, arrangement or contract in which the Director is interested*

Article 104

A Director shall not vote in respect of any contract or arrangement or any other proposal whatsoever in which he has any personal material interest, directly or indirectly. A Director shall not be counted in the quorum at a meeting in relation to any resolution on which he is debarred from voting.

- (b) *the Director's power to vote on remuneration (including pension or other benefits) for himself or for any other director, and whether the quorum at a meeting of the board of Directors to vote on Directors' remuneration may include the Director whose remuneration is the subject of the vote*

Article 77

The ordinary remuneration of the Directors, which shall from time to time be determined by an Ordinary Resolution of the Company, shall not be increased except pursuant to an Ordinary Resolution passed at a General Meeting where notice of the proposed increase shall have been given in the notice convening the General Meeting and shall (unless such resolution otherwise provides) be divisible among the Directors as they may agree, or failing agreement, equally, except that any Director who shall hold office for part only of the period in respect of which such remuneration is payable shall be entitled only to rank in such division for a proportion of remuneration related to the period during which he has held office. The ordinary remuneration of an executive Director may not include a commission on or a percentage of turnover and the ordinary remuneration of a non-executive Director shall be a fixed sum, and not by a commission on or a percentage of profits or turnover.

Article 78

Any Director who holds any executive office, or who serves on any committee of the Directors, or who otherwise performs services which in the opinion of the Directors are outside the scope of the ordinary duties of a Director, may be paid such extra remuneration by way of salary, commission or otherwise as the Directors may determine, Provided that such extra remuneration (in the case of an executive Director) shall not be by way of commission on or a percentage of turnover and (in the case of a non-executive Director) shall be a fixed sum, and not by a commission on or a percentage of profits or turnover.

Article 79

The Directors may repay to any Director all such reasonable expenses as he may incur in attending and returning from meetings of the Directors or of any committee of the Directors or General Meetings or otherwise in or about the business of the Company.

APPENDIX D – SUMMARY OF SELECTED ARTICLES OF ASSOCIATION OF OUR COMPANY

Article 80

The Directors shall have power to pay and agree to pay pensions or other retirement, superannuation, death or disability benefits to (or to any person in respect of) any Director for the time being holding any executive office and for the purpose of providing any such pensions or other benefits to contribute to any scheme or fund or to pay premiums.

- (c) *borrowing powers exercisable by the Directors and how such borrowing powers can be varied*

Article 112

Subject as hereinafter provided and to the provisions of the Statutes, the Directors may exercise all the powers of the Company to borrow money, to mortgage or charge its undertaking, property and uncalled capital and to issue debentures and other securities, whether outright or as collateral security for any debt, liability or obligation of the Company or of any third party.

- (d) *retirement or non-retirement of Directors under an age limit requirement*

Article 93

At each Annual General Meeting, one-third of the Directors for the time being (or, if their number is not a multiple of three (3), the number nearest to but not less than one-third) shall retire from office by rotation, Provided that no Director holding office as Managing Director shall be subject to retirement by rotation or be taken into account in determining the number of Directors to retire. For the avoidance of doubt, each Director (other than a Director holding office as Managing Director) shall retire at least once every three (3) years.

Article 94

The Directors to retire by rotation shall include (so far as necessary to obtain the number required) any Director who is due to retire at a General Meeting by reason of age or who wishes to retire and not to offer himself for re-election. Any further Directors so to retire shall be those of the other Directors subject to retirement by rotation who have been longest in office since their last re-election or appointment and so that as between persons who became or were last re-elected Directors on the same day, those to retire shall (unless they otherwise agree among themselves) be determined by ballot. A retiring Director shall be eligible for re-election.

Article 95

The Company at a General Meeting at which a Director retires under any provision of these presents may by Ordinary Resolution fill the office being vacated by electing thereto the retiring Director or some other person eligible for appointment. In default, the retiring Director shall be deemed to have been re-elected except in any of the following cases:

- (a) where at such meeting it is expressly resolved not to fill such office or a resolution for the re-election of such Director is put to the meeting and lost; or
- (b) where such Director has given notice in writing to the Company that he is unwilling to be re-elected; or
- (c) where the default is due to the moving of a resolution in contravention of the next following Article; or
- (d) where such Director has attained any retiring age applicable to him as Director.

APPENDIX D – SUMMARY OF SELECTED ARTICLES OF ASSOCIATION OF OUR COMPANY

The retirement shall not have effect until the conclusion of the meeting except where a resolution is passed to elect some other person in the place of the retiring Director or a resolution for his re-election is put to the meeting and lost and accordingly a retiring Director who is re-elected or deemed to have been re-elected will continue in office without a break.

- (e) *the number of shares, if any, required for Director's qualification*

Article 76

A Director shall not be required to hold any shares of the Company by way of qualification. A Director who is not a Member of the Company shall nevertheless be entitled to receive notice of and to attend and speak at General Meetings.

- (f) *rights, preferences and restrictions attaching to each class of shares*

Article 3

(A) Subject to the Act and these presents, no shares may be issued by the Directors without the prior approval of the Company in General Meeting pursuant to Section 161 of the Act, but subject thereto and the terms of such approval, and to Article 5, and to any special rights attached to any shares for the time being issued, the Directors may allot and issue shares or grant options over or otherwise dispose of the same to such persons on such terms and conditions and for such consideration and at such time and whether or not subject to the payment of any part of the amount thereof in cash or otherwise as the Directors may think fit, and any shares may, subject to compliance with Sections 70 and 75 of the Act, be issued with such preferential, deferred, qualified or special rights, privileges, conditions or restrictions, whether as regards Dividend, return of capital, participation in surplus, voting, conversion or otherwise, as the Directors may think fit, and preference shares may be issued which are or at the option of the Company are liable to be redeemed, the terms and manner of redemption being determined by the Directors in accordance with the Act, Provided Always that no options shall be granted over unissued shares except in accordance with the Act and the Designated Stock Exchange's listing rules.

(B) The Directors may, at any time after the allotment of any share but before any person has been entered in the Register of Members as the holder, recognize a renunciation thereof by the allottee in favour of some other person and may accord to any allottee of a share a right to effect such renunciation upon and subject to such terms and conditions as the Directors may think fit to impose.

(C) Except so far as otherwise provided by the conditions of issue or by these presents, all new shares shall be issued subject to the provisions of the Statutes and of these presents with reference to allotment, payment of calls, lien, transfer, transmission, forfeiture or otherwise.

Article 8

(A) Preference shares may be issued subject to such limitation thereof as may be prescribed by any Designated Stock Exchange. Preference shareholders shall have the same rights as ordinary shareholders as regards receiving of notices, reports and balance-sheets and attending General Meetings of the Company, and preference shareholders shall also have the right to vote at any General Meeting convened for the purpose of reducing capital or winding-up or sanctioning a sale of the undertaking of the Company or where the proposal to be submitted to the General Meeting directly affects their rights and privileges or when the Dividend on the preference shares is more than six (6) months in arrears.

(B) The Company has power to issue further preference capital ranking equally with, or in priority to, preference shares already issued.

APPENDIX D – SUMMARY OF SELECTED ARTICLES OF ASSOCIATION OF OUR COMPANY

Article 9

- (A) Whenever the share capital of the Company is divided into different classes of shares, the variation or abrogation of the special rights attached to any class may, subject to the provisions of the Act, be made either with the consent in writing of the holders of three-quarters of the total number of issued shares of the class or with the sanction of a Special Resolution passed at a separate General Meeting of the holders of the shares of the class (but not otherwise) and may be so made either whilst the Company is a going concern or during or in contemplation of a winding-up. To every such separate General Meeting all the provisions of these presents relating to General Meetings of the Company and to the proceedings thereat shall *mutatis mutandis* apply, except that the necessary quorum shall be two (2) or more persons holding at least one-third of the total number of the issued shares of the class present in person or by proxy or attorney and that any holder of shares of the class present in person or by proxy or attorney may demand a poll and that every such holder shall on a poll have one (1) vote for every share of the class held by him where the class is a class of equity shares within the meaning of Section 64(1) of the Act or at least one (1) vote for every share of the class where the class is a class of preference shares within the meaning of Section 180(2) of the Act, Provided Always that where the necessary majority for such a Special Resolution is not obtained at such General Meeting, the consent in writing, if obtained from the holders of three-quarters of the total number of the issued shares of the class concerned within two (2) months of such General Meeting, shall be as valid and effectual as a Special Resolution carried at such General Meeting.
- (B) The provisions in Article 9(A) shall *mutatis mutandis* apply to any repayment of preference capital (other than redeemable preference capital) and any variation or abrogation of the rights attached to preference shares or any class thereof.
- (C) The special rights attached to any class of shares having preferential rights shall not unless otherwise expressly provided by the terms of issue thereof be deemed to be varied by the creation or issue of further shares ranking as regards participation in the profits or assets of the Company in some or all respects *pari passu* therewith but in no respect in priority thereto.

Article 14

Every person whose name is entered as a Member in the Register of Members shall be entitled, within ten (10) market days (or such period as the Directors may determine having regard to any limitation thereof as may be prescribed by the Designated Stock Exchange from time to time) after the closing date of any application for shares or (as the case may be) after the date of lodgment of a registrable transfer to one (1) certificate for all his shares of any one (1) class or to several certificates in reasonable denominations each for a part of the shares so allotted or transferred.

Article 34

- (A) There shall be no restriction on the transfer of fully paid-up shares (except where required by law or by the rules, bye-laws or listing rules of the Designated Stock Exchange) but the Directors may in their discretion decline to register any transfer of shares upon which the Company has a lien, and in the case of shares not fully paid up, may refuse to register a transfer to a transferee of whom they do not approve, Provided Always that in the event of the Directors refusing to register a transfer of shares, the Company shall within ten (10) market days (or such period as the Directors may determine having regard to any limitation thereof as may be prescribed by the Designated Stock Exchange from time to time) after the date on which the application for a transfer of shares was made, serve a notice in writing to the applicant stating the facts which are considered to justify the refusal as required by the Statutes.

APPENDIX D – SUMMARY OF SELECTED ARTICLES OF ASSOCIATION OF OUR COMPANY

- (B) The Directors may decline to register any instrument of transfer unless:
- (a) such fee not exceeding S\$2.00 (or such other fee as the Directors may determine having regard to any limitation thereof as may be prescribed by the Designated Stock Exchange from time to time) as the Directors may from time to time require is paid to the Company in respect thereof;
 - (b) the amount of proper duty (if any) with which each instrument of transfer is chargeable under any law for the time being in force relating to stamps is paid;
 - (c) the instrument of transfer is deposited at the Office or at such other place (if any) as the Directors may appoint accompanied by a certificate of payment of stamp duty (if stamp duty is payable on such instrument of transfer in accordance with any law for the time being in force relating to stamp duty), the certificates of the shares to which it relates, and such other evidence as the Directors may reasonably require to show the right of the transferor to make the transfer and, if the instrument of transfer is executed by some other person on his behalf, the authority of the person so to do; and
 - (d) the instrument of transfer is in respect of only one class of shares.

Article 41

A reference to a Member shall be a reference to a registered holder of shares in the Company, or where such registered holder is CDP, the Depositors on behalf of whom CDP holds the shares, Provided that:

- (a) a Depositor shall only be entitled to attend any General Meeting and to speak and vote thereat if his name appears on the Depository Register maintained by CDP 48 hours before the General Meeting as a Depositor on whose behalf CDP holds shares in the Company, the Company being entitled to deem each such Depositor, or each proxy of a Depositor who is to represent the entire balance standing to the Securities Account of the Depositor, to represent such number of shares as is actually credited to the Securities Account of the Depositor as at such time, according to the records of CDP as supplied by CDP to the Company, and where a Depositor has apportioned the balance standing to his Securities Account between two (2) proxies, to apportion the said number of shares between the two (2) proxies in the same proportion as previously specified by the Depositor in appointing the proxies; and accordingly no instrument appointing a proxy of a Depositor shall be rendered invalid merely by reason of any discrepancy between the proportion of Depositor's shareholding specified in the instrument of proxy, or where the balance standing to a Depositor's Securities Account has been apportioned between two (2) proxies the aggregate of the proportions of the Depositor's shareholding they are specified to represent, and the true balance standing to the Securities Account of a Depositor as at the time of the General Meeting, if the instrument is dealt with in such manner as is provided above;
- (b) the payment by the Company to CDP of any Dividend payable to a Depositor shall to the extent of the payment discharge the Company from any further liability in respect of the payment;
- (c) the delivery by the Company to CDP of provisional allotments or share certificates in respect of the aggregate entitlements of Depositors to new shares offered by way of rights issue or other preferential offering or bonus issue shall to the extent of the delivery discharge the Company from any further liability to each such Depositor in respect of his individual entitlement; and
- (d) the provisions in these presents relating to the transfers, transmissions or certification of shares shall not apply to the transfer of book-entry securities.

APPENDIX D – SUMMARY OF SELECTED ARTICLES OF ASSOCIATION OF OUR COMPANY

Article 42

Except as required by the Statutes or law, no person shall be recognized by the Company as holding any share upon any trust, and the Company shall not be bound by or compelled in any way to recognize (even when having notice thereof) any equitable, contingent, future or partial interest in any share, or any interest in any fractional part of a share, or (except only as by these presents or by the Statutes or law otherwise provided) any other right in respect of any share, except an absolute right to the entirety thereof in the registered holder and nothing in these presents contained relating to CDP or to Depositors or in any depository agreement made by the Company with any common depository for shares shall in any circumstances be deemed to limit, restrict or qualify the above.

Article 63

In the case of joint holders of a share, the vote of the senior who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint holders and for this purpose seniority shall be determined by the order in which the names stand in the Register of Members or, as the case may be, the order in which the names appear in the Depository Register in respect of the joint holding.

Article 64

Where in Singapore or elsewhere a receiver or other person (by whatever name called) has been appointed by any court claiming jurisdiction in that behalf to exercise powers with respect to the property or affairs of any Member on the ground (however formulated) of mental disorder, the Directors may in their absolute discretion, upon or subject to production of such evidence of the appointment as the Directors may require, permit such receiver or other person on behalf of such Member, to vote in person or by proxy at any General Meeting, or to exercise any other right conferred by Membership in relation to General Meetings of the Company.

