



**IPO STATISTICS**

IPO Price (RM)	0.24
Fund Raised (RM million)	64.22 from new issue 10.32 from offer for sale <b>TOTAL: 74.54</b>
Enlarged issued share capital upon listing (million shares)	1,114.90
IPO Market Capitalisation (RM million)	267.58
Price Earnings Ratio (PER)	13.3x

Use of Proceed (RM64.22 million from new issue)

Proceed Utilisation	RM million
Expansion of pawnshops	20.00
Cash capital for pawnbroking business	30.00
Repayment of bank borrowings	4.00
Working capital	5.62
Estimated listing expenses	4.60

**BUSINESS OVERVIEW**

Business Activities

Evergreen Max Cash Capital Group (EMCC) is principally involved in the provision of pawnbroking services, gold and luxury products retail and trading as well as pawnbroking consultancy and IT solutions. Its principal market is Malaysia.

- **Pawnbroking services** through its network of 22 “Pajaking” pawnshops which are licensed by Ministry of Housing and Local Government of Malaysia (KPKT). It offers pawn loan with monthly interest rate and administrative fees chargeable to its pawnbroking customers comprising individuals aged 18 and above. The items accept as collaterals are valuable items such as gold jewellery, minted gold bars and luxury products.
- **Gold and luxury products retail and trading business** to complement its pawnbroking business. The Group mainly procure pre-owned gold and luxury products from sales of unredeemed pledged items under its pawnbroking business, which accounted for 85% of supplies under the segment in 2022 while 14% comes from third-party pawnshops, gold trading companies and individuals at its “Cahaya Gold” retail outlets which located at Jalan Chan Sow Lin, Jalan Genting Kelang and Ampang in Kuala Lumpur. The Group also procure customised new gold products. Besides retail outlets, the Group sells its products through its Cahaya Gold’s website, social media and ecommerce platforms.
- **Pawnbroking consultancy and IT solution services** to third-party pawnbrokers on setting-up of pawnshops, business models, training of staff, operations support, pawn processing system. Monthly fees is charged based on number of pawn transactions processed under its pawn processing system.

Competitive Strengths

- **Serve the unbanked and underbanked population.**
- **Network of 22 pawnshops** which are strategically located in areas with high foot traffic and commercial activity, and adhere to the regulations and guidelines issued by KPKT. Of this, 19 pawnshops are located in the Klang Valley while 3 pawnshops are located in Negeri Sembilan and Pahang.
- **Experienced and committed Executive Directors and key management personnel.**
- **Proprietary pawn processing system for recording of details and photos of pledged items, pawn ticket details, customers’ personal details, pawn loans amount and interest to enhance its operational efficiency and standardize its operating procedures.**

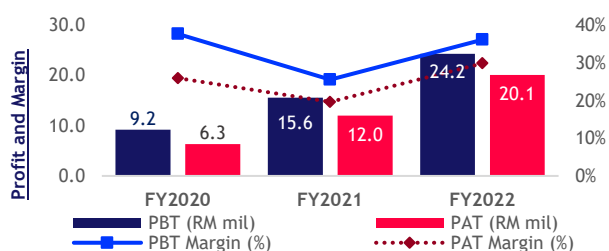
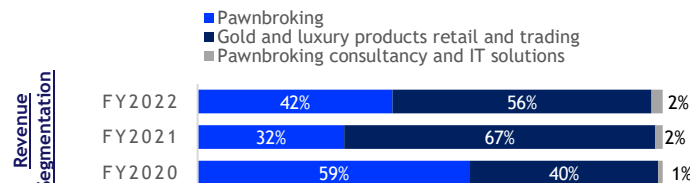
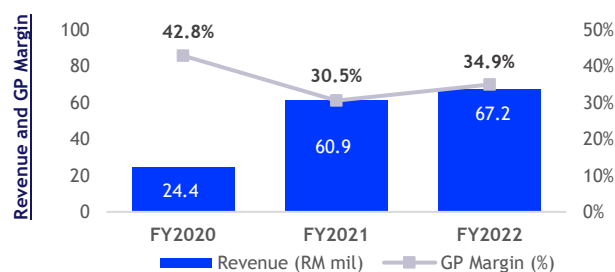
Market Share

- In 2022, EMCC Group garnered a market share of 3.3% based on the total value of pawn loans disbursed in Malaysia and market share of 6.9% based on its pawn loans disbursed in the 4 states the Group operates, i.e. Selangor, Kuala Lumpur, Negeri Sembilan and Pahang.

**GROWTH STRATEGIES AND FUTURE PLANS**

- **Continue expanding its pawnbroking business** with 5 new ‘Pajaking’ pawnshops in Kuala Lumpur, Selangor and Pahang.
- **Increase market visibility of its gold and luxury products retail and trading business** via digital marketing, essentially in online advertising and promotions to enhance its digital presence.

**FINANCIAL PERFORMANCE & PEER ANALYSIS**



	FY2020	FY2021	FY2022
Total pawn loans disbursed (RM' mil)	180	242	351
Total no. of pawn transactions	121,306	155,201	207,359
Average pawn loan value (RM)	1,480	1,562	1,694
Average pawn loan period (month)	4.7	4.7	4.5
Default rate (%)	7.6	8.8	11.7

Company	PAT Margin (%)	PER (x)
Evergreen Max Cash Capital (EMCC) Group	29.80	13.3
Pappajack Holdings Berhad	14.46	45.1

Note: Selected local listed peers as identified in the Independent Market Research Report. PAT margin based on prospectus and annual reports. Trailing 12 month PER data from Bloomberg at time of research except for EMCC PER at IPO.

## PROMOTERS & SUBSTANTIAL SHAREHOLDERS

Promoter/ Substantial Shareholder	Designation	Shareholding after IPO (%)	
		Direct	Indirect
Tirai Anggerik Sdn Bhd	Promoter and substantial shareholder. Investment holding	55.6	-
Dato' Low Kok Chuan	Promoter and substantial shareholder. Group Managing Director	-	55.6
Datin Tea Guat Ngo	Promoter and substantial shareholder. Executive Director	-	55.6
Low Kai Loon	Promoter. Executive Director	-	-
Low Kok Hu	Substantial shareholder	-	55.6
Tee Kian Heng	Substantial shareholder	1.7	3.3

## KEY RISK FACTORS

- Pawnbroking business is subject to regulatory requirements, notably the Pawnbrokers Act.
- Requirement to maintain and renew pawnbroker's licences for each of its 22 pawnshops.
- Dependent on cash capital to operate and grow pawnbroking business
- Its USD5.0 million unsecured borrowing as the cash capital of its pawnbroking business requires the Group to achieve PAT of USD3.0 million (RM13.5 million) for FY2022 and USD3.5 million (RM15.8 million) for FY2023 to FY2026 respectively. The outstanding borrowing and all accrued interest will immediately become due and payable if the said PAT targets are not achieved.
- Subject to the volatility of gold prices
- Exposure to unlawful and suspicious transactions
- Dependent on its Executive Directors and key management personnel
- Dependent of trustworthy, skilled and reliable personnel
- Exposure to physical security risks
- Pawn processing system subjected to security breaches and system disruptions or breakdowns

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