Article 65

No Member shall be entitled in respect of shares held by him to vote at a General Meeting either personally or by proxy or to exercise any other right conferred by Membership in relation to General Meetings if any call or other sum payable by him to the Company in respect of such shares remains unpaid.

(g) any change in capital

Article 10

The Company may by Ordinary Resolution:

- (a) consolidate and divide all or any of its share capital;
- (b) cancel the number of any shares which, at the date of the passing of the resolution in that behalf have not been taken or agreed to be taken by any person or which have been forfeited and diminish the amount of its share capital by the number of the shares so cancelled;
- (c) sub-divide its shares, or any of them, Provided Always that in such sub-division the proportion between the amount paid and the amount (if any) unpaid on each reduced share shall be same as it was in the case of the share from which the reduced share is derived; and/or
- (d) convert or exchange any class of shares into or for any other class of shares.

APPENDIX D – SUMMARY OF SELECTED ARTICLES OF ASSOCIATION OF OUR COMPANY

Article 11

- (A) The Company may reduce its share capital or any other undistributable reserve in any manner permitted, and with, and subject to, any incident authorized, and consent or confirmation required, by law.
 - (B) The Company may purchase or otherwise acquire its issued shares subject to and in accordance with the provisions of the Statutes and any applicable rules of the Designated Stock Exchange (hereinafter, the “Relevant Laws”), on such terms and subject to such conditions as the Company may in General Meeting prescribe in accordance with the Relevant Laws. Any shares purchased or acquired by the Company as aforesaid shall, unless held in treasury in accordance with the Act, be deemed to be cancelled immediately on purchase or acquisition by the Company. On the cancellation of any share as aforesaid, the rights and privileges attached to that share shall expire. In any other instance, the Company may hold or deal with any such share which is so purchased or acquired by it in such manner as may be permitted by, and in accordance with the Relevant Laws. Without prejudice to the generality of the foregoing, upon cancellation of any share purchased or otherwise acquired by the Company pursuant to these presents and the Statutes, the number of issued shares of the Company shall be diminished by the number of shares so cancelled, and, where any such cancelled share was purchased or acquired out of the capital of the Company, the amount of share capital of the Company shall be reduced accordingly.
- (h) *any change in the respective rights of the various classes of shares including the action necessary to change the rights*

Article 9

- (A) Whenever the share capital of the Company is divided into different classes of shares, the variation or abrogation of the special rights attached to any class may, subject to the provisions of the Act, be made either with the consent in writing of the holders of three-quarters of the total number of the issued shares of the class or with the sanction of a Special Resolution passed at a separate General Meeting of the holders of the shares of the class (but not otherwise) and may be so made either whilst the Company is a going concern or during or in contemplation of a winding-up. To every such separate General Meeting all the provisions of these presents relating to General Meetings of the Company and to the proceedings thereat shall *mutatis mutandis* apply, except that the necessary quorum shall be two (2) or more persons holding at least one-third of the total number of the issued shares of the class present in person or by proxy or attorney and that any holder of shares of the class present in person or by proxy or attorney may demand a poll and that every such holder shall on a poll have one (1) vote for every share of the class held by him where the class is a class of equity shares within the meaning of Section 64(1) of the Act or at least one (1) vote for every share of the class where the class is a class of preference shares within the meaning of Section 180(2) of the Act, Provided Always that where the necessary majority for such a Special Resolution is not obtained at such General Meeting, the consent in writing, if obtained from the holders of three-quarters of the total number of the issued shares of the class concerned within two (2) months of such General Meeting, shall be as valid and effectual as a Special Resolution carried at such General Meeting.
- (B) The provisions in Article 9(A) shall *mutatis mutandis* apply to any repayment of preference capital (other than redeemable preference capital) and any variation or abrogation of the rights attached to preference shares or any class thereof.

APPENDIX D – SUMMARY OF SELECTED ARTICLES OF ASSOCIATION OF OUR COMPANY

- (C) The special rights attached to any class of shares having preferential rights shall not unless otherwise expressly provided by the terms of issue thereof be deemed to be varied by the creation or issue of further shares ranking as regards participation in the profits or assets of the Company in some or all respects *pari passu* therewith but in no respect in priority thereto.

(i) *dividends and distribution*

Article 127

The Company may by Ordinary Resolution declare Dividends but no such Dividend shall exceed the amount recommended by the Directors.

Article 128

If and so far as in the opinion of the Directors, the profits of the Company justify such payments, the Directors may declare and pay the fixed Dividends on any class of shares carrying a fixed Dividend expressed to be payable on fixed dates on the half-yearly or other dates prescribed for the payment thereof and may also from time to time declare and pay interim Dividends on shares of any class of such amounts and on such dates and in respect of such periods as they think fit.

Article 129

Subject to any rights or restrictions attached to any shares or class of shares and except as otherwise permitted under the Act:

- (a) all Dividends in respect of shares must be paid in proportion to the number of shares held a Member, but where shares are partly paid, all Dividends must be apportioned and paid proportionately to the amounts paid or credited as paid on the partly paid shares; and
- (b) all Dividends must be apportioned and paid proportionately to the amounts so paid or credited as paid during any portion or portions of the period in respect of which the Dividend is paid.

For the purposes of this Article, an amount paid or credited as paid on a share in advance of a call is to be ignored.

Article 130

- (A) No Dividend shall be paid otherwise than out of profits available for distribution under the provisions of the Statutes. The payment by the Directors of any unclaimed dividends or other moneys payable on or in respect of a share into a separate account shall not constitute the Company a trustee in respect thereof. All Dividends remaining unclaimed after one (1) year from having been first payable may be invested or otherwise made use of by the Directors for the benefit of the Company, and any Dividend or any such moneys unclaimed after six (6) years from having been first payable shall be forfeited and shall revert to the Company provided always that the Directors may at any time thereafter at their absolute discretion annul any such forfeiture and pay the Dividend so forfeited to the person entitled thereto prior to the forfeiture. If CDP returns any such Dividend or moneys to the Company, the relevant Depositor shall not have any right or claim in respect of such Dividend or moneys against the Company if a period of six (6) years has elapsed from the date of the declaration of such Dividend or the date on which such other moneys are first payable.
- (B) A payment by the Company to CDP of any Dividend or other moneys payable to a Depositor shall, to the extent of the payment made, discharge the Company from any liability to the Depositor in respect of that payment.

APPENDIX D – SUMMARY OF SELECTED ARTICLES OF ASSOCIATION OF OUR COMPANY

Article 131

No Dividend or other monies payable on or in respect of a share shall bear interest as against the Company.

Article 132

- (A) The Directors may retain any Dividend or other monies payable on or in respect of a share on which the Company has a lien and may apply the same in or towards satisfaction of the debts, liabilities or engagements in respect of which the lien exists.
- (B) The Directors may retain the Dividends payable upon shares in respect of which any person is under the provisions as to the transmission of shares hereinbefore contained entitled to become a Member, or which any person is under those provisions entitled to transfer, until such person shall become a Member in respect of such shares or shall transfer the same.

Article 133

The waiver in whole or in part of any Dividend on any share by any document (whether or not under seal) shall be effective only if such document is signed by the Member (or the person entitled to the share in consequence of the death or bankruptcy of the holder) and delivered to the Company and if or to the extent that the same is accepted as such or acted upon by the Company.

Article 134

The Company may upon the recommendation of the Directors by Ordinary Resolution direct payment of a Dividend in whole or in part by the distribution of specific assets (and in particular of paid-up shares or debentures of any other company) and the Directors shall give effect to such resolution. Where any difficulty arises with regard to such distribution, the Directors may settle the same as they think expedient and in particular, may issue fractional certificates, may fix the value for distribution of such specific assets or any part thereof, may determine that cash payments shall be made to any Member upon the footing of the value so fixed in order to adjust the rights of all parties and may vest any such specific assets in trustees as may seem expedient to the Directors.

Article 135

Any Dividend or other moneys payable in cash on or in respect of a share may be paid by cheque or warrant sent through the post to the registered address appearing in the Register of Members or (as the case may be) the Depository Register of the Member or person entitled thereto (or, if two (2) or more persons are registered in the Register of Members or (as the case may be) entered in the Depository Register as joint holders of the share or are entitled thereto in consequence of the death or bankruptcy of the holder, to any one (1) of such persons) or to such person and such address as such Member or person or persons may by writing direct. Every such cheque or warrant shall be made payable to the order of the person to whom it is sent or to such person as the holder or joint holders or person or persons entitled to the share in consequence of the death or bankruptcy of the holder may direct and payment of the cheque or warrant by the banker upon whom it is drawn shall be a good discharge to the Company. Every such cheque or warrant shall be sent at the risk of the person entitled to the money represented thereby.

Article 136

If two (2) or more persons are registered in the Register of Members or (as the case may be) the Depository Register as joint holders of any share, or are entitled jointly to a share in consequence of the death or bankruptcy of the holder, any one of them may give effectual receipts for any Dividend or other monies payable or property distributable on or in respect of the share.

APPENDIX D – SUMMARY OF SELECTED ARTICLES OF ASSOCIATION OF OUR COMPANY

Article 137

Any resolution declaring a Dividend on shares of any class, whether a resolution of the Company in General Meeting or a resolution of the Directors, may specify that the same shall be payable to the persons registered as the holders of such shares in the Register of Members or (as the case may be) the Depository Register at the close of business on a particular date and thereupon the Dividend shall be payable to them in accordance with their respective holdings so registered, but without prejudice to the rights inter se in respect of such Dividend of transferors and transferees of any such shares.

- (j) *any limitation on the right to own Shares, including limitations on the right of non-resident or foreign Shareholders to hold or exercise voting rights on their Shares*

Article 5

(A) Subject to any direction to the contrary that may be given by the Company in General Meeting or except as permitted by the rules of the Designated Stock Exchange, all new shares shall before issue be offered to such persons who as at the date (as determined by the Directors) of the offer are entitled to receive notices from the Company of General Meetings in proportion, as far as the circumstances admit, to the number of the existing shares to which they are entitled. The offer shall be made by notice specifying the number of shares offered, and limiting a time within which the offer, if not accepted, will be deemed to be declined, and, after the expiration of that time, or on the receipt of an intimation from the person to whom the offer is made that he declines to accept the shares offered, the Directors may dispose of those shares in such manner as they think most beneficial to the Company. The Directors may likewise so dispose of any new shares which (by reason of the ratio which the new shares bear to shares held by persons entitled to an offer of new shares) cannot, in the opinion of the Directors, be conveniently offered under this Article 5(A).

(B) Notwithstanding Article 5(A) above, the Company may by Ordinary Resolution in General Meeting give to the Directors a general authority, either unconditionally or subject to such conditions as may be specified in the Ordinary Resolution, to:

- (a) (i) issue shares in the capital of the Company ("shares") whether by way of rights, bonus or otherwise; and/or
- (ii) make or grant offers, agreements or options (collectively, "Instruments") that might or would require shares to be issued, including but not limited to the creation and issue of (as well as adjustments to) warrants, debentures or other instruments convertible into shares; and
- (b) (notwithstanding the authority conferred by the Ordinary Resolution may have ceased to be in force) issue shares in pursuance of any Instrument made or granted by the Directors while the Ordinary Resolution was in force,

Provided that:

- (1) the aggregate number of shares to be issued pursuant to the Ordinary Resolution (including shares to be issued in pursuance of Instruments made or granted pursuant to the Ordinary Resolution) shall be subject to such limits and manner of calculation as may be prescribed by the Designated Stock Exchange;
- (2) in exercising the authority conferred by the Ordinary Resolution, the Company shall comply with the provisions of the listing rules of the Designated Stock Exchange for the time being in force (unless such compliance is waived by the Designated Stock Exchange) and these presents; and

APPENDIX D – SUMMARY OF SELECTED ARTICLES OF ASSOCIATION OF OUR COMPANY

- (3) (unless revoked or varied by the Company in General Meeting) the authority conferred by the Ordinary Resolution shall not continue in force beyond the conclusion of the Annual General Meeting of the Company next following the passing of the Ordinary Resolution, or the date by which such Annual General Meeting of the Company is required by law to be held, or the expiration of such other period as may be prescribed by the Act (whichever is the earliest).
- (C) The Company may, notwithstanding Articles 5(A) and 5(B) above, authorize the Directors not to offer new shares to Members to whom by reason of foreign securities laws, such offers may not be made without registration of the shares or a prospectus or other document, but to sell the entitlements to the new shares on behalf of such Members on such terms and conditions as the Company may direct.

Article 34

- (A) There shall be no restriction on the transfer of fully paid-up shares (except where required by law or by the rules, bye-laws or listing rules of the Designated Stock Exchange) but the Directors may in their discretion decline to register any transfer of shares upon which the Company has a lien, and in the case of shares not fully paid up, may refuse to register a transfer to a transferee of whom they do not approve, Provided Always that in the event of the Directors refusing to register a transfer of shares, the Company shall within ten (10) market days (or such period as the Directors may determine having regard to any limitation thereof as may be prescribed by the Designated Stock Exchange from time to time) after the date on which the application for a transfer of shares was made, serve a notice in writing to the applicant stating the facts which are considered to justify the refusal as required by the Statutes.
- (B) The Directors may decline to register any instrument of transfer unless:
 - (a) such fee not exceeding S\$2.00 (or such other fee as the Directors may determine having regard to any limitation thereof as may be prescribed by the Designated Stock Exchange from time to time) as the Directors may from time to time require is paid to the Company in respect thereof;
 - (b) the amount of proper duty (if any) with which each instrument of transfer is chargeable under any law for the time being in force relating to stamps is paid;
 - (c) the instrument of transfer is deposited at the Office or at such other place (if any) as the Directors may appoint accompanied by a certificate of payment of stamp duty (if stamp duty is payable on such instrument of transfer in accordance with any law for the time being in force relating to stamp duty), the certificates of the shares to which it relates, and such other evidence as the Directors may reasonably require to show the right of the transferor to make the transfer and, if the instrument of transfer is executed by some other person on his behalf, the authority of the person so to do; and
 - (d) the instrument of transfer is in respect of only one (1) class of shares.

Article 42

Except as required by the Statutes or law, no person shall be recognised by the Company as holding any share upon any trust, and the Company shall not be bound by or compelled in any way to recognise (even when having notice thereof) any equitable, contingent, future or partial interest in any share, or any interest in any fractional part of a share, or (except only as by these presents or by the Statutes or law otherwise provided) any other right in respect of any share, except an absolute right to the entirety thereof in the registered holder and nothing in these presents contained relating to CDP or to Depositors or in any depository agreement made by the Company with any common depository for shares shall in any circumstances be deemed to limit, restrict or qualify the above.

APPENDIX E – TAXATION

The following discussion is limited to a general description of certain tax consequences in Singapore with respect to ownership of the Shares. It does not purport to be comprehensive nor exhaustive. Prospective investors should consult their tax advisors regarding the tax consequences of owning and disposing of the Shares. Neither our Company, our Directors nor any other persons involved in this Invitation accepts responsibility for any tax effects or liabilities resulting from the subscription, purchase, holding or disposal of our Shares. The laws, regulations and interpretations, however, may change at any time, and any change could be retroactive to the date of issuance of our Shares. These laws and regulations are also subject to various interpretations and the relevant tax authorities or the courts of Singapore could later disagree with the explanations or conclusions set out below.

SINGAPORE TAXATION

Income Tax

General

Corporate Taxpayers

A company is a tax resident in Singapore if the control and management of its trade or business is exercised in Singapore.

Corporate taxpayers who are Singapore tax residents are subject to Singapore income tax on income accruing in or derived from Singapore and, subject to certain exceptions, on foreign-sourced income received or deemed to be received in Singapore. Foreign-sourced income in the form of dividends, branch profits and services income received or deemed to be received in Singapore by Singapore tax resident companies on or after 1 June 2003 are exempt from tax if certain prescribed conditions are met:

- such income is subject to tax of a similar character to income tax under the law of the jurisdiction from which such income is received;
- at the time the income is received in Singapore, the highest rate of tax of a similar character to income tax (by whatever name called) levied under the law of the territory from which the income is received is at least 15.0%; and
- the Comptroller is satisfied that the tax exemption would be beneficial to the recipient of the foreign income.

Non-resident corporate taxpayers, with certain exceptions, are subject to Singapore income tax on income accruing in or derived from Singapore, and on foreign-sourced income received or deemed to be received in Singapore.

Rates of tax

The prevailing corporate income tax rate is 17.0% with partial tax exemption for normal chargeable income of up to S\$300,000 as follows:

- 75.0% exemption of up to the first S\$10,000 and
- 50.0% exemption of up to the next S\$290,000.

Individual Taxpayers

An individual is regarded as tax resident in Singapore for a year of assessment if, in the preceding year, he was physically present or had exercised employment in Singapore (other than as a director of a company) for 183 or more days, or if he resides in Singapore.

APPENDIX E – TAXATION

Individual taxpayers who are Singapore tax residents are subject to Singapore income tax on income accruing in or derived from Singapore, and foreign-sourced income received or deemed received in Singapore from outside Singapore. However, all foreign-sourced income received in Singapore on or after 1 January 2004 by a Singapore tax resident individual (except for income received through a partnership in Singapore) is exempt from Singapore income tax if the Comptroller is satisfied that the tax exemption would be beneficial to the individual.

Singapore tax-resident individuals are subject to tax based on a progressive scale. The present top marginal rate of tax is 20.0%.

Non-resident individuals are taxed at a flat rate of 15.0% on their Singapore employment income with no personal reliefs, or at tax resident rates with personal reliefs, whichever is higher. Other Singapore-sourced personal investment income such as rental income is taxable to a non-resident at 20.0%.

Dividend Distributions

Under the one-tier system, dividends paid out by our Company are exempt from income tax in the hands of the Shareholders, regardless of whether the Shareholder is a company or an individual and whether or not the Shareholder is a Singapore tax resident.

No withholding tax is imposed on dividend payments made, whether to resident or non-resident Shareholders.

Gains on Disposals of Ordinary Shares

Singapore does not impose tax on capital gains. However, gains arising from the disposal of our ordinary shares that are construed to be of an income nature will be subject to tax. Hence, any profits derived from the disposal of ordinary shares are not taxable in Singapore unless the seller is regarded as having derived gains of an income nature, in which case the gains on disposal of the ordinary shares will be taxable. Likewise, if the gains are regarded by the IRAS as having arisen from the carrying on of a trade or business in Singapore, such gains may be taxed as trading income.

In addition, holders of the Shares who apply, or who are required to apply, the Singapore Financial Reporting Standard 39: Financial Instruments — Recognition and Measurement (“FRS 39”) for the purposes of Singapore income tax may be required to recognise gains or losses (not being gains or losses in the nature of capital) in accordance with the provisions of FRS 39 (as modified by the applicable provisions of Singapore income tax law) even though no sale or disposal of the Shares is made. Holders of the Shares who may be subject to such tax treatment should consult their own accounting and tax advisers regarding the Singapore income tax consequences of their acquisition, holding and disposal of the Shares.

Stamp Duty

No stamp duty is payable on the subscription and issuance of our Shares.

Where existing Shares evidenced in certificated form are acquired in Singapore, stamp duty is payable on the instrument of transfer of the Shares at the rate of S\$0.20 for every S\$100 or any part thereof of the consideration for or market value of, the Shares, whichever is higher. The purchaser is liable for the stamp duty charge, unless otherwise agreed by the parties to the transaction.

No stamp duty is payable if no instrument of transfer is executed (such as in the case of scripless shares, the transfer of which does not require an instrument of transfer to be executed) or if the instrument of transfer is executed outside of Singapore. However, stamp duty may be payable if the instrument of transfer which is executed outside Singapore is subsequently brought into Singapore.

Estate Duty

Singapore estate duty was abolished with effect from 15 February 2008.

APPENDIX E – TAXATION

GST

The sale of our Shares by a GST-registered investor belonging in Singapore to another person belonging in Singapore is an exempt supply not subject to GST. Any GST (for example, GST on brokerage) incurred by the investor in connection with the making of this exempt supply will generally become an additional cost to the investor unless the investor satisfies certain conditions prescribed under the GST legislation or by the Comptroller of GST.

Where our Shares are sold by a GST-registered investor to a person belonging to a country other than Singapore, the sale is a zero-rated supply (i.e. subject to GST at zero rate). Any GST (for example, GST on brokerage) incurred by him in the making of this zero-rated supply for the purpose of his business will, subject to the provisions of the GST legislation, be recoverable as an input tax credit in his GST returns.

Investors should seek their own tax advice on the recoverability of GST incurred on expenses in connection with purchase and sale of our Shares.

Services such as brokerage, handling and clearing services rendered by a GST-registered person to an investor belonging in Singapore in connection with the investor's purchase, sale or holding of our Shares will be subject to GST at the prevailing rate of 7.0%. Similar services rendered contractually to an investor belonging outside Singapore should qualify for zero-rating (i.e. subject to GST at zero rate) provided that the investor is not physically present in Singapore at the time the services are performed and the services do not directly benefit a person who belongs in Singapore.

APPENDIX F – RULES OF THE MAXI-CASH PERFORMANCE SHARE PLAN

1. NAME OF THE PLAN

The Plan shall be called the “Maxi-Cash Performance Share Plan”.

2. DEFINITIONS

- 2.1. In the Plan, unless the context otherwise requires, the following words and expressions shall have the following meanings:

<i>“Act”</i>	The Companies Act (Chapter 50) of Singapore, as amended or modified from time to time
<i>“Adoption Date”</i>	The date on which the Plan is adopted by resolution of the Shareholders of the Company
<i>“Articles”</i>	The Articles of the Company, as amended or modified from time to time
<i>“Auditors”</i>	The auditors of the Company for the time being
<i>“Award”</i>	A contingent award of Shares granted under Rule 5
<i>“Award Date”</i>	In relation to an Award, the date on which the Award is granted pursuant to Rule 5
<i>“Award Letter”</i>	A letter in such form as the Committee shall approve confirming an Award granted to a Participant by the Committee
<i>“Board”</i>	The Board of Directors of our Company for the time being
<i>“CDP”</i>	The Central Depository (Pte) Limited
<i>“Catalist”</i>	The Catalist Board of the SGX-ST
<i>“Committee”</i>	The committee comprising Directors of the Company duly authorized and appointed by the Board of Directors pursuant to Rule 10 to administer the Plan
<i>“Company”</i>	Maxi-Cash Financial Services Corporation Ltd
<i>“Control”</i>	The capacity to dominate decision-making, directly or indirectly, in relation to the financial and operating policies of the Company
<i>“Controlling Shareholder”</i>	A person who holds directly or indirectly 15.0% or more of the nominal amount of all voting shares in the Company; or in fact exercises Control over the Company
<i>“Depositor”</i>	A person being a Depository Agent or holder of a securities account maintained with CDP but not including a holder of a sub-account maintained with a Depository Agent
<i>“Group”</i>	The Company and its subsidiaries
<i>“Group Executive”</i>	Any employee of the Group (including any Group Executive Director and Group Non-Executive Director who meets the relevant age and rank criteria and who shall be regarded as a Group Executive for the purposes of the Plan) selected by the Committee to participate in the Plan in accordance with Rule 4.1

APPENDIX F – RULES OF THE MAXI-CASH PERFORMANCE SHARE PLAN

<i>“Group Executive Director”</i>	A director of the Company and/or any of its subsidiaries, as the case may be, who performs an executive function
<i>“Group Non-Executive Director”</i>	A director of the Company and/or any of its subsidiaries, as the case may be, who is not a Group Executive Director, including independent directors
<i>“Listing Manual”</i>	Section B: Rules of Catalist of the Listing Manual of the SGX-ST, as amended, modified or supplemented from time to time
<i>“Market Value”</i>	In relation to a Share, on any day: (a) the average price of a Share on the SGX-ST over the five (5) immediately preceding Trading Days; or (b) if the Committee is of the opinion that the Market Value as determined in accordance with (a) above is not representative of the value of a Share, such price as the Committee may determine, such determination to be confirmed in writing by the Auditors (acting only as experts and not as arbitrators) to be in their opinion, fair and reasonable
<i>“Participant”</i>	Any eligible person selected by the Committee to participate in the Plan in accordance with the rules hereof
<i>“Performance Condition”</i>	In relation to an Award, the condition specified on the Award Date in relation to that Award
<i>“Performance Period”</i>	In relation to an Award, a period, the duration of which is to be determined by the Committee on the Award Date, during which the Performance Condition is to be satisfied
<i>“Plan”</i>	The Maxi-Cash Performance Share Plan, as the same may be modified or altered from time to time
<i>“Release”</i>	In relation to an Award, the release at the end of the Performance Period relating to that Award of all or some of the Shares to which that Award relates in accordance with Rule 7 and, to the extent that any Shares which are the subject of the Award are not released pursuant to Rule 7, the Award in relation to those Shares shall lapse accordingly, and “Released” shall be construed accordingly
<i>“Release Schedule”</i>	In relation to an Award, a schedule in such form as the Committee shall approve, setting out the extent to which Shares which are the subject of that Award shall be Released on the Performance Condition being satisfied (whether fully or partially) or exceeded or not being satisfied, as the case may be, at the end of the Performance Period
<i>“Released Award”</i>	An Award which has been released in accordance with Rule 7
<i>“Retention Period”</i>	In relation to an Award, such period commencing on the Vesting Date in relation to that Award as may be determined by the Committee on the Award Date
<i>“SGX-ST”</i>	The Singapore Exchange Securities Trading Limited

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<i>“Shares”</i>	Ordinary shares in the capital of the Company
<i>“Shareholders”</i>	The registered holders for the time being of the shares (other than the CDP) or in the case of Depositors, Depositors who have Shares entered against their names in the Depository Register
<i>“Sponsor”</i>	The sponsor of the Company from time to time, as required by the Listing Manual
<i>“Subsidiary”</i>	A company (whether incorporated within or outside Singapore and wheresoever resident) being a subsidiary for the time being of the Company within the meaning of Section 5 of the Act
<i>“Trading Day”</i>	A day on which the Shares are traded on Catalist
<i>“Vesting”</i>	In relation to Shares which are the subject of a Released Award, the absolute entitlement to all or some of the Shares which are the subject of a Released Award and “Vest” and “Vested” shall be construed accordingly
<i>“Vesting Date”</i>	In relation to Shares which are the subject of a Released Award, the date (as determined by the Committee and notified to the relevant Participant) on which those Shares have Vested pursuant to Rule 7

Words importing the singular number shall, where applicable, include the plural number and *vice versa*. Words importing the masculine gender shall, where applicable, include the feminine and neuter genders.

- 2.2 Any reference to a time of a day in the Plan is a reference to Singapore time.
- 2.3 Any reference in the Plan to any enactment is a reference to that enactment as for the time being amended or re-enacted. Any word defined under the Act or any statutory modification thereof and not otherwise defined in the Plan and used in the Plan shall have the meaning assigned to it under the Act or any statutory modification thereof, as the case may be.
- 2.4 The term “Associate” shall have the meaning ascribed to it by the SGX-ST Listing Manual as set out below.
- 2.5 For purposes of the Plan, the Company shall be deemed to have control over another company if it has the capacity to dominate decision-making, directly or indirectly, in relation to the financial and operating policies of that company.
- (a) in relation to any Director, CEO, Substantial Shareholder or Controlling Shareholder (being an individual) means:
- (i) his immediate family;
 - (ii) the trustees of any trust of which he or his immediate family is a beneficiary or, in the case of a discretionary trust, is a discretionary object; and
 - (iii) any corporation in which he and his immediate family together (directly or indirectly) have an interest of 30.0% or more.

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- (b) in relation to a Substantial Shareholder or a Controlling Shareholder (being a corporation) means any other corporation which is its subsidiary or holding company or is a subsidiary of such holding company or one in the equity of which it and/or such other company or companies taken together (directly or indirectly) have an interest of 30.0% or more.

2.6 The terms “Depository Register” and “Depository Agent” shall have the same meanings ascribed to them by Section 130A of the Act.

3. OBJECTIVES OF THE PLAN

The Plan has been proposed in order to:

- (a) foster an ownership culture within the Group which aligns the interests of Group Executives with the interests of Shareholders;
- (b) motivate Participants to achieve key financial and operational goals of the Company and/or their respective business units and encourage greater dedication and loyalty to the Group; and
- (c) make total employee remuneration sufficiently competitive to recruit new Participants and/or retain existing Participants whose contributions are important to the long-term growth and profitability of the Group.

4. ELIGIBILITY OF PARTICIPANTS

4.1 The following persons shall be eligible to participate in the Plan at the absolute discretion of the Committee:

- (a) Group Executives

Full-time Employees of the Group, Group Executive Directors and Group Non-Executive Directors who have attained the age of 21 years as of the Award Date and hold such rank as may be designated by the Committee from time to time. The Participant must also not be an undischarged bankrupt and must not have entered into a composition with his creditors.

- (b) Controlling Shareholders and Associates of Controlling Shareholders

Subject to Rule 4.2, persons who are qualified under 4.1(i) above and who are also Controlling Shareholders or Associates of Controlling Shareholders.

4.2 Employees who are Controlling Shareholders or Associates of Controlling Shareholders shall (notwithstanding that they may meet the eligibility criteria in Rule 4.1(i) above) not participate in the Plan unless:

- (a) their participation; and
- (b) the terms of each grant and the actual number of Awards to be granted to them,

have been approved by the independent Shareholders in a general meeting in separate resolutions for each such person, and in respect of each such person, in separate resolutions for each of (i) his participation and (ii) the terms of each grant and the actual number of Awards to be granted to him, provided always that it shall not be necessary to obtain the approval of the independent Shareholders of our Company for the participation in the Plan of a Controlling Shareholder or

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an Associate of a Controlling Shareholder who is, at the relevant time already a Participant. For the purposes of obtaining such approval from the independent Shareholders, our Company shall procure that the circular, letter or notice to the Shareholder in connection therewith shall set out the following:

- (a) clear justifications for the participation of such Controlling Shareholders or Associates of Controlling Shareholders; and
- (b) clear rationale for the terms of the Awards to be granted to such Controlling Shareholders or Associates of Controlling Shareholders.

4.3 Save as prescribed by Rule 853 of the Listing Manual, there shall be no restriction on the eligibility of any Participant to participate in any other share option or share incentive scheme, whether or not implemented by any other companies within our Group.

4.4 Subject to the Act and any requirement of the SGX-ST or any other stock exchange on which the Shares may be listed or quoted, the terms of eligibility for participation in the Plan may be amended from time to time at the absolute discretion of the Committee.

5. GRANT OF AWARDS

5.1 Except as provided in Rule 8, the Committee may grant Awards to Group Executives as the Committee may select, in its absolute discretion, at any time during the period when the Plan is in force, provided that no Participant who is a member of the Committee shall participate in any deliberation or decision in respect of Awards granted or to be granted to him.

5.2 The number of Shares which are the subject of each Award to be granted to a Participant in accordance with the Plan shall be determined at the absolute discretion of the Committee, which shall take into account criteria such as his rank, job performance, years of service and potential for future development, his contribution to the success and development of the Group and the extent of effort and resourcefulness with which the Performance Condition may be achieved within the Performance Period.

5.3 The Committee shall decide in relation to an Award:

- (a) the Participant;
- (b) the Award Date;
- (c) the Performance Period;
- (d) the number of Shares which are the subject of the Award;
- (e) the Performance Condition;
- (f) the Release Schedule; and
- (g) any other condition(s) which the Committee may determine in relation to that Award.

5.4 The Committee may amend or waive the Performance Period, the Performance Condition and/or the Release Schedule in respect of any Award:

- (a) in the event of a take-over offer being made for the Shares or if (i) shareholders of the Company or (ii) under the Act, the court, sanctions a compromise or arrangement proposed for the purposes of, or in connection with, a scheme for the reconstruction of the Company or its amalgamation with another company or companies or in the event of a proposal to liquidate or sell all or substantially all of the assets of the Company; or

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- (b) if anything happens which causes the Committee to conclude that:
 - (i) a changed Performance Condition and/or Release Schedule would be a fairer measure of performance, and would be no less difficult to satisfy; or
 - (ii) the Performance Condition and/or Release Schedule should be waived, and shall notify the Participants of such change or waiver.

5.5 As soon as reasonably practicable after making an Award the Committee shall send to each Participant an Award Letter confirming the Award and specifying in relation to the Award:

- (a) the Award Date;
- (b) the Performance Period;
- (c) the number of Shares which are the subject of the Award;
- (d) the Performance Condition;
- (e) the Release Schedule; and
- (f) any other condition which the Committee may determine in relation to that Award.

5.6 Participants are not required to pay for the grant of Awards.

5.7 An Award or Released Award shall be personal to the Participant to whom it is granted and, prior to the allotment and/or transfer to the Participant of the Shares to which the Released Award relates, shall not be transferred, charged, assigned, pledged or otherwise disposed of, in whole or in part, except with the prior approval of the Committee and if a Participant shall do, suffer or permit any such act or thing as a result of which he would or might be deprived of any rights under an Award or Released Award without the prior approval of the Committee, that Award or Released Award shall immediately lapse.

6. EVENTS PRIOR TO THE VESTING DATE

6.1 An Award shall, to the extent not yet Released, immediately lapse without any claim whatsoever against the Company:

- (a) in the event of misconduct on the part of the Participant as determined by the Committee in its discretion;
- (b) subject to Rule 6.2(b), where the Participant is a Group Executive, upon the Participant ceasing to be in the employment of the Group for any reason whatsoever; or
- (c) in the event of an order being made or a resolution passed for the winding-up of the Company on the basis, or by reason, of its insolvency.

For the purpose of Rule 6.1(b), the Participant shall be deemed to have ceased to be so employed as of the date the notice of termination of employment is tendered by or is given to him, unless such notice shall be withdrawn prior to its effective date.

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6.2 In any of the following events, namely:

- (a) the bankruptcy of the Participant or the happening of any other event which results in him being deprived of the legal or beneficial ownership of an Award;
- (b) where the Participant being a Group Executive ceases to be in the employment of the Group by reason of:
 - (i) ill health, injury or disability (in each case, evidenced to the satisfaction of the Committee);
 - (ii) redundancy;
 - (iii) retirement at or after the legal retirement age;
 - (iv) retirement before the legal retirement age with the consent of the Committee;
 - (v) the company by which he is employed or to which he is seconded, as the case may be, ceasing to be a company within the Group or the undertaking or part of the undertaking of such company being transferred otherwise than to another company within the Group;
 - (vi) (where applicable) his transfer of employment between companies within the Group;
 - (vii) his transfer to any government ministry, governmental or statutory body or corporation at the direction of any company within the Group; or
 - (viii) any other event approved by the Committee;
- (c) the death of a Participant; or
- (d) any other event approved by the Committee,

the Committee may, in its absolute discretion, preserve all or any part of any Award and decide as soon as reasonably practicable following such event either to Vest some or all of the Shares which are the subject of any Award or to preserve all or part of any Award until the end of the Performance Period and subject to the provisions of the Plan. In exercising its discretion, the Committee will have regard to all circumstances on a case-by-case basis, including (but not limited to) the contributions made by that Participant and the extent to which the Performance Condition has been satisfied.

6.3 Without prejudice to the provisions of Rule 5.4, if before the Vesting Date, any of the following occurs:

- (a) a take-over offer for the Shares becomes or is declared unconditional;
- (b) a compromise or arrangement proposed for the purposes of, or in connection with, a scheme for the reconstruction of the Company or its amalgamation with another company or companies being approved by Shareholders of the Company and/or sanctioned by the court under the Act; or
- (c) an order being made or a resolution being passed for the winding up of the Company (other than as provided in Rule 6.1(c) or for amalgamation or reconstruction),

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the Committee will consider, at its discretion, whether or not to Release any Award, and will take into account all circumstances on a case-by-case basis, including (but not limited to) the contributions made by that Participant. If the Committee decides to Release any Award, then in determining the number of Shares to be Vested in respect of such Award, the Committee will have regard to the proportion of the Performance Period which has lapsed and the extent to which the Performance Condition has been satisfied. Where Awards are Released, the Committee will, as soon as practicable after the Awards have been Released, procure the allotment or transfer to each Participant of the number of Shares so determined, such allotment or transfer to be made in accordance with Rule 7. If the Committee so determines, the Release of Awards may be satisfied in cash as provided in Rule 7.

7. RELEASE OF AWARDS

7.1 Review of Performance Condition

- (a) As soon as reasonably practicable after the end of each Performance Period, the Committee shall review the Performance Condition specified in respect of each Award and determine at its discretion whether it has been satisfied and, if so, the extent to which it has been satisfied, and provided that the relevant Participant has continued to be a Group Executive from the Award Date up to the end of the Performance Period, shall Release to that Participant all or part (as determined by the Committee at its discretion in the case where the Committee has determined that there has been partial satisfaction of the Performance Condition) of the Shares to which his Award relates in accordance with the Release Schedule specified in respect of his Award on the Vesting Date. If not, the Awards shall lapse and be of no value.

If the Committee determines in its sole discretion that the Performance Condition has not been satisfied or (subject to Rule 6) if the relevant Participant has not continued to be a Group Executive from the Award Date up to the end of the relevant Performance Period, that Award shall lapse and be of no value and the provisions of Rules 7.2 to 7.4 shall be of no effect.

The Committee shall have the discretion to determine whether the Performance Condition has been satisfied (whether fully or partially) or exceeded and in making any such determination, the Committee shall have the right to make computational adjustments to the audited results of the Company or the Group to take into account such factors as the Committee may determine to be relevant, including changes in accounting methods, taxes and extraordinary events, and further the right to amend the Performance Condition if the Committee decides that a changed performance target would be a fairer measure of performance.

- (b) Shares which are the subject of a Released Award shall be Vested to a Participant on the Vesting Date, which shall be a Trading Day falling as soon as practicable after the review by the Committee referred to in Rule 7.1(a) and, on the Vesting Date, the Committee will procure the allotment or transfer to each Participant of the number of Shares so determined.
- (c) Where new Shares are allotted upon the Vesting of any Award, the Company shall, as soon as practicable after such allotment, apply to the Sponsor and/or the SGX-ST and any other stock exchange on which the Shares are quoted or listed for permission to deal in and for quotation of such Shares.

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7.2 Release of Award

On Vesting of the Award, after the end of each Performance Period, the Committee has the discretion to determine whether to issue new Shares or to procure the transfer of existing Shares, or a combination of both methods to the Participant. Shares which are allotted or transferred on the Release of an Award to a Participant shall be issued in the name of, or transferred to, CDP to the credit of the securities account of that Participant maintained with CDP or the securities sub-account of that Participant maintained with a Depository Agent, in each case, as designated by that Participant.

7.3 Ranking of Shares

New Shares issued and allotted, and existing Shares procured by the Company for transfer, on the Release of an Award shall:

- (a) be subject to all the provisions of the Articles and the Memorandum of Association of the Company (including provisions relating to the liquidation of the Company); and
- (b) rank in full for all entitlements, including dividends or other distributions declared or recommended in respect of the then existing Shares, the Record Date for which is on or after the relevant Vesting Date, and shall in all other respects rank *pari passu* with other existing Shares then in issue.

“Record Date” means the date fixed by the Company for the purposes of determining entitlements to dividends or other distributions to or rights of holders of Shares.

7.4 Cash Awards

The Committee, in its absolute discretion, may determine to make a Release of an Award, wholly or partly, in the form of cash rather than Shares, in which event the Participant shall receive on the Vesting Date, in lieu of all or part of the Shares which would otherwise have been allotted or transferred to him on Release of his Award, the aggregate Market Value of such Shares on the Vesting Date.

7.5 Moratorium

Shares which are issued and allotted or transferred to a Participant pursuant to the Release of an Award shall not be transferred, charged, assigned, pledged or otherwise disposed of, in whole or in part, during the Retention Period, except to the extent set out in the Award Letter or with the prior approval of the Committee. The Company may take steps that it considers necessary or appropriate to enforce or give effect to this disposal restriction including specifying in the Award Letter the conditions which are to be attached to an Award for the purpose of enforcing this disposal restriction.

8. LIMITATIONS ON THE SIZE OF THE PLAN

- 8.1 The aggregate number of Shares which may be issued or transferred pursuant to Awards granted under the Plan on any date, when added to (i) the number of Shares issued and issuable and/or transferred or transferable in respect of all Awards granted under the Plan; and (ii) all Shares issued and issuable and/or transferred or transferable in respect of all options granted or awards granted under any other share incentive schemes or share plans adopted by the Company for the time being in force, shall not exceed 15.0% of the issued and paid-up share capital (excluding treasury shares) of the Company on the day preceding that date.

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- 8.2 In addition, the number of Shares available to Controlling Shareholders or Associates of a Controlling Shareholder under this Plan are subject to the limits stated in Rule 5.2 above.
- 8.3 Shares which are the subject of Awards which have lapsed for any reason whatsoever may be the subject of further Awards granted by the Committee under the Plan.

9. ADJUSTMENT EVENTS

- 9.1 If a variation in the issued ordinary share capital of the Company (whether by way of a capitalisation of profits or reserves or rights issue or reduction) shall take place, then:
- (a) the class and/or number of Shares which is/are the subject of an Award to the extent not yet Vested; and/or
 - (b) the class and/or number of Shares in respect of which future Awards may be granted under the Plan, shall be adjusted in such manner as the Committee may determine to be appropriate, provided that no adjustment shall be made if as a result, the Participant receives a benefit that a shareholder does not receive.
- 9.2 Unless the Committee considers an adjustment to be appropriate, the issue of securities as consideration for an acquisition or a private placement of securities, or the cancellation of issued Shares purchased or acquired by the Company by way of a market purchase of such Shares undertaken by the Company on the SGX-ST during the period when a share purchase mandate granted by shareholders of the Company (including any renewal of such mandate) is in force, shall not normally be regarded as a circumstance requiring adjustment.
- 9.3 Notwithstanding the provisions of Rule 9.1, any adjustment (except in relation to a capitalisation issue) must be confirmed in writing by the Auditors (acting only as experts and not as arbitrators) to be in their opinion, fair and reasonable.
- 9.4 Upon any adjustment required to be made pursuant to this Rule 9, the Company shall notify the Participant (or his duly appointed personal representatives where applicable) in writing and deliver to him (or his duly appointed personal representatives where applicable) a statement setting forth the nominal amount, class and/or number of Shares thereafter to be issued or transferred on the Vesting of an Award. Any adjustment shall take effect upon such written notification being given.

10. ADMINISTRATION OF THE PLAN

- 10.1 The Plan shall be administered by the Committee in its absolute discretion with such powers and duties as are conferred on it by the Board, provided that no member of the Committee shall participate in any deliberation or decision in respect of Awards granted or to be granted to him.
- 10.2 The Committee shall have the power, from time to time, to make and vary such arrangements, guidelines and/or regulations (not being inconsistent with the Plan) for the implementation and administration of the Plan, to give effect to the provisions of the Plan and/or to enhance the benefit of the Awards and the Released Awards to the Participants, as they may, in their absolute discretion, think fit. Any matter pertaining or pursuant to the Plan and any dispute and uncertainty as to the interpretation of the Plan, any rule, regulation or procedure thereunder or any rights under the Plan shall be determined by the Committee.
- 10.3 Neither the Plan nor the grant of Awards under the Plan shall impose on the Company or the Committee or any of its members any liability whatsoever in connection with:
- (a) the lapsing of any Awards pursuant to any provision of the Plan;
 - (b) the failure or refusal by the Committee to exercise, or the exercise by the Committee of, any discretion under the Plan; and/or
 - (c) any decision or determination of the Committee made pursuant to any provision of the Plan.

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- 10.4 Any decision or determination of the Committee made pursuant to any provision of the Plan (other than a matter to be certified by the Auditors) shall be final, binding and conclusive (including for the avoidance of doubt, any decisions pertaining to disputes as to the interpretation of the Plan or any rule, regulation or procedure hereunder or as to any rights under the Plan). The Committee shall not be required to furnish any reasons for any decision or determination made by it.

11. NOTICES AND COMMUNICATIONS

- 11.1 Any notice required to be given by a Participant to the Company shall be sent or made to the registered office of the Company or such other addresses (including electronic mail addresses) or facsimile number, and marked for the attention of the Committee, as may be notified by the Company to him in writing.
- 11.2 Any notices or documents required to be given to a Participant or any correspondence to be made between the Company and the Participant shall be given or made by the Committee (or such person(s) as it may from time to time direct) on behalf of the Company and shall be delivered to him by hand or sent to him at his home address, electronic mail address or facsimile number according to the records of the Company or the last known address, electronic mail address or facsimile number of the Participant.
- 11.3 Any notice or other communication from a Participant to the Company shall be irrevocable, and shall not be effective until received by the Company. Any other notice or communication from the Company to a Participant shall be deemed to be received by that Participant, when left at the address specified in Rule 11.2 or, if sent by post, on the day following the date of posting or, if sent by electronic mail or facsimile transmission, on the day of despatch.

12. MODIFICATIONS TO THE PLAN

- 12.1 Any or all the provisions of the Plan may be modified and/or altered at any time and from time to time by a resolution of the Committee, except that:
- (a) no modification or alteration shall alter adversely the rights attached to any Award granted prior to such modification or alteration except with the consent in writing of such number of Participants who, if their Awards were Released to them upon the Performance Conditions for their Awards being satisfied in full, would become entitled to not less than three quarters of all the Shares which would fall to be Vested upon Release of all outstanding Awards upon the Performance Conditions for all outstanding Awards being satisfied in full;
 - (b) the definitions of “Group Executive”, “Group Executive Director”, “Group Non-Executive Director”, “Participant”, “Performance Period” and “Release Schedule” and the provisions of Rules 4, 5, 6, 7, 8, 9, 10 and this Rule 12 shall not be altered to the advantage of Participants except with the prior approval of the Company’s Shareholders in general meeting; and
 - (c) no modification or alteration shall be made without the prior approval of the SGX-ST and such other regulatory authorities as may be necessary.

For the purposes of Rule 12.1(a), the opinion of the Committee as to whether any modification or alteration would adversely affect the rights attached to any Award shall be final, binding and conclusive. For the avoidance of doubt, nothing in this Rule 12.1 shall affect the right of the Committee under any other provision of the Plan to amend or adjust any Award.

- 12.2 Notwithstanding anything to the contrary contained in Rule 12.1, the Committee may at any time by resolution (and without other formality, save for the prior approval of the SGX-ST) amend or alter the Plan in any way to the extent necessary or desirable, in the opinion of the Committee, to cause the Plan to comply with, or take into account, any statutory provision (or any amendment or modification thereto, including amendment of or modification to the Act) or the provision or the regulations of any regulatory or other relevant authority or body (including the SGX-ST).

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- 12.3 Written notice of any modification or alteration made in accordance with this Rule 12 shall be given to all Participants.

13. TERMS OF EMPLOYMENT UNAFFECTED

The terms of employment of a Participant shall not be affected by his participation in the Plan, which shall neither form part of such terms nor entitle him to take into account such participation in calculating any compensation or damages on the termination of his employment for any reason.

14. DURATION OF THE PLAN

- 14.1 The Plan shall continue to be in force at the discretion of the Committee, subject to a maximum period of ten (10) years commencing on the Adoption Date, provided always that the Plan may continue beyond the above stipulated period with the approval of the Company's Shareholders by ordinary resolution in general meeting and of any relevant authorities which may then be required.
- 14.2 The Plan may be terminated at any time by the Committee or, at the discretion of the Committee, by resolution of the Company in general meeting, subject to all relevant approvals which may be required and if the Plan is so terminated, no further Awards shall be granted by the Committee hereunder.
- 14.3 The expiry or termination of the Plan shall not affect Awards which have been granted prior to such expiry or termination, whether such Awards have been Released (whether fully or partially) or not.

15. TAXES

All taxes (including income tax) arising from the grant or Release of any Award granted to any Participant under the Plan shall be borne by that Participant.

16. COSTS AND EXPENSES OF THE PLAN

- 16.1 Each Participant shall be responsible for all fees of CDP relating to or in connection with the issue and allotment or transfer of any Shares pursuant to the Release of any Award in CDP's name, the deposit of share certificate(s) with CDP, the Participant's securities account with CDP, or the Participant's securities sub-account with a CDP Depository Agent.
- 16.2 Save for the taxes referred to in Rule 15 and such other costs and expenses expressly provided in the Plan to be payable by the Participants, all fees, costs and expenses incurred by the Company in relation to the Plan including but not limited to the fees, costs and expenses relating to the allotment and issue, or transfer, of Shares pursuant to the Release of any Award, shall be borne by the Company.

17. DISCLAIMER OF LIABILITY

Notwithstanding any provisions herein contained, the Committee and the Company shall not under any circumstances be held liable for any costs, losses, expenses and damages whatsoever and howsoever arising in any event, including but not limited to the Company's delay in issuing, or procuring the transfer of, the Shares or applying for or procuring the listing of new Shares on Catalist in accordance with Rule 7.1(c).

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18. DISCLOSURES IN ANNUAL REPORTS

The following disclosures (as applicable) will be made by the Company in its annual report for so long as the Plan continues in operation:

- (a) the names of the members of the Committee administering the Plan;
- (b) in respect of the following Participants:
 - (i) Directors of our Company;
 - (ii) Controlling Shareholders and their Associates; and
 - (iii) Participants (other than those in paragraphs (i) and (ii) above) who have received Shares pursuant to the Release of Awards granted under the Plan which, in aggregate, represent 5.0% or more of the aggregate number of new Shares available under the Plan;

the following information:

- (aa) the name of the Participant;
 - (ab) the aggregate number of Shares comprised in Awards granted during the financial year under review;
 - (ac) the number of new Shares issued to such Participant during the financial year under review;
 - (ad) the number of existing Shares purchased for delivery pursuant to Release of Awards to such Participant during the financial year under review;
 - (ae) the aggregate number of Shares comprised in Awards which have not been released as at the end of the financial year under review;
 - (af) the aggregate number of Shares comprised in Awards granted since the commencement of the Plan to the end of the financial year under review;
 - (ag) the number of new Shares allotted to such Participant since the commencement of the Performance Share Plan to the end of financial year under review; and
 - (ah) the number of existing Shares transferred to such Participant since the commencement of the Performance Share Plan to the end of the financial year under review.
- (c) in relation to the Performance Share Scheme:
 - (i) the aggregate number of Shares comprised in Awards which have Vested under the Plan since the commencement of the Plan to the end of the financial year under review;
 - (ii) the aggregate number of new Shares issued which are comprised in the Awards Vested during the financial year under review; and
 - (iii) the aggregate number of Shares comprised in Awards which have not yet Released, as at the end of the financial year under review; and
 - (d) such other information as may be required by the Listing Manual or the Act.

If any of the above is not applicable, an appropriate negative statement shall be included therein.

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19. DISPUTES

Any disputes or differences of any nature arising hereunder shall be referred to the Committee and its decision shall be final and binding in all respects.

20. GOVERNING LAW

The Plan shall be governed by, and construed in accordance with, the laws of the Republic of Singapore. The Participants, by accepting grants of Awards in accordance with the Plan, and the Company submit to the exclusive jurisdiction of the courts of the Republic of Singapore.

21. CONTRACTS (RIGHTS OF THIRD PARTIES) ACT (CHAPTER 53B)

No person other than the Company or a Participant shall have any right to enforce any provision of the Plan or any Award by the virtue of the Contracts (Rights of Third Parties) Act (Chapter 53B) of Singapore.

22. ELIGIBLE SHAREHOLDERS

Shareholders who are eligible to participate in the Plan must abstain from voting on any resolution relating to the Plan (other than a resolution relating to the participation of, or grant of options to, directors and employees of the issuer's parent company and its subsidiaries).

APPENDIX G – TERMS, CONDITIONS AND PROCEDURES FOR APPLICATIONS

You are invited to apply and subscribe for the New Shares, subject to the following terms and conditions:

1. **YOUR APPLICATION MUST BE MADE IN LOTS OF 1,000 NEW SHARES OR INTEGRAL MULTIPLES THEREOF. YOUR APPLICATION FOR ANY OTHER NUMBER OF SHARES WILL BE REJECTED.**
2. Your application for the Offer Shares may be made by way of printed WHITE Offer Shares Application Form or by way of Electronic Application through an ATM belonging to the Participating Banks ("ATM Electronic Application") or through IB websites of the relevant Participating Banks ("Internet Electronic Applications", which together with ATM Electronic Applications, shall be referred to as "Electronic Applications").

Your application for the Placement Shares may only be made by way of printed BLUE Placement Shares Application Forms.

YOU MAY NOT USE CPF FUNDS TO APPLY FOR THE NEW SHARES.

3. **You are allowed to submit only one application in your own name for the Offer Shares or the Placement Shares. If you submit an application for the Offer Shares by way of an Application Form, you MAY NOT submit another application for the Offer Shares by way of an Electronic Application and *vice versa*. Such separate applications shall be deemed to be multiple applications and shall be rejected, except in the case of applications by approved nominee companies, where each application is made on behalf of a different beneficiary.**

If you submit an application for the Offer Shares by way of an ATM Electronic Application, you MAY NOT submit another application for the Offer Shares by way of an Internet Electronic Application and *vice versa*. Such separate applications shall be deemed to be multiple applications and shall be rejected.

If you, being other than an approved nominee company, have submitted an application for the Offer Shares in your own name, you should not submit any other application for the Offer Shares, whether by way of an Application Form or by way of an Electronic Application, for any other person. Such separate applications shall be deemed to be multiple applications and shall be rejected.

You are allowed to submit only one application in your own name for the Placement Shares. Any separate application by you for the Placement Shares are be deemed to be multiple applications and our Company has the discretion whether to accept or reject such multiple applications.

If you, being other than an approved nominee company, have submitted an application for the Placement Shares in your own name, you should not submit any other application for the Placement Shares for any other person. Such separate applications shall be deemed to be multiple applications and will be liable to be rejected at our discretion.

If you have made an application for the Placement Shares, and you have also made a separate application for the Offer Shares, either by way of an Application Form or through an Electronic Application, we shall have the discretion to either (i) reject both of such separate applications or (ii) accept any one (but not the other) out of such separate applications.

Conversely, if you have made an application for the Offer Shares either by way of an Application Form or through an Electronic Application, and you have also made a separate application for the Placement Shares, we shall have the discretion to either (i) reject both of such separate applications or (ii) accept any one (but not the other) out of such separate applications.

APPENDIX G – TERMS, CONDITIONS AND PROCEDURES FOR APPLICATIONS

Joint applications shall be rejected. Multiple applications for the New Shares may be rejected at the discretion of our Company. If you submit or procure submissions of multiple share applications (whether for the Offer Shares, the Placement Shares or both the Offer Shares and the Placement Shares), you may be deemed to have committed an offence under the Penal Code, Chapter 224 of Singapore and the Securities and Futures Act, and your applications may be referred to the relevant authorities for investigation. Multiple applications or those appearing to be or suspected of being multiple applications may be rejected at the discretion of our Company.

4. We will not accept applications from any person under the age of 21 years, undischarged bankrupts, sole-proprietorships, partnerships or non-corporate bodies, joint Securities Account holders of CDP and from applicants whose addresses (furnished in their Application Forms or, in the case of Electronic Applications, contained in the records of the relevant Participating Banks) bear post office box numbers. No person acting or purporting to act on behalf of a deceased person is allowed to apply under the Securities Account with CDP in the deceased's name at the time of application.
5. We will not recognise the existence of a trust. An application by a trustee or trustees must therefore be made in his/her/their own name(s) and without qualification or, where the application is made by way of an Application Form by a nominee, in the name(s) of an approved nominee company or approved nominee companies after complying with paragraph 6 below.
6. **WE WILL ONLY ACCEPT APPLICATIONS FROM APPROVED NOMINEE COMPANIES.** Approved nominee companies are defined as banks, merchant banks, finance companies, insurance companies, licensed securities dealers in Singapore and nominee companies controlled by them. Applications made by nominees other than approved nominee companies shall be rejected.
7. **IF YOU ARE NOT AN APPROVED NOMINEE COMPANY, YOU MUST MAINTAIN A SECURITIES ACCOUNT WITH CDP IN YOUR OWN NAME AT THE TIME OF YOUR APPLICATION.** If you do not have an existing Securities Account with CDP in your own name at the time of your application, your application will be rejected (if you apply by way of an Application Form), or you will not be able to complete your Electronic Application (if you apply by way of an Electronic Application). If you have an existing Securities Account with CDP but fail to provide your Securities Account number or provide an incorrect Securities Account number in Section B of the Application Form or in your Electronic Application, as the case may be, your application is liable to be rejected. Subject to paragraph 8 below, your application shall be rejected if your particulars such as name, NRIC/passport number, nationality, permanent residence status and CDP Securities Account number provided in your Application Form, or in the case of an Electronic Application, contained in the records of the relevant Participating Bank at the time of your Electronic Application, as the case may be, differ from those particulars in your Securities Account as maintained with CDP. If you possess more than one individual direct Securities Account with CDP, your application shall be rejected.
8. **If your address as stated in the Application Form or, in the case of an Electronic Application, contained in the records of the relevant Participating Bank, as the case may be, is different from the address registered with CDP, you must inform CDP of your updated address promptly, failing which the notification letter on successful allotment and other correspondence from CDP will be sent to your address last registered with CDP.**
9. **Our Company reserves the right to reject any application which does not conform strictly to the instructions set out in the Application Form and in this Offer Document or which does not comply with the instructions for Electronic Applications or with the terms and conditions of this Offer Document or, in the case of an application by way of an Application Form, which is illegible, incomplete, incorrectly completed or which is accompanied by an improperly drawn remittance or improper form of remittance. Our Company further**

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reserves the right to treat as valid any applications not completed or submitted or effected in all respects in accordance with the instructions set out in the Application Forms or the instructions for Electronic Applications or the terms and conditions of this Offer Document and also to present for payment or other processes all remittances at any time after receipt and to have full access to all information relating to, or deriving from, such remittances or the processing thereof.

10. Our Company reserves the right to reject or to accept, in whole or in part, or to scale down or to ballot any application, without assigning any reason therefor, and no enquiry and/or correspondence on the decision of our Company will be entertained. This right applies to applications made by way of Application Forms and by way of Electronic Applications. In deciding the basis of allotment, which shall be at the discretion of our Company, due consideration will be given to the desirability of allotting the New Shares to a reasonable number of Applicants with a view to establishing an adequate market for our Shares.
11. Share certificates will be registered in the name of CDP and will be forwarded only to CDP. It is expected that CDP will send to you, at your own risk, within 15 Market Days after the close of the Application List, a statement of account stating that your Securities Account has been credited with the number of New Shares allotted to you. This will be the only acknowledgement of application monies received and is not an acknowledgement by our Company. You irrevocably authorise CDP to complete and sign on your behalf as transferee or renounee any instrument and/or other documents required for the issue or transfer of the New Shares allotted to you. This authorisation applies to applications made by way of Application Forms and by way of Electronic Applications.
12. In the event of an under-subscription for the Offer Shares as at the close of the Application List, that number of Offer Shares under-subscribed for shall be made available to satisfy applications for the Placement Shares to the extent that there is an oversubscription for the Placement Shares as at the close of the Application List.

In the event of an under-subscription for the Placement Shares as at the close of the Application List, that number of Placement Shares under-subscribed for shall be made available to satisfy applications for the Offer Shares to the extent that there is an oversubscription for the Offer Shares as at the close of the Application List.

In the event of an over-subscription for the Offer Shares as at the close of the Application List and/or the Placement Shares are fully subscribed or over-subscribed for as at the close of the Application List, the successful applications for the Offer Shares will be determined by ballot or otherwise as determined by our Directors after consultation with the Sponsor, and approved by the SGX-ST (if required).

In all the above instances, the basis of allotment of the Offer Shares as may be decided upon by our Directors in ensuring a reasonable spread of shareholders of our Company, shall be made public, as soon as practicable, via an announcement through the SGX-ST and through a paid advertisement in a local newspaper.

13. You irrevocably authorise CDP to disclose the outcome of your application, including the number of New Shares allotted to you pursuant to your application, to authorised operators, e.g. CDP, our Company, the Sponsor, the Underwriter and the Placement Agent and any other parties so authorised by the foregoing persons.
14. Any reference to “you” or the “Applicant” in this section shall include an individual, a corporation, an approved nominee and trustee applying for the Offer Shares by way of an Offer Shares Application Form or by way of an Electronic Application, or applying for the Placement Shares by way of a Placement Shares Application Form.

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15. By completing and delivering an Application Form or by making and completing an Electronic Application (in the case of an ATM Electronic Application) by pressing the “Enter” or “OK” or “Confirm” or “Yes” or any other relevant key on the ATM (as the case may be) or by (in the case of an Internet Electronic Application) clicking “Submit” or “Continue” or “Yes” or “Confirm” or any other relevant button on the IB website screen of the relevant Participating Banks (as the case may be) in accordance with the provisions of this Offer Document, you:
 - (a) irrevocably offer, agree and undertake to subscribe for the number of New Shares specified in your application (or such smaller number for which the application is accepted) at the Issue Price for each New Share and agree that you will accept such New Shares as may be allotted to you, in each case on the terms of, and subject to the terms and conditions set out in this Offer Document and the Memorandum and Articles of Association of our Company;
 - (b) agree that, in the event of any inconsistency between the terms and conditions for application set out in this Offer Document and those set out in the IB websites or ATMs of the relevant Participating Banks, the terms and conditions set out in this Offer Document shall prevail;
 - (c) agree that the aggregate Issue Price for the New Shares applied for is due and payable to our Company upon application;
 - (d) warrant the truth and accuracy of the information contained, and representations and declarations made, in your application, and acknowledge and agree that such information, representations and declarations will be relied on by our Company in determining whether to accept your application and/or whether to allot any New Shares to you; and
 - (e) agree and warrant that, if the laws of any jurisdictions outside Singapore are applicable to your application, you have complied with all such laws and none of our Company, the Sponsor, the Underwriter and/or the Placement Agent will infringe any such laws as a result of the acceptance of your application.
16. Our acceptance of applications will be conditional upon, *inter alia*, our Company being satisfied that:
 - (a) permission has been granted by the SGX-ST to deal in and for quotation for all our existing Shares, the New Shares and the Performance Shares on Catalist;
 - (b) no stop order has been issued by the Authority under the Securities and Futures Act; and
 - (c) the Management and Underwriting Agreement and the Placement Agreement referred to in the section entitled “Management, Underwriting and the Placement Arrangements” of this Offer Document have become unconditional and have not been terminated or cancelled prior to such date as our Company may determine.
17. We will not hold any applications in reserve.
18. We will not allot Shares on the basis of this Offer Document later than six (6) months after the date of registration of this Offer Document by the SGX-ST acting as agent on behalf of the Authority.
19. Additional terms and conditions for applications by way of Application Forms are set out below.
20. Additional terms and conditions for applications by way of Electronic Applications are set out below.
21. CDP shall not be liable for any delays, failures or inaccuracies in the recording storage or in the transmission or delivery of data relating to Electronic Applications.

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ADDITIONAL TERMS AND CONDITIONS FOR APPLICATIONS USING APPLICATION FORMS

Applications by way of an Application Form shall be made on, and subject to, the terms and conditions of this Offer Document including but not limited to the terms and conditions appearing below, as well as the Memorandum and Articles of Association of our Company.

1. Your application must be made using the **WHITE** Application Form and **WHITE** official envelopes “A” and “B” for Offer Shares, or the **BLUE** Application Form for Placement Shares accompanying and forming part of this Offer Document. We draw your attention to the detailed instructions contained in the respective Application Forms and this Offer Document for the completion of the Application Forms which must be carefully followed. **Our Company reserves the right to reject applications which do not conform strictly to the instructions set out in the Application Forms and this Offer Document or to the terms and conditions of this Offer Document or which are illegible, incomplete, incorrectly completed or which are accompanied by improperly drawn remittances or improper forms of remittances.**
2. Your Application Forms must be completed in English. Please type or write clearly in ink using **BLOCK LETTERS**.
3. All spaces in the Application Forms except those under the heading “**FOR OFFICIAL USE ONLY**” must be completed and the words “**NOT APPLICABLE**” or “**N.A.**” should be written in any space that is not applicable.
4. Individuals, corporations, approved nominee companies and trustees must give their names in full. If you are an individual, you must make your application using your full name as it appears in your identity card (if you have such an identification document) or in your passport and, in the case of corporations, in your full names as registered with a competent authority. If you are not an individual, you must complete the Application Form under the hand of an official who must state the name and capacity in which he signs on the Application Form. If you are a corporation completing the Application Form, you are required to affix your Common Seal (if any) in accordance with your Memorandum and Articles of Association or equivalent constitutive documents. If you are a corporate applicant and your application is successful, a copy of your Memorandum and Articles of Association or equivalent constitutive documents must be lodged with our Company’s Share Registrar and Share Transfer Office. Our Company reserves the right to require you to produce documentary proof of identification for verification purposes.
5.
 - (a) You must complete Sections A and B and sign on page 1 of the Application Form.
 - (b) You are required to delete either paragraph 7(a) or 7(b) on page 1 of the Application Form. Where paragraph 7(a) is deleted, you must also complete section C of the Application Form with particulars of the beneficial owner(s).
 - (c) If you fail to make the required declaration in paragraph 7(a) or 7(b), as the case may be, on page 1 of the Application Form, your application is liable to be rejected.
6. You (whether you are an individual or corporate applicant, whether incorporated or unincorporated and wherever incorporated or constituted) will be required to declare whether you are a citizen or permanent resident of Singapore or a corporation in which citizens or permanent residents of Singapore or any body corporate constituted under any statute of Singapore having an interest in the aggregate of more than 50.0% of the issued share capital of or interests in such corporations. If you are an approved nominee company, you are required to declare whether the beneficial owner of the New Shares is a citizen or permanent resident of Singapore or a corporation, whether incorporated or unincorporated and wherever incorporated or constituted, in which citizens or permanent residents of Singapore or any body corporate whether incorporated or unincorporated and wherever incorporated or constituted under any statute of Singapore have an interest in the aggregate of more than 50.0% of the issued share capital of or interests in such corporation.

APPENDIX G – TERMS, CONDITIONS AND PROCEDURES FOR APPLICATIONS

7. Your application must be accompanied by a remittance in Singapore currency for the full amount payable, in respect of the number of New Shares applied for, in the form of a **BANKER'S DRAFT** or **CASHIER'S ORDER** drawn on a bank in Singapore, made out in favour of "**MAXI-CASH FSC SHARE ISSUE ACCOUNT**" crossed "**A/C PAYEE ONLY**", and with your name and address written clearly on the reverse side. Applications not accompanied by any payment or accompanied by **ANY OTHER FORM OF PAYMENT WILL NOT BE ACCEPTED**. We will reject remittances bearing "**NOT TRANSFERABLE**" or "**NON TRANSFERABLE**" crossings. No acknowledgement or receipt will be issued by our Company or the Sponsor for applications and application monies received.
8. Monies paid in respect of unsuccessful applications are expected to be returned (without interest or any share of revenue or other benefit arising therefrom) to you by ordinary post within 24 hours of balloting of applications at your own risk. Where your application is rejected or accepted in part only, the full amount or the balance of the application monies, as the case may be, will be refunded (without interest or any share of revenue or other benefit arising therefrom) to you by ordinary post at your own risk within 14 days after the close of the Application List, provided that the remittance accompanying such applications have been presented for payment or other processes have been honoured and the application monies have been received in the designated share issue account. In the event that the Invitation is cancelled by us following the termination of the Management and Underwriting Agreement and/or the Placement Agreement, the application monies received will be refunded (without interest or any share of revenue or other benefit arising therefrom) to you by ordinary post at your own risk within 14 days of the termination of the Invitation. In the event that the Invitation is cancelled by us following the issuance of a stop order by the Authority, the application monies received will be refunded (without interest or any share of revenue or other benefit arising therefrom) to you by ordinary post at your own risk within 14 Market Days from the date of the stop order.
9. Capitalised terms used in the Application Forms and defined in this Offer Document shall bear the meanings assigned to them in this Offer Document.
10. By completing and delivering the Application Form, you agree that:
 - (a) in consideration of our Company having distributed the Application Form to you and agreeing to close the Application List at 12.00 noon on 20 June 2012 or such other time or date as our Company may, in consultation with the Sponsor, decide:
 - (i) your application is irrevocable; and
 - (ii) your remittance will be honoured on first presentation and that any application monies returnable may be held pending clearance of your payment without interest or any share of revenue or other benefit arising therefrom;
 - (b) all applications, acceptances and contracts resulting therefrom under the Invitation shall be governed by and construed in accordance with the laws of Singapore and that you irrevocably submit to the non-exclusive jurisdiction of the Singapore courts;
 - (c) in respect of the New Shares for which your application has been received and not rejected, acceptance of your application shall be constituted by written notification and not otherwise, notwithstanding any remittance being presented for payment by or on behalf of our Company;
 - (d) you will not be entitled to exercise any remedy of rescission for misrepresentation at any time after acceptance of your application;
 - (e) in making your application, reliance is placed solely on the information contained in this Offer Document and that none of our Company, the Sponsor, the Underwriter and the Placement Agent or any other person involved in the Invitation shall have any liability for any information not so contained;

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- (f) you consent to the disclosure of your name, NRIC/passport number, address, nationality, permanent resident status, CDP Securities Account number, the share application amount to our Share Registrar, CDP, SCCS, SGX-ST, our Company, the Sponsor, the Underwriter and the Placement Agent or other authorised operators; and
- (g) you irrevocably offer, agree and undertake to subscribe for the number of New Shares applied for as stated in the Application Form or any smaller number of such New Shares that may be allotted to you in respect of your application. In the event that we decide to allot a smaller number of New Shares or not to allot any New Shares to you, you agree to accept such decision as final.

Applications for Offer Shares

1. Your application for Offer Shares **MUST** be made using the **WHITE** Offer Shares Application Form and **WHITE** official envelopes “A” and “B”. **ONLY ONE APPLICATION** should be enclosed in each envelope.
2. You must:
 - (a) enclose the **WHITE** Offer Shares Application Form, duly completed and signed, together with the correct remittance in accordance with the terms and conditions of this Offer Document in the **WHITE** official envelope “A” provided;
 - (b) in the appropriate spaces on **WHITE** official envelope “A”:
 - (i) write your name and address;
 - (ii) state the number of Offer Shares applied for;
 - (iii) tick the relevant box to indicate the form of payment; and
 - (iv) affix adequate Singapore postage;
 - (c) seal the **WHITE** official envelope “A”;
 - (d) write, in the special box provided on the larger **WHITE** official envelope “B” addressed to, B.A.C.S. Private Limited, 63 Cantonment Road, Singapore 089758, the number of Offer Shares you have applied for; and
 - (e) insert **WHITE** official envelope “A” into **WHITE** official envelope “B”, seal **WHITE** official envelope “B”, and affix adequate Singapore postage on **WHITE** official envelope “B” (if dispatching by ordinary post) and thereafter **DESPATCH BY ORDINARY POST OR DELIVER BY HAND the documents at your own risk to**, B.A.C.S. Private Limited, 63 Cantonment Road, Singapore 089758, to arrive by **12.00 noon on 20 June 2012 or such other time as our Company may, in consultation with the Sponsor, decide. Local Urgent Mail or Registered Post must NOT be used.** No acknowledgement of receipt will be issued for any application or remittance received.
3. Applications that are illegible, incomplete or incorrectly completed or accompanied by improperly drawn remittances or improper form or remittance or which are not honoured upon their first presentation are liable to be rejected.
4. **ONLY ONE APPLICATION** should be enclosed in each envelope.

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Applications for Placement Shares

1. Your application for Placement Shares **MUST** be made using the **BLUE** Placement Shares Application Form. **ONLY ONE APPLICATION** should be enclosed in each envelope.
2. The completed and signed **BLUE** Placement Shares Application Form and your remittance in full in respect of the number of Placement Shares applied for (in accordance with the terms and conditions of this Offer Document) with your name and address written clearly on the reverse side, must be enclosed and sealed in an envelope to be provided by you. You must affix adequate Singapore postage on the envelope (if dispatching by ordinary post) and thereafter the sealed envelope must be **DESPATCHED BY ORDINARY POST OR DELIVERED BY HAND at your own risk** to, B.A.C.S. Private Limited, 63 Cantonment Road, Singapore 089758, to arrive by **12.00 noon on 20 June 2012 or such other time as our Company may, in consultation with the Sponsor, decide. Local Urgent Mail or Registered Post must NOT be used.** No acknowledgement of receipt will be issued for any application or remittance received.
3. Applications that are illegible, incomplete or incorrectly completed or accompanied by improperly drawn remittances or improper form of remittance or which are not honoured upon their first presentation are liable to be rejected.

ADDITIONAL TERMS AND CONDITIONS FOR ELECTRONIC APPLICATIONS

The procedures for Electronic Applications are set out on the ATM screens (in the case of ATM Electronic Applications) and the IB website screens (in the case of Internet Electronic Applications) of the relevant Participating Banks.

For illustrative purposes, the procedures for Electronic Application through ATMs of DBS Bank and the IB website of DBS Bank are set out respectively in the “Steps for ATM Electronic Applications for the Offer Shares through ATMs of DBS Bank (including POSB ATMs)” and the “Steps for Internet Electronic Application for the Offer Shares through the IB website of DBS Bank” (collectively, the “Steps”) appearing below. The Steps set out the actions that you must take at an ATM or the IB website of DBS Bank to complete an Electronic Application. Please read carefully the terms of this Offer Document, the Steps and the terms and conditions for Electronic Applications set out below before making an Electronic Application. Any reference to “you” or the “applicant” in this section “Additional Terms and Conditions for Electronic Applications” and the Steps shall refer to you making an application for Offer Shares through an ATM or the IB website of a relevant Participating Bank.

You must have an existing bank account with and be an ATM cardholder of one of the Participating Banks before you can make an Electronic Application at an ATM. An ATM card issued by one Participating Bank cannot be used to apply for Offer Shares at an ATM belonging to other Participating Banks. For an Internet Electronic Application, you must have an existing bank account with and an IB User Identification (“User ID”) and a Personal Identification Number/Password (“PIN”) given by a relevant Participating Bank. The Steps set out the actions that you must take at ATMs or the IB website of DBS Bank to complete an Electronic Application. The actions that you must take at ATMs or the IB websites of other Participating Banks are set out on the ATM screens or the IB website screens of the relevant Participating Banks. Upon the completion of your ATM Electronic Application transaction, you will receive an ATM transaction slip (“Transaction Record”), confirming the details of your Electronic Application. Upon completion of your Internet Electronic Application, there will be an on-screen confirmation (“Confirmation Screen”) of the application which can be printed out for your record. The Transaction Record or your printed record of the Confirmation Screen is for your retention and should not be submitted with any Application Form.

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You must ensure that you enter your own Securities Account number when using the ATM card issued to you in your own name. If you fail to use your own ATM card issued in your own name or if you do not key in your own Securities Account number your application will be rejected. If you operate a joint bank account with any of the Participating Banks, you must ensure that you enter your own Securities Account number when using the ATM card issued to you in your own name. Using your own Securities Account number with an ATM card which is not issued to you in your own name will render your ATM Electronic Application liable to be rejected.

You must ensure, when making an Internet Electronic Application, that your mailing address for the purpose of the application is in Singapore and the application is being made in Singapore and you will be asked to declare accordingly. Otherwise your application is liable to be rejected. In connection with this, you will be asked to declare that you are in Singapore at the time when you make the application.

You shall make an Electronic Application on the terms and conditions of this Offer Document including but not limited to the terms and conditions appearing below as well as the Memorandum and Articles of Association of our Company.

1. In connection with your Electronic Application for Offer Shares, you are required to confirm statements to the following effect in the course of activating the Electronic Application:
 - (a) that you have received a copy of this Offer Document (in the case of ATM Electronic Applications only) and have read, understood and agreed to all the terms and conditions of the application for Offer Shares in this Offer Document prior to effecting the Electronic Application and agree to be bound by the same;
 - (b) that you consent to the disclosure of your name, NRIC/passport number, address, nationality, permanent resident status, CPF Investment Account number (if applicable), CDP Securities Account number, and share application details (the “Relevant Particulars”) by the relevant Participating Bank to the Share Registrar, CDP, SGX-ST, SCCS, CPF, our Company, the Sponsor, the Underwriter and the Placement Agent or other authorised operators (the “Relevant Parties”); and
 - (c) that this is your only application for Offer Shares and it is made in your own name and at your own risk.

Your application will not be successfully completed and cannot be recorded as a completed transaction in the ATM unless you press the “Enter” or “Confirm” or “Yes” or “OK” key or any other relevant key on the ATM or click “Confirm” or “OK” or “Submit” or “Continue” or “Yes” or any other relevant button on the IB website screen. By doing so, you shall be treated as signifying your confirmation of each of the above three statements. In respect of statement 1(b) above, such confirmation, shall signify and shall be treated as your written permission, given in accordance with the relevant laws of Singapore including Section 47(2) of the Banking Act (Chapter 19) of Singapore to the disclosure by the relevant Participating Bank of the Relevant Particulars to the Relevant Parties.

2. **BY MAKING AN ELECTRONIC APPLICATION, YOU CONFIRM THAT YOU ARE NOT APPLYING FOR OFFER SHARES AS A NOMINEE OF ANY OTHER PERSON AND THAT ANY ELECTRONIC APPLICATION THAT YOU MAKE IS THE ONLY APPLICATION MADE BY YOU AS A BENEFICIAL OWNER.**

YOU SHOULD MAKE ONLY ONE ELECTRONIC APPLICATION FOR OFFER SHARES AND SHOULD NOT MAKE ANY OTHER APPLICATION FOR OFFER SHARES, WHETHER AT THE ATMS OR THE IB WEBSITES (IF ANY) OF ANY PARTICIPATING BANK OR ON THE APPLICATION FORMS. IF YOU HAVE MADE AN APPLICATION FOR OFFER SHARES OR PLACEMENT SHARES ON AN APPLICATION FORM, YOU SHALL NOT MAKE AN ELECTRONIC APPLICATION FOR OFFER SHARES AND VICE VERSA.

APPENDIX G – TERMS, CONDITIONS AND PROCEDURES FOR APPLICATIONS

3. You must have sufficient funds in your bank account with your Participating Bank at the time you make your Electronic Application, failing which your Electronic Application will not be completed or accepted. **Any Electronic Application which does not conform strictly to the instructions set out in this Offer Document or on the screens of the ATM or the IB website of the relevant Participating Bank through which your Electronic Application is being made shall be rejected.**
4. You irrevocably agree and undertake to subscribe for and to accept the number of Offer Shares applied for as stated on the Transaction Record or the Confirmation Screen or any lesser number of Offer Shares that may be allotted to you in respect of your Electronic Application.

In the event that our Company decides to allot any lesser number of such Offer Shares or not to allot any Offer Shares to you, you agree to accept such decision as final. If your Electronic Application is successful, your confirmation (by your action of pressing the “Enter” or “Confirm” or “Yes” or “Ok” key or any other relevant key on the ATM or clicking “Confirm” or “OK” or “Submit” or “Continue” or “Yes” or any other relevant button on the IB website screen) of the number of Offer Shares applied for shall signify and shall be treated as your acceptance of the number of Offer Shares that may be allotted to you and your agreement to be bound by the Memorandum and Articles of Association of our Company.

5. **We will not keep any applications in reserve.** Where your Electronic Application is unsuccessful, the full amount of the application monies will be refunded in Singapore currency (without interest or any share of revenue or other benefit arising therefrom) to you by being automatically credited to your account with your Participating Bank within 24 hours after balloting provided that the remittance in respect of such application which has been presented for payment or other processes has been honoured and the application monies have been received in the designated share issue account. **Trading on a “WHEN ISSUED” basis, if applicable, is expected to commence after such refund has been made.**

Where your Electronic Application is rejected or accepted in part only, the full amount or the balance of the application monies, as the case may be, will be refunded in Singapore currency (without interest or any share of revenue or other benefit arising therefrom) to you by being automatically credited to your account with your Participating Bank within 14 days after the close of the Application List, provided that the remittance in respect of such application which has been presented for payment or other processes have been honoured and the application monies have been received in the designated share issue account.

Responsibility for timely refund of application monies arising from unsuccessful or partially successful Electronic Applications lies solely with the respective Participating Banks. Therefore, you are strongly advised to consult your Participating Bank as to the status of your Electronic Application and/or the refund of any monies to you from unsuccessful or partially successful Electronic Application, to determine the exact number of Offer Shares allotted to you before trading of the Shares on the SGX-ST. You may also call CDP Phone at 6535 7511 to check the provisional results of your application by using your T-Pin (issued by CDP upon application for the service) and keying in the stock code (that will be made available together with the results of the allotment via announcement through the SGX-ST and by advertisement in a local English newspaper). To sign up for the service, you may contact CDP customer service officers. Neither the SGX-ST, the CDP, the SCCS, the Participating Banks, our Company, the Sponsor, the Underwriter nor the Placement Agent assumes any responsibility for any loss that may be incurred as a result of you having to cover any net sell positions or from buy-in procedures activated by the SGX-ST.

6. If your Electronic Application is made through an ATM of one of the Participating Banks and is unsuccessful, no notification will be sent by such Participating Bank.

If your Internet Electronic Applications made through the IB website of DBS Bank, UOB Group or OCBC Bank is unsuccessful, no notification will be sent by such Participating Bank.

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If your Electronic Application is made through an ATM or IB website of one of the following Participating Banks, you may check the provisional results of your Electronic Application as follows:

Bank	Telephone	Available at	Operating hours	Service expected from
DBS Bank	1800 339 6666 (POSB account holders) 1800 111 1111 (DBS Bank account holders)	Internet Banking http://www.dbs.com ⁽¹⁾	24 hours a day	Evening of the balloting day
OCBC Bank	1800 363 3333	Phone Banking/ATM/Internet Banking http://www.ocbc.com ⁽²⁾	24 hours a day	Evening of the balloting day
UOB Group	1800 222 2121	ATM (Other Transactions – “IPO Enquiry”) http://www.uobgroup.com ^{(1), (3)}	24 hours a day	Evening of the balloting day

Notes:

- (1) If you have made your Internet Electronic Application through the IB websites of DBS Bank or UOB Group, you may check the results through the same channels listed in the table above in relation to ATM Electronic Applications made at ATMs of DBS Bank or UOB Group.
- (2) If you have made your Electronic Application through the ATMs or IB website of OCBC Bank, you may check the results of your application through OCBC Personal Internet Banking, OCBC ATMs or OCBC Phone Banking services.
- (3) If you have made your Electronic Application through the ATMs or IB website of UOB Group, you may check the results of your application through UOB Personal Internet Banking, UOB Group’s ATMs or UOB Phone Banking services.

7. **Electronic Applications shall close at 12.00 noon on 20 June 2012 or such other time or date as our Company may, in consultation with the Sponsor, decide.** Subject to paragraph 9 below, an Internet Electronic Application is deemed to be received when it enters the designated information system of the relevant Participating Bank.
8. You are deemed to have irrevocably requested and authorised us to:
 - (a) register the Offer Shares allotted to you in the name of CDP for deposit into your Securities Account as entered by you;
 - (b) send the relevant Share certificate(s) to CDP;
 - (c) return or refund (without interest or any share of revenue or other benefit arising therefrom) the application monies in Singapore currency, should your Electronic Application be unsuccessful, by automatically crediting your bank account with your Participating Bank with the relevant amount within 24 hours after of balloting of applications; and
 - (d) return or refund (without interest or any share of revenue or other benefit arising therefrom) the balance of the application monies in Singapore currency, should your Electronic Application be accepted in part only, by automatically crediting your bank account with your Participating Bank with the relevant amount within 14 Market Days of balloting of applications.

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9. You irrevocably agree and acknowledge that your Electronic Application is subject to risks of electrical, electronic, technical and computer-related faults and break downs, fires, acts of God and other events beyond the control of the Participating Banks and if, in any such event, our Company, the Sponsor and/or the relevant Participating Bank does not receive your Electronic Application, or data relating to your Electronic Application is lost, corrupted or not otherwise accessible, whether wholly or partially for whatever reason, you shall be deemed not to have made an Electronic Application and you shall have no claim whatsoever against our Company, the Sponsor, the Underwriter and the Placement Agent and/or the relevant Participating Bank for Offer Shares applied for or for any compensation, loss or damage.
10. We do not recognise the existence of a trust. Any Electronic Application by a trustee must be made in your own name and without qualification. Our Company will reject any application by any person acting as nominee except those made by approved nominee companies only.
11. All your particulars in the records of your Participating Bank at the time you make your Electronic Application shall be deemed to be true and correct and your Participating Bank and the Relevant Parties shall be entitled to rely on the accuracy thereof. If there has been any change in your particulars after the time of the making of your Electronic Application, you shall promptly notify your Participating Bank.
12. **You should ensure that your personal particulars as recorded by both CDP and the relevant Participating Bank are correct and identical; otherwise, your Electronic Application is liable to be rejected.** You should promptly inform CDP of any change in address, failing which the notification letter on successful allotment will be sent to your address last registered with CDP.
13. By making and completing an Electronic Application, you are deemed to have agreed that:
 - (a) in consideration of us making available the Electronic Application facility, through the Participating Banks acting as our agents, at the ATMs and the IB websites (if any)
 - (i) your Electronic Application is irrevocable; and
 - (ii) your Electronic Application, our acceptance and the contract resulting therefrom under the Invitation shall be governed by and construed in accordance with the laws of Singapore and you irrevocably submit to the non-exclusive jurisdiction of the Singapore courts;
 - (b) neither our Company, the Sponsor, the Underwriter and the Placement Agent nor the Participating Banks shall be liable for any delays, failures or inaccuracies in the recording, storage or in the transmission or delivery of data relating to your Electronic Application to our Company or CDP due to a breakdown or failure of transmission, delivery or communication facilities or any risks referred to in paragraph 9 above or to any cause beyond their respective controls;
 - (c) in respect of Offer Shares for which your Electronic Application has been successfully completed and not rejected, acceptance of your Electronic Application shall be constituted by written notification by or on behalf of our Company and not otherwise, notwithstanding any payment received by or on behalf of our Company;
 - (d) you will not be entitled to exercise any remedy of rescission or misrepresentation at any time after acceptance of your application; and
 - (e) in making your application, reliance is placed solely on the information contained in this Offer Document and neither our Company, the Sponsor, the Underwriter and the Placement Agent nor any other person involved in the Invitation shall have any liability for any information not so contained.

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STEPS FOR ATM ELECTRONIC APPLICATIONS FOR THE OFFER SHARES THROUGH ATMS OF DBS BANK (INCLUDING POSB ATMS)

Instructions for ATM Electronic Applications will appear on the ATM screens of the Participating Banks. For illustration purposes, the steps for making an ATM Electronic Application through a DBS Bank ATM (including POSB ATM) are shown below. Certain words appearing on the screen are in abbreviated form (“A/c”, “amt”, “appln”, “&”, “I/C”, “SGX” and “No.” refer to “Account”, “amount”, “application”, “and”, “NRIC”, “SGX-ST” and “Number” respectively). Instructions for ATM Electronic Applications on the ATM screens of Participating Banks (other than DBS Bank (including POSB ATMs)), may differ slightly from those represented below.

Steps

1. Insert your personal DBS Bank or POSB ATM Card.
2. Enter your Personal Identification Number.
3. Select “More Services”.
4. Select Language (for customers using multi-language card).
5. Select “ESA-IPO Share/SGS/Investments”.
6. Select “Electronic Security Appln (IPOs/Bond/ST-Notes/Securities)”.
7. Read and understand the following statements which will appear on the screen:
 - (IN THE CASE OF SECURITIES OFFERING THAT IS SUBJECT TO A PROSPECTUS REGISTERED WITH THE MONETARY AUTHORITY OF SINGAPORE) THE OFFER OF SECURITIES (OR UNITS OF SECURITIES) WILL BE MADE IN, OR ACCOMPANIED BY A COPY OF THE PROSPECTUS/DOCUMENT OR PROFILE STATEMENT (AND IF APPLICABLE, A COPY OF THE REPLACEMENT OR SUPPLEMENTARY PROSPECTUS/DOCUMENT OR PROFILE STATEMENT) WHICH CAN BE OBTAINED FROM ANY DBS/POSB BRANCH IN SINGAPORE AND, WHERE APPLICABLE, THE VARIOUS PARTICIPATING BANKS DURING BANKING HOURS, SUBJECT TO AVAILABILITY.
 - (IN THE CASE OF SECURITIES OFFERING THAT IS SUBJECT TO A PROSPECTUS REGISTERED WITH THE MONETARY AUTHORITY OF SINGAPORE) ANYONE WISHING TO ACQUIRE THESE SECURITIES (OR UNITS OF SECURITIES) SHOULD READ THE PROSPECTUS/DOCUMENT OR PROFILE STATEMENT (AS SUPPLEMENTED OR REPLACED, IF APPLICABLE) BEFORE SUBMITTING HIS APPLICATION WHICH WILL NEED TO BE MADE IN THE MANNER SET OUT IN THE PROSPECTUS/DOCUMENT OR PROFILE STATEMENT (AS SUPPLEMENTED OR REPLACED, IF APPLICABLE). A COPY OF THE PROSPECTUS/ DOCUMENT OR PROFILE STATEMENT, AND IF APPLICABLE, A COPY OF THE REPLACEMENT OR SUPPLEMENTARY PROSPECTUS/DOCUMENT OR PROFILE STATEMENT HAS BEEN LODGED WITH AND REGISTERED BY THE MONETARY AUTHORITY OF SINGAPORE WHO ASSUMES NO RESPONSIBILITY FOR ITS OR THEIR CONTENTS.
 - (IN THE CASE OF A SECURITIES OFFERING THAT DOES NOT REQUIRE A PROSPECTUS TO BE REGISTERED WITH THE MONETARY AUTHORITY OF SINGAPORE) THE OFFER OF SECURITIES (OR UNITS OF SECURITIES) MAY BE MADE IN A NOTICE PUBLISHED IN A NEWSPAPER AND/OR A CIRCULAR/ DOCUMENT DISTRIBUTED TO SECURITY HOLDERS. ANYONE WISHING TO ACQUIRE SUCH SECURITIES (OR UNITS OF SECURITIES) SHOULD READ THE NOTICE/CIRCULAR/ DOCUMENTS BEFORE SUBMITTING HIS APPLICATION, WHICH WILL NEED TO BE MADE IN THE MANNER SET OUT IN THE NOTICE/CIRCULAR/DOCUMENT.
 - Press the “ENTER” key to confirm that you have read and understood.

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8. Select “MAXICASH” to display details.
9. Press the “ENTER” key to acknowledge:
 - YOU HAVE READ, UNDERSTOOD AND AGREED TO ALL TERMS OF THE APPLICATION AND (WHERE APPLICABLE) PROSPECTUS, DOCUMENT OR PROFILE STATEMENT, AND IF APPLICABLE, THE REPLACEMENT OR SUPPLEMENTARY PROSPECTUS/ DOCUMENT/ PROFILE STATEMENT, NOTICE AND/OR CIRCULAR.
 - YOU CONSENT TO DISCLOSE YOUR NAME, NRIC/PASSPORT NO., ADDRESS, NATIONALITY, CDP SECURITIES A/C NO., CPF INVESTMENT A/C NO. AND SECURITY APPLN AMOUNT FROM YOUR BANK A/C(S) TO SHARE AND SHARE APPLN AMOUNT FROM YOUR BANK A/C(S) TO SHARE REGISTRARS, SGX, SCCS, CDP, CPF, ISSUER/ VENDORS.
 - FOR FIXED AND MAX PRICE SECURITIES APPLICATION, THIS IS YOUR ONLY APPLICATION AND IT IS MADE IN YOUR OWN NAME AND AT YOUR OWN RISK.
 - THE MAXIMUM PRICE FOR EACH SHARE IS PAYABLE IN FULL ON APPLICATION AND SUBJECT TO REFUND IF THE FINAL PRICE IS LOWER.
 - FOR TENDER SECURITIES APPLICATION, THIS IS YOUR ONLY APPLICATION AT THE SELECTED TENDER PRICE AND IS MADE IN YOUR OWN NAME AND AT YOUR OWN RISK.
 - YOU ARE NOT A U.S. PERSON AS REFERRED TO IN (WHERE APPLICABLE) THE PROSPECTUS, DOCUMENT, PROFILE STATEMENT, REPLACEMENT OR SUPPLEMENTARY PROSPECTUS/DOCUMENT, PROFILE STATEMENT, NOTICE AND/OR CIRCULAR.
 - THERE MAY BE A LIMIT ON THE MAXIMUM NUMBER OF SECURITIES THAT YOU CAN APPLY FOR SUBJECT TO AVAILABILITY, YOU MAY BE ALLOCATED A SMALLER NUMBER OF SECURITIES THAN YOU APPLIED FOR OR (IN THE CASE OF AN EARLIER CLOSURE UPON FULL SUBSCRIPTION) YOUR APPLICATION MAY BE REJECTED IF ALL THE AVAILABLE SECURITIES HAVE BEEN FULLY ALLOCATED TO EARLIER APPLICANTS.
10. Select your nationality.
11. Select your payment method (i.e. by cash, CPF Funds, or a combination of cash and CPF Funds).
12. Select the DBS Bank account (Autosave/Current/Savings/Savings Plus) or the POSB account (Current/Savings) from which to debit your application monies.
13. Enter the number of securities you wish to apply for using cash.
14. Enter the number of securities you wish to apply for using CPF Funds (if applicable).
15. Enter or confirm (if your CDP Securities Account number has already been stored in DBS Bank’s records) your own 12-digit CDP Securities Account number (Note: This step will be omitted automatically if your Securities Account number has already been stored in DBS Bank’s records).
16. Check the details of your securities application, your NRIC or passport number, CDP Securities Account number, number of securities and application amount on the screen and press the “ENTER” key to confirm your application.
17. Remove the Transaction Record for your reference and retention only.

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STEPS FOR INTERNET ELECTRONIC APPLICATION FOR THE OFFER SHARES THROUGH THE IB WEBSITE OF DBS BANK

For illustrative purposes, the steps for making an Internet Electronic Application through the DBS Bank IB website is shown below. Certain words appearing on the screen are in abbreviated form (“A/c”, “amt”, “&”, “I/C”, “SGX” and “No.” refer to “Account”, “amount”, “and”, “NRIC”, “SGX-ST” and “Number” respectively).

Steps

1. Click on to DBS Bank website at <http://www.dbs.com>.
2. Login to Internet banking.
3. Enter your User ID and PIN.
4. Select “Electronic Security Application (ESA)”.
5. Click “Yes” to proceed and to warrant, *inter alia*, that you are currently in Singapore, you have observed and complied with all applicable laws and regulations and that your mailing address for DBS Internet Banking is in Singapore and that you are not a U.S. person (as such term is defined in Regulation S under the United Securities Act of 1933 as amended).
6. Select your country of residence and click “I confirm”.
7. Click on “MAXICASH” and click the “Submit” button.
8. Click “I Confirm” to confirm, *inter alia*:
 - (a) You have read, understood and agreed to all terms of application and the Prospectus/Document or Profile Statement and if applicable, the Supplementary or Replacement Prospectus/Document or Profile Statement.
 - (b) You consent to disclose your name, I/C or passport number, address, nationality, CDP Securities Account number, CPF Investment Account number (if applicable) and securities application amount from your DBS/POSB Account(s) to registrars of securities, SGX, SCCS, CDP, CPF Board and issuer/vendors.
 - (c) You are not a U.S. Person (as such term is defined in Regulation S under the United States Securities Act of 1933, as amended).
 - (d) You understand that the securities mentioned herein have not been and will not be registered under the United States Securities Act of 1933 as amended (the “US Securities Act”) or the securities laws of any state of the United States and may not be offered or sold in the United States or to, or for the account or benefit of any “U.S. person” (as defined in Regulation S under the US Securities Act) except pursuant to an exemption from or in a transaction subject to, the registration requirements of the US Securities Act and applicable state securities laws. There will be no public offer of the securities mentioned herein in the United States. Any failure to comply with this restriction may constitute a violation of the United States securities laws.
 - (e) This application is made in your own name and at your own risk.
 - (f) For FIXED/MAX price securities application, this is your only application. For TENDER price securities application, this is your only application at the selected tender price.

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- (g) FOR FOREIGN CURRENCY Securities, subject to the terms of the issue, please note the following: the application monies will be debited from your bank account in S\$, based on the Bank's prevailing board rates at the time of application. Any refund monies will be credited in S\$ based on the Bank's prevailing board rates at the time of refund. The different prevailing board rates at the time of application and the time of refund of application monies may result in either a foreign exchange profit or loss or application monies may be debited and refund credited in S\$ at the same exchange rate. FOR 1ST-COME-1ST-SERVE securities, the number of securities applied for may be reduced, subject to availability at the point of application.
9. Fill in details for share application and click "I Confirm".
10. Check the details of your share application, your I/C/Passport No. and click "OK" to confirm your application.
11. Print Confirmation Screen (optional) for your reference & retention only.



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